

**Discretionary Effort and Performance in Korean Bank Branches:
The Impact of Identification and Norms**

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London School of Economics and Political Science**

1999

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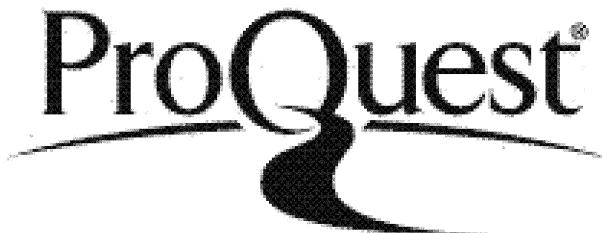
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**Discretionary Effort and Performance in Korean Bank Branches:
The Impact of Identification and Norms**

by Chagab Kim

Submitted for a Doctor of philosophy Degree
Faculty of Economics
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The London School of Economics and Political Science
University of London
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Abstract

This thesis seeks to explain the phenomenon of discretionary effort in Korean bank branches in terms of its antecedents and outcomes. Specifically, it has the following main objectives: First, it seeks to test whether or not discretionary effort in Korea can be explained in terms of the five motivation mechanisms identified by Benkhoff (1994)- need theories, positive work disposition, intrinsic motivation, behavioural commitment and social exchange theory by replicating her model, which originally functioned in the German context. The statistical results confirm that some of the motivation mechanisms function in the Korean context, such as the need for achievement, the need for esteem, and behavioural commitment, but others, such as work disposition, intrinsic motivation and social exchange theory, do not apply to the Korean context. This implies that the universality of motivation theories can be affected by national culture.

Secondly, the thesis investigates the impact of group motivation mechanisms, in particular group norms and identification, on employees' discretionary effort and performance in Korean bank branches. This is because group motivation is not the same as individual motivation, since there is more to a group than the sum of the individuals who comprise it, although norms and identification as group motivation mechanisms can partly be explained by the individual motivation theories identified by Benkhoff (1994). For this reason, group motivation mechanisms are here treated as having an alternative and independent explanatory power for discretionary effort. Statistical results confirm that group motivation mechanisms are indeed independent of the five individual motivation theories. With regards to the relationship with discretionary effort, multiple-regression analysis demonstrates that employees' identification with their work organisation and some discretionary effort-promoting norms have a significant impact on discretionary effort of employees in Korea.

Thirdly, the thesis examines the relationship between discretionary effort and financial performance in the service context. It is shown that there is a significant link in the Korean context. Finally, this thesis seeks to investigate the similarities and differences between motivation mechanisms to ensure whether or not they have their own explanatory power.

It is concluded that employees' discretionary effort and performance in Korean bank branches are strongly affected not only by individual motivation mechanisms, but also by group motivation mechanisms such as norms and identification.

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Chapter 1 The Phenomenon of Discretionary Effort

This chapter mainly focuses on (1) the explanation of why discretionary effort should be regarded as important in organisations; and (2) the conceptual clarification of discretionary effort which is similar to several relevant concepts in the literature: first, the relationship between discretionary effort and organisational commitment; second, the relationship between discretionary effort and pro-social behaviour and organisational citizenship behaviour.

1.1 Why is Discretionary Effort Important?

For many years organisational scholars have recognised the importance of the discretionary effort of employees which goes beyond delineated role expectations. Such effort clearly benefits the organisation and may be an important key to organisational effectiveness and success. (see for example, Barnard, 1938; Katz, 1964; Katz and Kahn, 1978). However, there have been little research on this subject. Only recently have the conceptual and empirical efforts of some authors concerning extra-role behaviour, including pro-social behaviour and organisational citizenship behaviour, proved extremely helpful in understanding discretionary effort (see, for example, Organ, 1988; Organ and Konovsky, 1989; Puffer, 1987). Discretionary effort may be seen as a subset of the broader category of behaviours labelled pro-social and thus involves spontaneous behaviour, including co-operative gestures, actions protective of the system, and behaviour that enhances the external image of the organisation.

Individual roles in organisations are crucial in thinking about work and work behaviour. Roles represent expected behaviours and form the foundation of job descriptions, expectations and stereotypes. They specify the basis for evaluating job performance and selection as well as for determining whether employees have met or

exceeded role expectations. An implicit assumption in the study of work performance has been that performance outcomes are dependent on role behaviour associated with specific tasks and are governed by organisational appraisal and reward systems (see Iaffaldano and Muchinsky 1985). Yet a work role encompasses a diversity of behaviour. As Katz (1964) argues, the dependable performance of one's prescribed role may not be a guarantee of organisational effectiveness. It must be supplemented by discretionary behaviours initiated by organisational members in reaction to unanticipated events. This is because for an increasing proportion of organisations the environment has become less stable, requiring a capacity for rapid adjustment and an ability to respond flexibly to specific and varied customer demands. To meet these demands swiftly and effectively organisations require employees' discretionary effort which goes beyond the formal in-role description, especially in terms of the extent to which activity is intrinsically co-operative.

The concept of discretionary effort is similar to the notions of pro-social organisational behaviour (Brief and Motowidlo, 1986; Puffer, 1987) and organisational citizenship behaviour (Bateman and Organ, 1983), though it is different in the sense that it denotes various individual behaviours that contribute to the organisation but are not part of the more traditional performance-enhancing control mechanisms. Such work behaviours are beyond the scope of traditional measures of job performance but, since they hold promise for long-term organisational success, are now receiving increasing theoretical attention as the challenge of global competition highlights the importance of organisational innovation, flexibility, productivity and responsiveness to changing external conditions. Discretionary effort represents constructive or co-operative gestures that are neither mandatory in-role behaviours nor directly or contractually compensated by formal reward systems. The presumption is that many of these contributions, aggregated over time and persons, greatly enhance organisational effectiveness. However, this presumption seems to rest more on its plausibility than an direct empirical support. These behaviours, in effect, place more resources at the disposal of the organisation and obviate the need for costly formal mechanisms to provide functions otherwise rendered informally by discretionary effort. The theoretical

significance of discretionary effort lies in the observation that it can not be accounted for by the normal incentives that sustain in-role behaviour.

In terms of management strategies, since discretionary effort is related to employees' high involvement in their organisation, it can be regarded as a highly significant alternative to traditional control mechanisms (e.g. the rewards system and job description). This is because traditional control mechanisms are concerned with obtaining standard performance rather than maximising or continually improving performance. One of the merits of the traditional control system is its concern for fairness; but mechanisms for ensuring fairness, such as job specifications and job evaluation-based payment systems can in practice become mechanisms for reinforcing rigidity. As a result the system as a whole may prove to be inefficient and inflexible. According to Mintzberg (1983), any management imposes some systems of control to ensure the standardisation of performance. He cites five main systems: informal communication between workers, direct supervision, standardisation of work processes, standardisation of outputs and standardisation of knowledge and skills. This implies that a traditional control system is likely to emphasise direct supervision, work processes and outputs. This requires bureaucratic systems based on hierarchy, inspection, and mechanisms for standardisation, features reflected in their most refined form in the traditional assembly lines of large mass production organisations. These elements may represent inefficiencies, in the sense that if top management believe that they have employees who exert high discretionary effort, they can dispense with many of the formal controls. Thus the notion of discretionary effort raises critical issues relating to the management of human resources. Recently, some managers have attempted to make the transition from the use of traditional control mechanisms to high involvement management strategies (e.g. leading to enhanced commitment or pro-social behaviour) in managing human resources because those strategies which can lead employees to exert discretionary effort may have a significant impact on individual satisfaction and organisational effectiveness.

Since employment contracts cannot normally be phrased precisely to allow for every contingency, and since managers have only imperfect information about each

subordinate's work and working conditions, in practice employees have considerable scope to behave opportunistically. There are obvious advantages to be gained since employees who exert discretionary effort do not require expensive monitoring, and external control systems (e.g. quality checks, work flow, incentive pay) are diminished by the greater role of internal psychological mechanisms. Such internal control tends to be regarded as both more effective and potentially cheaper. Moreover, the absence of discretionary effort may result in considerable costs in terms of tardiness and extra supervision. For these reasons, much research focuses on discretionary effort as an indicator of performance which is quite different from traditional performance concepts such as that of individual job performance (or productivity). Staw (1984) has stressed the narrowness of much research on job satisfaction and performance while also suggesting re-formulations of these links that would guide researchers away from well-worn paths into more promising areas. He calls attention to discretionary effort such as co-operative or pro-social behaviours within the organisational context as a fruitful variation on the concept of individual performance. There has recently been a growing research interest in discretionary effort, e.g. in terms of important relationships between extra-role behaviours and other constructs such as satisfaction (Bateman and Organ, 1983), commitment (O'Reilly and Chatman, 1986), perceptions of fairness (Farh, Podsakoff, and Organ, 1988; Folger, 1993), perceptions of pay equity (Organ and Konovsky, 1989), individual performance (George and Bettenhausen, 1990), global performance (Graham, 1991), leaders behaviours (Podsakoff et al., 1990), covenantal relationships (Van Dyne et al., 1994).

In service contexts like the banking industry, where the present research project was conducted, employees' discretionary effort may be one of the most significant factors related to success in terms of high performance. This is because employees' discretionary effort (e.g. as expressed in the active suggestion by employees of bank products or their polite behaviour) may have a considerable impact on customers' satisfaction and behaviour and consequently may lead to high branch performance in the long run. Accordingly, what makes employees exert discretionary effort becomes an increasingly important issue. Once the mechanisms that create discretionary effort

are known, organisations may use discretionary effort as a source of power or authority over individuals.

1.2 Conceptual Confusion

1.2.1 The Definition of Discretionary Effort

The concept of discretionary effort used here is rooted in Benkhoff's (1994) definition of work commitment: "the outcome of a set of motivational mechanisms, apart from calculation, which induces employees to act in support of their task or their organisation in a way that exceeds the requirements for keeping the job" (p.185). This definition encompasses the following two main elements: (1) effort that exceeds the level required to maintain the job; (2) non-calculative and voluntary actions. This definition, which refers to extra effort, is re-conceptualised as work commitment by Benkhoff (1994). She argues that there is not much point in distinguishing between different commitment objects (e.g. work, job commitment, profession commitment) and that commitment should be treated in terms of behavioural aspects rather than attitudes. However, this approach does not seem to be convincing for the following main reasons:

- (1) Benkhoff does not provide strong theoretical grounds for the view that organisational commitment is equivalent to work commitment, despite the fact that there is a clear conceptual difference between the two: her justification is based on a mean correlation coefficient (.43) reported by Mathiew and Zajac (1990), which may imply that there is a certain degree of overlap between two concepts.
- (2) Benkhoff's view is that work commitment should be treated with behaviour representing extra effort as one of the dimensions of organisational commitment: according to Porter et al., (1977), organisational commitment consists of shared values (identification), *extra effort* and the desire to stay in employment. However, concerning Porter et al.'s definition, it is not clear whether extra effort is included in their definition because the authors focus on "an individual's identification with and involvement in a particular organisation...." (p.27). The problem of this definition

may be due simply to the wrong assumption that identification expressed in attitudes always leads to subsequent behavioural results such as extra effort or the desire to stay in employment. Since attitudes are not always indicators of behaviour, this definition may not avoid internal contradictions because, although identification are more likely to lead to extra effort or the desire to stay in the organisation, they do *not always* lead to such extra effort. Hence, extra effort and the desire to stay are better characterised in terms of *the results* of identification or (they may be correlated), rather than as part of the actual definition of organisational commitment. This implies that identification may be correlated to extra effort or the desire to stay in the organisation, but may not be congruent with them. This argument is well supported Benkhoff's empirical research (1996) which suggests that the three assumed dimensions listed by Porter et al., do not have a strong underlying factor in common.

(3) Theoretically, Benkhoff's view that the definition of commitment should be treated as having a single behavioural dimension such as extra effort is based on Bem's (1972) self-perception theory. This theory implies that individuals come to know their own attitudes and emotions by inferring them from their own overt behaviour and by considering the circumstances under which that behaviour occurs. The theory also suggests that some respondents infer their commitment from the way they behave towards the organisation. Questionnaire items referring to behaviour tend to give them cues as to how to respond to statements about their emotional relationship to the company. This implies that employees' behaviour is influenced not so much by their emotions or opinions, but by their initial behaviour. Benkhoff's definition, in some sense, may be partly useful because in some cases human behaviour is not simply the result of attitudes, as suggested by self-perception theory. However, Benkhoff's approach may not be helpful in defining the concept of commitment in terms of behaviour because: (a) attitudes or cognition can still be powerful, independent concepts in predicting human behaviour, rather than being inferred from human behaviour; (b) there may be no strong or convincing reason why it is necessary to relate the concept of commitment to the unhelpful classical debate about whether the attitude or behaviour comes first: another

theoretical justification for Benkhoff's behavioural approach is based on the difficulty involved in measuring commitment in terms of attitudes.

(4) Benkhoff attempts to measure commitment in terms of committed behaviour, particularly towards work. This approach is supported by Weiner and Gechman (1977): "Commitment behaviours are socially accepted behaviours that exceed formal and/ or normative expectations relevant to the object of commitment" (p.48). However, the authors do not mention whether the concept of commitment is based on attitude or behaviour. According to the definition of Weiner and Gechman, the concept of commitment must be distinguished from that "commitment behaviour". "Commitment behaviour" may be behaviour that exceeds formal normative expectations and refers to extra effort resulting from the concept of commitment itself.

(5) In a practical sense, since Benkhoff's definition of commitment is not clearly different from that of extra-role behaviour, the result is conceptual redundancy. Without analysing further whether or not Benkhoff's definition of commitment as extra effort is convincing, this research adopts the basic concept of extra effort as an important element of discretionary effort. Discretionary effort as extra effort can be interpreted in terms of *(a) extra work effort or (b) extra-role behaviour*. Even though Benkhoff seems to focus on extra work effort beyond the in-role job description, this research also includes extra-role behaviour as discretionary effort. Extra-role behaviour (including pro-social organisational behaviour and organisational citizenship behaviour) is defined as "behaviour which benefits the organisation and/ or is intended to benefit the organisation, which is discretionary and which goes beyond existing role expectations" (Van Dyne et al., 1995, p.218). Benkhoff's definition offers a broader concept than that of extra-role behaviour because it focuses on extra work effort, while the idea of pro-social behaviour and citizenship behaviour emphasise different extra-roles. For these reasons, the concept of discretionary effort can be defined in terms of extra-role behaviour and extra work effort (work commitment in Benkhoff's terms, 1994). This conceptualisation, however, raises the following question: If it is not useful to equate work commitment with extra effort or discretionary effort, what exactly is the relationship between them (especially between commitment and organisational

citizenship behaviour)? In order to answer this question, it is essential to establish the concept of commitment, to identify clearly the concept of discretionary effort, and thus to make it possible to identify the relationship between organisational commitment and discretionary effort.

1.2.2 The Integration of the Concepts of Organisational Commitment

What actually is organisational commitment and its relationship with discretionary effort? Although there has been much research on commitment over the last thirty years, there is still no consensus on its definition. As Morrow (1983) has pointed out, “growth in commitment related concepts has not been accomplished by a careful segmentation of commitment’s theoretical domain in terms of the intended meaning of each concept or the concepts’ relationships among each other.” (p.486). Recently, Meyer and Allen (1997, p12) have attempted to categorise various definitions of commitment suggested in the literature by highlighting three main elements (Table 1-1): (1) affective orientation (affective commitment); (2) cost-based (continuance commitment); and (3) obligation or moral responsibility (normative commitment). However, this categorisation may not be very helpful for the following reasons:

Table 1-1 The definition of commitment

(1) Affective Orientation
<p><i>-The attachment of an individual fund of affectivity and emotion to the group.</i> (Kanter, 1968, p.507)</p>
<p><i>-An attitude or an orientation toward the organisation which links or attaches the identity of the person to the organisation.</i> (Sheldon, 1971, p.143)</p>
<p><i>-The process by which the goals of the organisation and those of the individual become increasingly integrated or congruent.</i> (Hall, Schneider, and Nygren, 1970, p176-177)</p>
<p><i>-A partisan, affective attachment to the goals and values of the organisation, to one's role in relation to goals and values, and to the organisation for its own sake, apart from its purely instrumental worth.</i> (Buchanan, 1974, p.533)</p>
<p><i>-The relative strength of an individual's identification with and involvement in a particular organisation.</i> (Mowday, Porter, and Steers, 1982, p.27)</p>
(2) Cost-based
<p><i>-Profit associated with continued participation and a "cost" associated with leaving.</i> (Kanter, 1968, p.504)</p>
<p><i>-Commitment comes into being when a person, by making a side bet, links extraneous interests with a consistent line of activity.</i> (Becker, 1960, p.32)</p>
(3) Obligation or Moral Responsibility
<p><i>-Commitment behaviours are socially accepted behaviours that exceed formal and/or normative expectations relevant to the object of commitment.</i> (Wiener and Gechman, 1977, p.48)</p>
<p><i>-The totality of internalised normative pressure to act in a way which meets organisational goals and interests.</i> (Wiener, 1982, p.421)</p>

First, it is not clear whether there is any difference between affective commitment and normative commitment. For example, Meyer and Allen regard Hall, Schneider,

and Nygren's definition as one of affective commitment: "the process by which the goals of the organisation and those of the individual become increasingly integrated or congruent". However, they treat Wiener's definition as one of normative commitment: "the totality of internalised normative pressure to act in a way that meets organisational interests". The latter definition refers to the degree of internalisation of normative pressure exerted by an organisation. Here normative pressure appears to mean the same as organisational goals, values or norms. The internalisation of these goals, values or norms implies that the goals of the organisation and those of the individual become increasingly integrated or congruent.

Secondly, within the category of affective commitment, there are slight different approaches: one is that commitment refers to emotional attachment (e.g. Kanter; Sheldon; and Buchanan); and another is that commitment refers to integration, identification or internalisation of organisational values or goals (e.g. Hall, Schneider, and Nygren's definition and *Mowday, Porter, and Steers*'). With regards to first approach, Kanter's definition refers to purely emotional attachment towards the organisation (e.g. "the attachment of an individual's fund of affectivity and emotion to the group"). Unlike affectivity towards people, affectivity towards a group or organisation may refer to those of group or organisational values or norms which make the existence of the group or organisation possible. Hence, Kanter's approach is similar to Buchanan's definition (1974), "...a partisan, affective attachment to the goals and values of an organisation, to one's role in relation to goals and values, and to the organisation for its own sake, apart from its purely instrumental worth".

However, these approaches, which focus on emotional aspects towards an organisation, may be different from the approach which refers to the integration or the internalisation of individual goals or values into those of the organisation. This is because people with emotional attachment towards their organisation may not always identify or internalise their organisational goals or values. It is interesting to see whether there is difference between the emotional attachment to organisational goals and values and the internalisation or the congruence of organisational values or norms (normative pressure). Is one the result of the other? Or do they go always

together? These two approaches are not completely different since it is difficult to internalise or integrate organisational goals or values into those of individuals without emotional attachment towards organisational values. For this reason, these two approaches have emotional attachment in common. However, since the degree of attitudes or emotional attachment vary, an individual may internalise the goals, values and norms of organisations when he/she has a strong emotional attachment towards them. These differences in the degree of emotional attachment may result in different behavioural implications, for example, in terms of work effort or citizenship behaviour, because a strong attitude can be a predictor of behaviour. For this reason, internalisation or identification with organisational values may be an expression of strong attitudes or emotions towards those values.

Accordingly, we may ask whether organisational commitment is simple emotional attachment towards the values of an organisation or internalisation of those values which is more likely to reflect commitment. According to the Oxford English Dictionary (1989), commitment is “an engagement; a liability”, “an absolute moral choice of a course of action.....; moral seriousness or social responsibility in artistic productions” (p. 560). This definition clearly offers that the concept of commitment implies normative aspects (e.g. an engagement or liability may lead to an obligation or moral responsibility which is referred to as normative commitment). For these reasons, it may be appropriate to define commitment in terms of the identification or internalisation of organisational values which are more likely to imply normative aspects such as engagement or moral responsibility. For the same reason, we may not need to use the term “normative commitment”. It should be stressed that it is not appropriate to include simple or weak emotional attachment towards the goals or values of an organisation in the concept of commitment. For example, if a Buddhist has positive or emotional attachment towards Catholic beliefs or values, one can not say that he/she is committed to Catholicism unless he/she identifies or internalises Catholic goals or values. Furthermore, if organisational commitment is defined as purely emotional attachment, one may have the difficulty in distinguishing organisational commitment from other relevant concepts such as positive emotion, attitudes or liking towards an organisation. Hence, organisational commitment may refer to *psychological, emotional engagement or obligation*

(commitment), which is seen in terms of compliance-based commitment, identification-based commitment and internalisation-based commitment. This follows Kelman's (1958) investigation into the basis for attitude change. According to Kelman, individuals can accept influence in three conceptually distinct ways: a) compliance or exchange, (b) identification or affiliation, and (c) internalisation or value congruence. Compliance occurs when attitudes and behaviour are adopted not because of shared beliefs but simply to gain specific rewards. Identification, in Kelman's terms, occurs when an individual accepts influence to establish or maintain a satisfying relationship; that is an individual may feel proud to be a part of a group, respecting its values. Internalisation occurs when influence is accepted because the attitude or behaviour of group are congruent with one's own values. These difference in three aspects of attitudes, according to O'Reilly and Chatman is suggested as representing separate dimensions of commitment.

These approaches are helpful in the sense that commitment is regarded as emotional attachment resulting from identification and internalisation. However, they are not completely convincing because (1) it is difficult to tell difference between internalisation and identification (2) instrumental commitment (in the terms of O'Reilly and Chatman, 1986) may be conceptually redundant since specific rewards can offer an important motive for employees to identify or internalise (commit) organisational values in certain circumstances where rewards are highly valuable. This may be due to a misunderstanding about the nature of the commitment concept (e.g. rewards-based commitment, identification and internalisation-based commitment are not different dimensions of concept, but the former may be part of the latter definition because organisational values may exist in different forms, e.g. those values concerning rewards policy, values about work itself or values concerning a work group or trade union). Alternatively, these may be due to a wrong assumption that rewards only make employees comply.

However, rewards systems can also lead employees to identify or internalise organisational values (e.g. employees can have a strong emotional attachment because of rewards). Hence, rewards and shared values (by identification or internalisation) are not completely different dimensions, e.g. individuals who

strongly believe that a performance-related pay system is good (implying individual values) may identify or internalise (commit) with organisations that have performance-related pay rewards policies as an expression of their values or norms. This provides good grounds for arguing that some authors who exclude rewards-based commitment as part of the concept of commitment are not convincing. For the same reason, the following authors' definitions may not be regarded as inadequate: "commitment serves to maintain behaviour *in the absence of rewards*" (Scholl, 1981); "...a partisan, affective attachment to the goals and values of an organisation, to one's role in relation to goals and values, and to the organisation for its own sake, *apart from its purely instrumental worth*" (Buchanan, 1974 p.533); and "...*apart from calculation*, which induce employees to act in support of their task or their organisation in a way that exceeds the requirements for keeping the job" (Benkhoff, 1994, p.185).

The relationship between a rewards systems and commitment very much depends on circumstances or individuals' values towards rewards. It is not useful to argue whether or not rewards-based commitment is part of commitment concept, but it is interesting to look at whether or not the rewards system affects commitment. Organisational commitment may be a broader concept including instrumental commitment (as defined by O'Reilly and Chatman) which results from rewards which require formal responsibility, contract or obligation. This argument is well supported by social exchange view conducted by Eisenberger, Huntington, Hutchison, and Sowa (1986). They suggest the integration of emotion-based and calculative theories of organisational commitment into a social exchange approach. The theory assumes that organisational commitment is the responsibility or obligation felt by employees in the process of an exchange relationship, (e.g. employees' perception concerning the extent to which the organisation values their contribution and cares about their well-being (perceived organisational support)).

In summary, above discussion demonstrates that it is appropriate to focus the concept of organisational commitment on *emotional, psychological obligation towards organisations as represented by the identification or internalisation of*

organisational values or goals. Hence this research adopts argument that equates commitment with identification. This definition does not contradict the general conclusion that commitment consists of attitudes which have both affective (emotions or feelings) and cognitive (beliefs) components, and thus emotional aspect is emphasised by affective commitment, while the cognitive aspect is emphasised by continuance or normative commitment. However, it remains to be seen how helpful the concept of organisational commitment is in the work context, since it is extremely difficult to identify organisations as single monolithic entities which have consensual goals, values or norms. There may not be a single, uniform and agreed set of organisational goals, values or norms, but rather a number of different goals, values or norms may exist. Different people may have different types, levels or objects of goals, values or norms in their minds (e.g. work itself, interpersonal attraction or rewards), and this may consequently lead to different outcomes of commitment. Hence, these abstract concepts of organisation or organisational values may lead to questions about the notion of organisational commitment since employees may have a conflictual, dual commitment between different objects (e.g. between commitment towards a work group and towards headquarters). In order to make the commitment concept helpful in a practical sense, as Reichers (1985) suggests, it may be a good idea to divide the abstract concept of organisational commitment into specific aspects in terms of objects, types and levels. These lead to different types of commitment (e.g. work commitment, occupational commitment and trade union commitment etc). Furthermore, it is critical to ensure validity in terms of measurement since this considerably affects research outcomes.

In conclusion, the concept of commitment, in this research, is defined as *emotional, psychological obligation towards organisations as represented by the identification or internalisation of organisational values or goals.* Since this definition of commitment may affect employees' discretionary effort, it is regarded as one of antecedents of discretionary effort.

1.2.3 Discretionary Effort as Extra-Role Behaviour

Discretionary effort, in this research, implies innovative and spontaneous activity that goes beyond contractual role prescriptions, as opposed to the dependable performance of specific role requirements. Hence, the definition includes (1) *extra work effort* and (2) *discretionary behaviours as expressed in extra-roles*: acts of co-operation, helpfulness, suggestions, gestures of goodwill and altruism. In some circumstances, it is difficult to distinguish between in-role and extra-role; it may depend on the nature of specific tasks and normative expectations within the organisation. Actually, many behavioural patterns defined as extra-roles can become in-role because of normative expectation or the nature of specific tasks (e.g. cooperative behaviour is in-role behaviour in an interdependent task structure). Since many roles that employees perform in work-places can not actually be clear-cut in terms of their boundaries, this present research focuses on discretionary effort in terms of behaviours that exceed the requirements for keeping the job.

In work contexts, there are various forms of discretionary effort. Much of the research in the literature concerns the following two main concepts: pro-social organisational Behaviour (e.g. Brief and Motowidlo, 1986; O'Reilly and Chatman, 1986); and organisational citizenship behaviour (e.g. Bateman and Organ, 1983; Organ, 1988, 1990; Smith, Organ and Near, 1983; Van Dyne, Graham, and Dienesch, 1994).

These concepts, however, are not clearly defined and have not yet been integrated into a systematic framework which clarifies the theoretical similarities and differences between their constructs. In order to identify the concept of discretionary effort as extra work effort and extra role behaviour, it is helpful to discuss the relationships between these concepts. First of all, the relevant definitions may be cited: Brief and Motowidlo (1986) define pro-social organisational behaviour (PSOB) as "behaviour which is (1) performed by a member of an organisation, (2) directed toward an individual, group, or organisation with whom he or she interacts while carrying out his or her organisational role, and (3) performed with the

intention of promoting the welfare of the individual, group, or organisation toward which it is directed.” (p. 711)

Organ (1988) defines organisational citizenship behaviour (OCB) as “behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organisation.... the behaviour is not an enforceable requirement of the role or the job description....the behaviour is rather a matter of personal choice” (p.4).

The first of these definitions shows that pro-social organisational behaviour appears to be a very broad construct. The only requirement of such behaviour is that it be “directed toward an individual, group, or organisation” with whom the individual “interacts while carrying out his or her organisational role” (Brief and Motowidlo, 1986, p.710). Given this definition, pro-social organisational behaviour appears to include all behaviour that occurs within an organisation which is directed towards others. These behaviours can be functional or dysfunctional in terms of organisational effectiveness (e.g. helping individual private matters in some case, may harm the effectiveness of a group). Pro-social organisational behaviour can be conceptualized to include or overlap with organisational citizenship behaviour.

The definition of pro-social organisational behaviour specifies no qualifying condition that the behaviour must, even indirectly or ultimately, benefit the organisation; nor does it require that the behaviour go beyond the individual's prescribed role. Thus, POB would include in-role behaviour in many instances (e.g. in case of those who help employees to manage their benefit programmes). POB is a more inclusive construct than OCB, since the latter restricts itself to extra-role behaviours which have a prospect of promoting organisational effectiveness.

The concept of discretionary effort used in this research has some similarities to the concepts of pro-social organisational behaviour in a sense that many forms of pro-social behaviour involve discretionary effort (e.g. complying with organisational values, policies, and regulations; suggesting procedural, administrative, or organisational improvement; and putting extra effort with the job (Brief and

Motowidlo, 1986). However, discretionary effort focuses on criteria of effective organisational performance, whereas PSOB can be functional or dysfunctional to the organisation, role-prescribed or not prescribed, and directed toward an individual or towards the organisation.

Discretionary effort overlaps partly with the concept of organisational citizenship behaviour, which is probably the best known and most heavily researched concept of extra-role behaviour. These differences very much depend on precise definition of OCB. According Organ (1988), two critical components of such definition are: (1) behaviour is not part of the employee's job responsibilities and is not rewarded explicitly, and (2) behaviour is usually not obvious but does in general benefit the organisation. Hence, OCB is typically limited to incidental acts of good-will exercised by one organisational member toward another. In this sense, OCB is similar to discretionary effort. However, there is a difference between OCB and discretionary effort in the sense that OCB implies very specific aspects of discretionary behaviours, which, as Van Dyne et al.,(1995) suggest, are affiliative/promotive behaviours; but it does not include challenging/prohibitive behaviours which may hurt the relationship and consequently may do harm to organisations. Furthermore, while OCB is more likely to focus on discretionary behaviour as a different, extra-role, discretionary effort focuses on extra work efforts including discretionary behaviours. Therefore, discretionary effort is broader concept than OCB.

One unresolved issue in the research on extra-role behaviour is whether organisational citizenship should be expanded (as recommended by Graham, 1991) to include some of the more challenging aspects of citizenship or whether it should be limited to the more traditional and affiliative acts of helping. However, discretionary effort does include these challenging aspects, for example, making active suggestions for the organisation. This is because one can not simply assume that active and challenging behaviour always hurts the relationships between members. Some employers like active and challenging ideas to be suggested as long as they are seen to be helpful for their organisation.

In terms of the construct of OCB, it varies according to authors. Based on prior research (Bateman and Organ, 1983; Smith et al., 1983), Organ (1988) enumerated five dimensions of organisational citizenship behaviour: (1) altruism is characterised by acts which help a specific person; (2) conscientiousness includes attendance, cleanliness and punctuality that go beyond the minimum required levels; (3) sportsmanship is characterised by maintaining a positive attitude; (4) courtesy includes keeping the boss and co-workers informed; and (5) finally civic virtue is characterised by responsible participation in the political life of the organisation by attending meetings and reading company mail. Although one can imagine circumstances in which each of these five dimensions could be construed as extra-role behaviour, it seems more likely that the examples often given for conscientiousness, courtesy, and civic virtue are in many cases in-role job expectations (e.g. conscientiousness becomes an extra role only when an employee comes to work early or stays late, and courtesy is often expected as in-role job characteristic).

Van Dyne et al., (1995) suggest five different dimensions of OCB: (1) loyalty (allegiance to and promotion of the organisation), (2) obedience (respect for rules and policies), (3) advocacy participation (innovation and proactively synergizing others), (4) functional participation (work-oriented effort and self-development), and (5) social participation (engaging in group meeting and activities).

Unlike the citizenship research, the pro-social organisational behaviour research has not specifically addressed the dimensionality of the construct. Occasionally, although the stated research construct is PSOB, scales have been drawn from those of OCB (e.g. George, 1991; O'Reilly and Chatman, 1986). Conceptually, however, PSOB is a broader construct than OCB (Brief and Motowildo, 1986) and discretionary effort. With regards to the relationships between OCB and PSOB, Organ (1988) differentiates OCB from PSOB as follows: Pro-social organisational behaviour is a larger and more inclusive concept that includes behaviours that might actually hurt the organisation.

In terms of construct of discretionary effort, it is different from those mentioned in literature (e.g. Organ, 1988; Van Dyne et al., 1995). In this research, two constructs of discretionary effort are used. One is discretionary behaviour, which focuses on organisational aspects as extra-role behaviour. Since it is difficult to distinguish between in-role and extra-role behaviour in certain work contexts, it may be better idea to identify extra-role behaviours which are displayed in actual work contexts than to use the existing constructs such as OCB. For this reason, the construct of discretionary behaviours used in this research derives from those identified by Benkhoff, which are clearly regarded as extra-role behaviours in bank branches. This construct is similar to that of Van Dyne et al., (1995) in the sense that it consists of loyalty, obedience and participation. Secondly a completely new construct focuses on specifically an extra work effort rather than those behaviours directed towards an organisation. It may be assumed that individuals who exhibit discretionary behaviours tend to exert extra work effort. However, these two constructs may not always go together. This is because that even though employees express loyalty, obedience and participation for their organisation, they may not display specific extra work effort where work or task itself is extremely boring. For this reason, these construct are treated as separate and independent in this research.

In conclusion, the new concept of discretionary effort may be helpful and may have some advantages compared with PSOB and OCB for the following reasons: First, the actual results of PSOB can be functional or dysfunctional for the organisation, so the key element is the intention to benefit others. Beyond this element, it is difficult to define pro-social organisational behaviour. PSOB is an extremely broad concept as illustrated by the usual definition. Furthermore, since there can be contradiction amongst the thirteen behavioural patterns of PSOB identified by Brief and Motowidlo (1986), the case of such extreme opposites does not provide a clear foundation for construct definition and empirical research. For these reasons, Van Dyne et al., (1995) suggest dropping the construct of PSOB and clarifying the conceptualisation of OCB to exclude behaviour which is challenging/promotive and affiliative/prohibitive.

Secondly, the concept of discretionary effort takes into account the traditional performance concept (productivity) by focusing on extra work effort as well as extra role behaviours since extra work effort through hard work within the same job is very important. It is interesting to look at discretionary effort in terms of specific extra work effort separately from general forms of discretionary behaviours such as organisational citizenship behaviour. In addition, since performance in bank branches, may depend on employees' general discretionary behaviour, which may have considerable impact on customer behaviours, discretionary behaviours are also considered as a separate variable.

Chapter 2 Research Purposes, Model and Context

This chapter attempts (1) to introduce specific research purposes, scope and model; and (2) to explain specific research issues and agenda which are related to particular research context such as in Korea

2.1. Research Purpose and Model

This research aims to identify the antecedents and outcomes of discretionary effort in Korean bank branches. However, discretionary effort, in Korea, has not been of interest to academics or employers because of the widespread assumption that employees' work effort is affected by mainly material rewards and is thus more likely to be regulated by the formal control system. It is true that until the 1970s a lot of Korean people suffered from poverty and had strong motives for monetary rewards. Hence, discretionary effort was not seen as an interesting issue because the hard work of employees was considered to be natural phenomenon and as part of social norms needed to survive and avoid poverty. However, with Korea's recent rapid economic growth, there have been many changes in employees' attitudes towards work and in life styles, especially since the 1980s. Employees' general satisfaction with economic conditions means that material motives have become less influential for their behaviour. As result, employers have begun to raise questions, about what make employees work harder (e.g. discretionary effort) and about other motives.

With regards to more specific context, the banking industry in Korea, as part of the service sector, is different from its counterpart in other advanced countries (e.g. Germany) because it has its own characteristics resulting from unique historical patterns of development. Within the Korean economic structure, the banking industry belongs to the private sector and has traditionally been regarded as offering job security. Hence, it used to be one of the most popular areas of employment among university graduates. However, since the 1980s, with the rapid development of non-bank financial organisations, the popularity of the banking industry in terms

of job positions has decreased. The main reason is relatively low pay and slow promotion compared with non-bank financial organisations. Many bankers have moved their job to newly established non-financial institutions because of better working conditions in terms of pay and promotion.

With regards to banking's relationship with government, it is largely controlled and influenced by protective industrial policies, even though banks are private companies. This is because financial institutions in Korea was used for the purpose of supporting the economic development plan through the more efficient allocation of banking funds. The successful implementation of subsequent economic plans contributed remarkably to Korean development in the 1960s and 1970s. However, as the Korean economy grew much larger and more complex, it reached a stage where the management of the economy under government's strong control was believed to be less efficient than entrusting it to the market mechanism. It was widely accepted that the Korean economy could not progress much further without adequate development of the financial sectors. Moreover, government policies have hindered the development of the banking industry in terms of new financial products development and customer service, which are both very important within today's competitive market. The weak infrastructure of the banking industry has led the government to pursue a restructuring strategy. Furthermore, the recent entry of foreign banks into the domestic market has added to the instability of the banking industry. Wide-ranging structural adjustment policies were therefore implemented from the early 1980s. In parallel with the change in the manufacturing sector, a number of measures were also taken for the liberalisation and promotion of competition in the financial sector. The government handed over the ownership of four nation-wide commercial banks to the private sectors:

With changes in external environments, such as the new banking industry policies of the government and subsequent changes in internal environments, such as low pay, slow promotion and job insecurity, the level of motivation of employees has rapidly decreased. Nevertheless, many employees in bank branches do work hard and put in more effort (discretionary effort) than is required. It is therefore interesting to

investigate the motivators which account for the discretionary effort of these employees.

This research therefore offers analysis of Korean employees' motives for their discretionary effort, an issue which has not been understood, especially by management writers and practitioners in Western countries. The findings of this study should provide valuable information for Western managers to learn how to work harmoniously with employees from Korea in today's multinational business organisations. It should also contribute to reducing the cultural shock that managers in Western nations may face when moving to work in Korea. In the literature, there are many different motivational bases which are used to explain these discretionary efforts (e.g. job satisfaction, organisational commitment, etc.). However, this research focuses on the following particular two aspects as shown in Table 2-1:

First, the aim is to replicate Benkhoff's (1994) work which attempted to explain the motives behind "extra effort" (work commitment in her terms) in terms of five motivation mechanisms in the German context. The reasons for doing this are as follows; (a) Benkhoff's model may be helpful since it focuses on *extra work effort*, which is one of the most significant aspects of discretionary effort because it may directly affect performance (productivity); (b) by replication of her model, it is interesting to see whether or not discretionary effort in Korea can be explained by Western motivation mechanisms (in other words, the aim is to test the universality of motivation theories).

Secondly, the emphasis is on the impact of group motivation mechanisms (organisational identification and group norms), which are one of strongest motives affecting human behaviour in relation to discretionary effort, especially in Korea which many authors have assumed to be highly group-oriented and collectivist society.

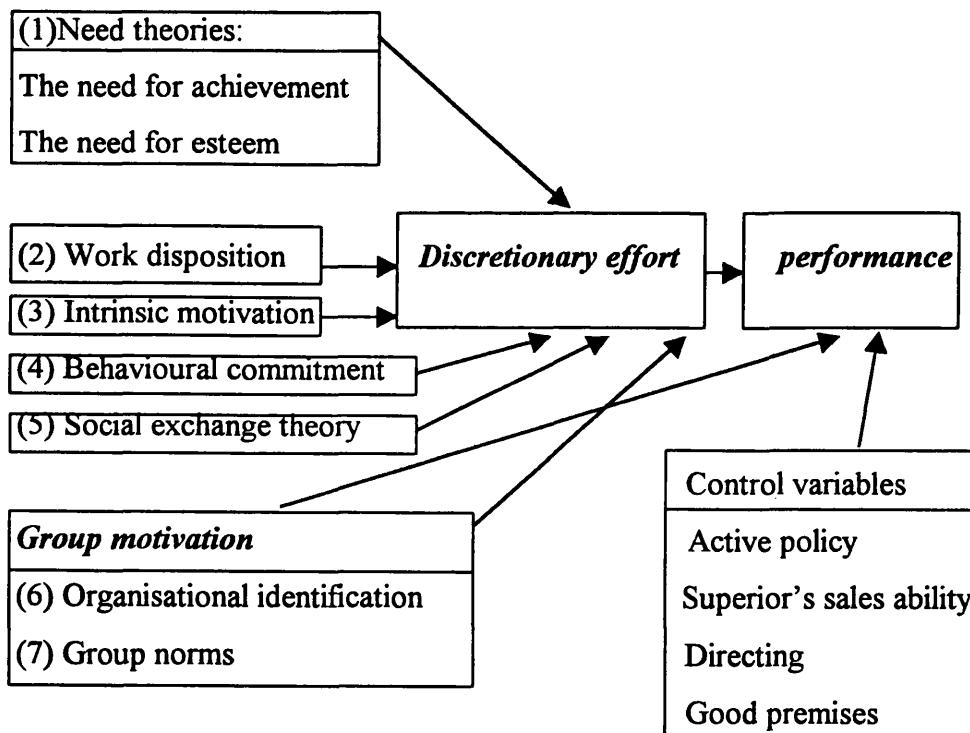
In addition to these two purposes, this research also has the following other purposes:

Thirdly, to test the similarities and differences between motivation mechanisms, in other words, to test whether or not each of the motivation mechanisms identified in this research has its own independent explanatory power;

Fourthly, to investigate the relationships between discretionary effort (in terms of group characteristics) and its outcomes (referring to overall branch performance);

Finally, to improve several of the measures suggested by motivation theories, and in particular to develop a new approach to the measurement of group norms.

Table 2-1 Research model



2.2 Replication of Benkhoff's Model and Universality of Motivation Theories

Benkhoff (1994) has identified the antecedents of discretionary effort in the German context in terms of five motivation mechanisms which are relatively less-calculative (instrumental): need theories, work disposition, intrinsic motivation, behavioural commitment and social exchange theory. These five motivation mechanisms are adopted in this research to explain discretionary effort in the Korean context. This is because it can be assumed that these five motivation mechanisms account for employees' discretionary effort in the Korean bank branches in the sense that motivation theories attempting to explain universal human behaviour function across national/ cultural boundaries. However, this universality has been questioned on the grounds that human behaviour is a product of social interaction and is consequently affected by the context or environments in which a set of economic, political, cultural and social circumstances give it a unique character.

The replication of Benkhoff's model in the Korean context thus raises the following interesting question: are the motivators of discretionary effort universal across nations and cultures? The answer to this question will be sought by replicating Benkhoff's research on discretionary effort in terms of the five motivation mechanisms. The choice of Korea can be justified by the fact that there are marked cultural and institutional differences with Germany. In Korea, there is much stronger emphasis on relationships, work organisation orientation, respect for age and hierarchy, and more significance is placed on "face" than in "Western" countries. Moreover, in terms of economic development, Korea is still a developing country and strongly depends on a state-controlled economy. This is in marked contrast to Germany. These differences would therefore suggest that the motivational basis of discretionary may be quite different in Korea compared with Germany.

There have been widespread debates concerning the assumptions about human beliefs, values, attitudes, and behaviour across nation or cultures in the academic areas of psychology, sociology and anthropology. Different schools are based on

different assumptions according to their interests. In this research, the following major schools of thought are reviewed to help understand the motivation to work: (1) relativist; (2) absolutist and (3) universalist. These different schools advance different arguments in terms of the factors underlying behaviour, the role of culture in behavioural variance, and theoretical perspectives concerning similarities and differences in human behaviour and methodological perspectives (Berry et al., 1992).

First, the relativists viewpoint was first identified in anthropology by Herskovits (1948). This assumes that explanations of psychological variations across the world's people are to be sought in terms of cultural variation with little recourse to other factors. Theoretically, relativists do not show any interest in the existence of similarities across cultures, except for explaining any cultural differences that they do observe on basis of cultural contexts that influence an individual's development. Methodologically, comparative studies are avoided because they are considered so problematic as to render valid conclusion impossible.

Secondly, in sharp contrast, the absolutist viewpoints assume that psychological phenomena are considered to be basically the same across cultures: the essential character of, for example, "intelligence", "honesty", or "depression" is assumed to be the same everywhere, and the possibility is ignored that the researchers' knowledge is rooted in their own cultural conceptions of these phenomena. Methodologically, comparisons are considered to create not essential problems and are carried out easily and frequently, based on the use of the same instruments in different cultures. Theoretically, this approach is based on the view that psychologically people across nations and cultures are very much alike. Where differences do occur, they are quantitative differences on the assumed underlying common construct; different people are just "less intelligent", "less honest," or "more depressed".

Thirdly, universalists adopt the assumption that basic psychological processes are likely to be common features of human life everywhere, but that their manifestations are likely to be influenced by culture. That is, variations are due to

culture “playing different variations on a common theme”; basic processes are essentially the same, but they are expressed in different ways. Methodologically, comparisons are employed. Theoretically, interpretations of similarities and differences are made, starting from the belief that basic psychological processes are pan-human and that cultural factors influence their development (direction and extent) and deployment (for what purposes, and how, they are used). Thus, the major questions are to what extent and in what ways cultural variables influence behaviour.

In summary, relativists believe that there can only be context-bound definitions of psychological concepts in such areas as personality, cognition, and social behaviour. It follows that context-free psychological measurement should not even be attempted. In the universalist perspective which are adopted in this research, the context-free definition of psychological concepts is seen as a goal that has to be, and can be, achieved through the modification of culture-specific concepts.

2.2.1 Cross-Culture Issues in Work Motivation

In terms of the basic understanding of human behaviour, at the more practical level, industrial psychologists (particularly cross-cultural psychologists) and comparative management theorists (Dore, 1973; Cole, 1979; Adler, 1983; Drenth, 1985; Child, 1981; Hofstede, 1982; Hofstede and Bond, 1988; Redding, 1994) have focused more on organisational behaviours resulting from differences in organisational practices (e.g. organisational structure) and human resource management practices (e.g. rewards system) across nations and cultures, arguing that there are no universally applied management practices or motivation theories (see especially Hofstede, 1982).

Other authors (particularly McClelland, 1961; Hui, 1990;) consider motivation theories cross-culturally. Motivation is described as a readiness to exert high levels of effort, contingent upon the success with which this effort satisfies some individual needs. Some authors (e.g. Jaeger and Kanungo, 1990; Hofstede, 1980) assume that employees from different countries may not share similar needs and motivational

systems. Countries may differ in the level of importance that employees attach to different needs, values, attitudes or motives and how well these are met through work.

Jaeger and Kanungo (1990) state, in relation to attribution theory, that an external locus of control is characteristic of basic assumptions of human nature in developing countries, in contrast to the prevalent belief in an internal locus of control in the developed countries. Along with this argument, Berry et al., (1992) point out that studies have indicated that persons from the Far East are more externally attributed than those in Western countries. Based on this assumption, it is interesting to see mechanisms of behavioural commitment in Korea which are operationalised by the attribution approach in relation to discretionary effort.

McClelland (1987) argues that needs are not necessarily universal as Maslow suggests, and after forty years of research on human motivation, he identifies four major motivational needs systems: achievement motives, power motives, affiliative motives and avoidance motives. He devoted considerable time in India, developing achievement motivation in entrepreneurs through training programmes, and but found that achievement motives do not work in India, unlike in an achievement society like the United States. This is a question which Hofstede (1980 and 1991) addresses. His research concerning McClelland's three motives argues that these needs have not been shown to be universal, demonstrating that there is a high correlation between the level of the achievement motive and national culture (work-related values: "uncertainty avoidance" and "masculinity"). In other words, countries with a high need for achievement have a high need to produce (masculinity dimension) and a strong willingness to accept risk (Hofstede's weak uncertainty avoidance). Anglo-American countries such as the United States, Canada and Great Britain (weak uncertainty avoidance combined with masculinity) follow the high achievement motivation pattern, while countries such as South Korea, Chile and Portugal (strong uncertainty avoidance combined with femininity) follow the low achievement motivation pattern. Hofstede, again, in his research into Herzberg's two factor theory (hygiene factors and motivators), points out that culture influences factors that motivate and demonstrate behaviour, suggesting that Herzberg's two-

factors theory is not universal across cultures. The latter has also been tested outside the United States. Results in New Zealand failed to replicate those in the United States. In New Zealand, supervision and interpersonal relationships appear to contribute significantly to satisfaction and not merely to reducing dissatisfaction. It is interesting to consider how need theories (need for achievement, need for esteem) work in the Korean context, which is assumed to be characterised by strong uncertainty avoidance and femininity.

Work dispositions such as “work as a central life interest” (Dubin, 1955) and “the Protestant work ethic”, reflecting work-oriented values have been discussed cross-culturally discussed by some authors as important work motivation mechanisms. Weber (1930, 1951) argued that the development of capitalism (implying high work effort) in the West was premised on a Protestant ethic which allowed the Puritan to “dissolve everything into the pure business relation”. However, he was negative about the compatibility of the Confucian mentality with capitalist development (hard work effort). By contrast, some scholars (Shepard et al., 1989) have attempted to demonstrate how Confucianism provides the ideological or spiritual underpinnings for capitalist development. They accept Weber’s (1930) assumption of a cultural basis of economic activity, but reject any notion that Protestantism is the only, or the best, religious foundation for capitalism. The Confucianist was “bound in the first place to maintaining the harmony of the divine and to an ideal of self-perception which precluded the more means-end calculation of utilitarian advantage” (Schroeder, 1992, p.48). Confucianism has been established as both a religion and a philosophy in Korea for the last 600 years, following its introduction from China. There are two viewpoints concerning the links between the Korean work disposition and Confucianism: first, Liu (1959) and Song (1990) maintain that Korean people’s hard work culture is basically derived from the teachings of Confucius, in which diligence, thrift and hard work are emphasised; secondly, Woronoff (1983), argued that Korean economic growth was dependent on “shedding much of its Confucian heritage”. Recent work done by Lee (1994) shows that more than half the sample of Korean managers rated their work and career as the most important factor in their lives and subsequently worked long hours.

With regards to intrinsic motivation, in contrast to extrinsic motivation, research evidence shows that it contributes to job satisfaction in all countries, but that the contribution of extrinsic factors to satisfaction is a function of the country and occupational level (e.g. Padaski and Dolke, 1970). In the Korean context, such intrinsic motivation mechanisms may work in explaining job satisfaction or discretionary effort.

Research evidence concerning job satisfaction demonstrates that there are consistent national differences (e.g. there are differences in job satisfaction between America and Germany; see Katona, Strumpel and Zahn, 1971). From Harris and Moran (1987), we also see that different factors are more likely to influence what Kelly et al. (1991) call life goals (generalised measures of work motivation), depending on the specific national and regional culture. Harris and Moran distinguish broadly between East Asian culture (equity, group, highly disciplined/motivated workforce and protocol, rank and status) and Western culture (wealth, individual, decline in work ethic and hierarchy and informality and personal competence). They believe this classification holds, despite differences between national cultures, across these two broad regions. It may be that factors such as those described here result in different motivational influences on job satisfaction.

To illustrate the influence of cultural factors on motivation in particular, job satisfaction, Hui (1990) describes a discrepancy model of job satisfaction. The degree of dissatisfaction with work derives from the perceived discrepancy between actual outcomes of the job and the job holder's expectations. Where there are insufficient resources to ensure that the job is done well, as in technologically backward or impoverished countries, there may be low job satisfaction (e.g. in India and Philippines, according to DeBoer, 1978). Conversely, where workers' expectations are very high and the outcomes do not match the desired and expected high results, job satisfaction may be low (Japan and France according to DeBoer, 1978). Sweden has the highest proportion of the total population who were satisfied with their jobs (63 %), with Japan having the smallest proportion of satisfied workers (20 %). For these reasons, the degree of job satisfaction in Korea may be

different from that of other countries, and subsequently may affect the motivation level, in particular, discretionary effort.

2.2.1 Individual Work Behaviour and National Culture

Many comparative management theorists are more likely to focus on difference in individual behaviours, organisational practices or human resources practices deriving from differences in national cultures and institutions rather than similarities. Central to this approach is the belief that each society is clearly different from any other society, and that this distinctiveness is reflected in the way organisations are structured and function. It is important, however, not to equate national differences with cultural differences. Culture is an extremely difficult concept to define, and it is also generally accepted that it can vary considerably within national borders and can be the same in different nations. There have been two different schools which seek to explain the impact of these national difference on individual behaviour: institutionalists or structuralists (societal effect approach) and culturalists (ideational perspective).

The first approach has been primarily concerned with the structural aspects within organisations, such as the division of labour and career, status and reward structures which are affected by national institutions, such as the educational and professional training system, the system of industrial relations, and the overall organisation of industry in a society (Maurice et al., 1980). It also emphasises continuities with the pre-modern world in its accounts of organisational practices, but the independent variable is a set of social and political arrangements rather than merely a belief system.

Secondly, the culturalist approach (e.g. Hofstede, 1980) focuses on the ideational perspective, which draws attentions to cultural difference in terms of the values, ideas and beliefs shared by people in a society. It posits causal links between traditional religious (or other fundamental) beliefs or values and modern organisational forms and behaviour. This school tends to focus on cultural

dimensions that are situated at the level of the personality. Values and ideas form the core of a societal culture. Cultural values or norms shape national institutions which, in turn, reinforce and perpetuate dominant value patterns. Work organisations are also seen to reflect culturally-based preferences.

These two approaches, however, do not seem to be completely different in the sense that institutions of nations can also be products of traditional cultural values. The two approaches seem to be complementary in explaining national differences in organisational practices: e.g. culturalists face a difficulty in explaining differences in organisational practices between Korea, Japan and Taiwan under the influence of the same Confucian ethical codes without the help of institutionalists, while institutionalists cannot explain why a humanistic management style is predominant in these three countries. The above discussion implies that employees' work-related values, attitudes and behaviours in a certain country may be greatly influenced by country's political, economic and social-cultural characteristics.

Regardless of whether or not individuals' values and behaviours within organisations are products of the institutions or traditional cultural values of a nation, one can assume that there exist national-based distinctive values (so-called national cultures). This does not mean that these values are congruent with traditional cultural values (Buddhism or Confucianism in the case of Korea). These values can also derive from educational, political or economic systems. Giddens (1987) has made the point that individual behaviour and social structure are in principle reciprocal. However, there is a possibility that different social inducements and sanctions make the same type of individual behave in different ways. Hence, national values systems (national cultures) may something result from the complex interaction between traditional cultural values and institutions.

Some individuals may be more affected by traditional cultural values, while others may be more affected by the institutions surrounding them. The important point here is that employees' behaviours are basically products of the situational context (institutions or cultures). Individual employees may always be free to choose any preferable values among a number of values (e.g. traditional values that elderly

people are more likely to embrace; and modern values that younger people are more likely to embrace). These features of values make it difficult for a nation to have homogeneous culture. However, that concept may still be meaningful in terms of the average value of national cultures. Clearly, this raises a number of methodological issues.

Ronen (1986) focuses on distinctive national value systems as an appropriate and potentially useful method for defining and comparing national cultures. Research over the past two decades has produced fairly convincing evidence that values differ significantly among countries, and that these differences can, in fact, be measured. As such, several “national value profiles” have been developed (see, for example, Hofstede, 1980; Ronen, 1986; Trompenaars, 1993). However, there is little agreement regarding any definitive value scale suitable for measuring cultural differences among nations. A typical example of categories of national culture is provided by Hofstede’s four dimensions which explain the differences in work-related values: (1) power distance; (2) uncertainty avoidance; (3) individualism versus collectivism; and (4) masculinity versus femininity. Hofstede (1993) is particularly associated with the contention that there are no such things as universal management theories or management practices. He argues that the validity of many management theories (including motivation theories) stops at management borders. He argues that for example, Maslow’s hierarchy of needs is not universal across national cultures. In countries with high levels of uncertainty avoidance (such as Greece and Japan), as compared with lower uncertainty avoidance countries (such as the United States), security motivates most workers more strongly than does self-actualisation. More workers in high uncertainty avoidance countries consider job security and life-time employment to be more important than a very interesting or challenging job. Social needs tend to dominate the motivation of workers in countries (such as Sweden, Norway and Denmark) that stress the quality of life (Hofstede’s femininity dimension) over productivity (Hofstede’s masculinity dimension). Workers in more collectivist countries, such as Pakistan, also tend to stress social needs over the more individualistic ego and self-actualisation needs.

It is interesting to consider whether or not these differences in national value systems (cultures) affect the universal principles of motivation theories. In other words, how do universal principles of motivation theories function in the case of Korean national values? Most motivation theories are based on human values, i.e. on what an individual regards as good or beneficial. Human values vary according to individuals and are affected by situational factors such as social structure (capitalism, socialism) and religion and this makes it possible to discuss national difference of values. For this reason, some authors argue that there are differences in value systems across cultures (e.g. Hampden-Turner, 1997, who distinguishes between Western values and Eastern values). Clearly, value system vary according to the situation, not only across cultures but also across industries or time.

However, most Asian countries' political systems, economic systems and even religions are imported from western countries, and since the world has become globalised, these Western systems have already affected the value systems of Asian countries. Besides, the rapid development of communication and transportation systems across countries and the increasing movement of people seem to have accelerated the pace of convergence in social value systems across countries. Luthans (1989) and Huczynski and Buchanan (1991) maintain that Korean and Japanese cultures have become Westernised, and that Anglo-Saxon culture has moved closer to Eastern culture. For example, the recent widespread labour strikes in South Korea, in which workers demanded their share of economic gains, were an indicator of such rapidly shifting attitudes and values. Therefore, in the case of Korea, people's values systems have been greatly affected by Western values systems as well as by their own traditional value systems (e.g. the principles of Confucianism). The reason why the motivation mechanisms identified in this research function in the Korean bank branches may be that these values, which provide the basis for the five motivation mechanisms identified by Benkhoff, do not contradict traditional Korean values. They are thus relatively well supported by the characteristics of the Korean banking industry which consists of well educated employees who regard Western values as important, and also similar task structures, technology and management practices (e.g. reward systems) imported from Western countries. However, it is not clear whether these assumptions about

motivation theories function in those Korean industries (e.g. small and medium size clothing industries) where employees are attached to more traditional values.

Considering this perspective, this present research examines several contemporary Western motivation theories to see whether they apply to the case of Korea in explaining employees' discretionary effort, and may thus be considered "universal". However, the term "universal" is used in different ways. The absolutist suggests that "invariance across both cultures and methods" (Johoda, 1981 p.42) is a requirement for universality; but relativists do not accept a dichotomy between universal and culture-specific phenomena. They argue that it seems meaningful "to consider the degree of invariance of data across cultural groups as a function of the similarity in cultural patterns or background variables between them" (Van de Vijver and Poortinga, 1982, p.393). This argument fits with the idea of universalism as an approach that tries to move towards invariant definitions of behaviour cross-culturally. Even though it is not clear whether most comparative management theorists base their ideas on absolutist or relativist viewpoints, this research accepts the assumption of universalists that the principles of motivation theories function cross-culturally. Therefore, the five motivation mechanisms are regarded as potential of antecedents of discretionary effort.

However, so far, research evidence does not provide clear-cut answers to cross-cultural issues. One possible reason is that research methodologies and conceptual foundations have not been sufficiently developed to permit an unambiguous interpretation of findings. Some caution is needed in using these authors' results to interpret the behaviour of specific individuals or teams within a country. There may be a certain variation of values or culture across a country, but it is extremely difficult to categorise a country as having certain homogeneous value systems, since all countries exhibits substantial cultural diversity. At the methodological level, Hofstede's (1984) research may be very limited because of its restricted sample. It is difficult to deduce a country's managerial cultural values from the responses of a very few individuals (especially individuals working in the same organisation). For example, managerial values can vary according to industry (e.g. between the public sector and the private sector) and location (urban or rural).

2.3 Group Motivation in the Korean Context

It must be noted that Benkhoff (1994) did not consider group motivation mechanisms, such as organisational identification and group norms, in her own model. Therefore, this research attempts to introduce group motivation mechanisms as an alternative and independent explanation of the phenomenon of employees' discretionary effort. For this purpose, this research first of all investigates whether these group motivation mechanisms are independent from, or interrelated with, the five individual motivation mechanisms. In the Korean context, employees' discretionary effort may be greatly affected by group motivation expressed, for example, in organisational identification and group norms. The concept of group in Korea is one of significant motivators in the sense that employees' work behaviour may be affected by (1) the degree of identification with the organisation according to social identity, and (2) the existence of work group norms as interpersonal behavioural rules. This assumption is congruent with some authors' argument that some Asian countries such as Korea and Japan have relatively strong group-oriented societies (Hofstede;1993 Hampden-Turner,1993).

One can assume that a variety of groups exist in any society (e.g. community-based groups, class-based groups, religion-based groups or race-based groups etc.,). Since different society may have different kinds of group values, group influences on individual behaviour may vary according to the kind of groups. For example, class-based groups, community- or religion- based groups do not have any strong influence on individual behaviour in Korea. This is because these groups, do not reflect individuals' interests. However, in Korea, people highly value work organisations as important groups since they represent individuals' social status and thus affect their social identity. Hence, a very prestigious work organisation may be an important vehicle for individuals to achieve their self-esteem. For these reasons, it may be difficult or meaningless to categorise a society into a generalised group-oriented society. For example, a work organisation-based group in Korea or class-based group in England may be a reflection of individual interests linked to the need for positive social identity. Since the concept of group may be meaningful when a

group can provide benefit for individuals, it may not be meaningful to contrast individualism and collectivism. There may in fact be several significant groups reflecting individual interests in any society. This will not necessarily be the product of traditional culture. It may therefore not be reasonable to categorise Korea as collectivist. However, since work organisations are valuable groups in Korea, the degree of identification with work organisations may have a significant influence on organisational behaviour. For these reasons, the choice of organisational identification can be justified as a variable explaining discretionary effort.

People tend to help those who are considered to be part of one's in-group, e.g. co-members of the same social group. Cross-cultural research has shown that in collectivist societies, the in-group is considerably more important than in individualist cultures such as North America (Triandis, 1972). Members of collectivist societies are more likely to share personal resources with in-group members than are members of individualist cultures. In collectivist cultures, the interests of the individual are often subjugated to the needs of the in-group. It thus seems reasonable that greater help would be directed towards in-group members in collectivist societies than in individualist societies. In other words, it implies that there is stronger group cohesiveness in collectivist society than in individual society. In high cohesive groups, individuals are more likely to attach and conform to their group norms.

Some authors argue that some Asian countries such as Korea or Japan are culturally "group-oriented societies" while Western countries such as America or Britain are more likely to be "individualistic" (e.g. Hampden-Turner, 1993; and Hofstede, 1993). For this reason, they suggest that individual behaviour in some Asian countries is more likely to be influenced by group expectations than by individual values or motives. However, this argument does not seem to be convincing in the sense that work group norms which are based on group expectations can exist even in Western countries where "individualism" dominates.

Even though there are a lot of problems involved in categorising Korea as collectivist, rather than individualist, it may be possible to say that groups to which

people belong are important for individual motives in terms of social identity. Perhaps, current Korea society may be characterised as having a combination of traditional values and modern values: traditional values refer to an emphasis on group-orientation which derived from agriculture society and its need for absolute mutual co-operation, while modern values refer to individual achievements and expectations deriving from industrialisation and internationalisation. Many authors assume that individualism and collectivism are contrasting concepts. Is it, however, really impossible for individuals to have two sets of values? In many cases where individual values and group values are congruent, individuals values can be achieved by belonging to groups. One cannot simply assume that individual values should be victimised by group values. In particular, in work organisation, most work group values may involve hard working and do not therefore contradict employees' individual values (values for achievement).

Apart from the argument about whether Korea is collectivist or individualist, work group norms may function as important motives for individuals in the sense that they have a direct impact on individual behaviour. This is because work group organisation as groups may be particularly important for individuals' interests in Korea. Different countries may have different norms as interpersonal rule, and different degrees of conformity to these norms which indicate the extent of importance or values of norms. In Korea, unwritten interpersonal rules (norms) have a considerable effect on individual behaviour. For example, employees' long working hours in Korea are not based on formal contractual or rules, but on implicit contract or interpersonal behavioural rules among group members. In some sense, Korean society seems to be dominated by unwritten rules (norms) rather than formal contract rules or laws. This phenomenon is reflected in work organisations in the sense that many work behaviours are affected by norms.

The reason for this is that many social, political, economic and organisational activities are based on social networks, which may make formal rules less influential. Consideration of these social network is greatly regarded as important for formal political, economic or business activities. In work organisations, individual work behaviour or much decision-making is affected by social networks (e.g. between

superior and member or between members). Such aspects of Korean society tend to strengthen the conformity of work group norms. Conformity to group norms, particularly in Korea, may not be attributed to exact calculation of short-term rewards like promotion or pay, but to making social networks with long- term relationships or rewards. For these reasons, the choice of work group norms in explaining discretionary efforts in Korea is justified.

Discretionary effort in the work context can vary from country to country in terms of its precise content and degree and causes. In the German context, discretionary effort (in terms of extra work effort) was explained by Benkhoff (1994) as the results of the five motivation mechanisms, deriving from employee's various individual values, attitudes and cognition towards work or the organisation. In the Korean context, it has been assumed that discretionary effort also can result from the same five motivation mechanisms because these values are more likely to be universal across cultures. Additionally, this discretionary effort may be the result of group motivation, which is one of the strongest motivators in the Korean society.

Chapter 3 Antecedents of Discretionary Effort

This chapter aims to (1) investigate the reasons why employees exert discretionary effort by reviewing literature; and (2) attempts to justify overall rationale for choice of particular variables for this present research in terms of antecedent of discretionary effort.

3.1 A Theory-based Approach

Discretionary effort may not be governed by the same motivational dynamics that sustain in-role. Since these behaviours are inherent in the effective functioning of any form of organisation, it is very important to elaborate upon the motivational basis.

Many authors have attempted to find out the reasons why employees exert discretionary effort. Benkhoff (1994) has attempted to explain extra work effort (one of aspects of discretionary effort) in terms of motivation theories: in particular non-calculative motivation theories which seem to focus on non-situation-based cognitive approach, regarding extra effort as an equivalent concept to be work commitment. She argues that most of the variables frequently used in research on antecedents do not represent a motivating force themselves, and many variables may work as proxies for motivational mechanisms (e.g. age, tenure). The greater the number of proxies that work for one motivational mechanism the more their coefficients or weights get diluted by other related factors represented by the proxies; the fewer there are, the stronger their effects will appear.

This argument is convincing since a theory-based approach which is based on fundamental motives helps to eliminate omnibus variables in explaining human behaviour. Using a theoretical basis would prevent extreme fluctuations in the coefficients of variables across studies, caused by unknown implications hidden behind variables and by the different situational effects associated with them, and hence make it easier to collect robust results for further research. Therefore, it may be a good idea to

link specific motivation theories (e.g. need theories, social identity theory) and discretionary effort rather than using “omnibus” variables.

Benkhoff's rationale for the choice of particular variables as antecedents which is based on a theory-based approach, has an obvious advantage in avoiding the use of “omnibus” variables. However, the five motivation theories she identifies may not be all theory-based e.g. behavioural commitment, work disposition and intrinsic motivation. These variables can also be seen as proxies of motivation mechanisms. For example, behavioural commitment can be a proxy of the need for esteem, and intrinsic motivation can be the proxy of the need for achievement. Many variables which are frequently used in work psychology may be proxies of motivation theories or other motivational variables. For example, overall job satisfaction can be a proxy of high salary or high social identity as a prestigious group member. Commitment, job involvement, overall job satisfaction as independent motivational variables have something in common in the sense that employees may be proxies of social exchange relationships. Accordingly, these may not be much point in seeing direct links between commitment, overall job satisfaction, job involvement and work-related behaviour unless these mechanisms are shown to have independent explanatory power .

This proxy issue raises two important questions: (1) Can these motivational variables representing proxies of motivation theories be treated as having independent explanatory power? Even among motivation theories which exist in a number of forms, one theory can function as the proxy of another. This is because the various theories involve different levels of analysis and thus deal with different stages of the motivation process (e.g. expectancy theory can be a proxy of social exchange theory in that it can be explained within a framework of social exchange theory). It is crucial point to discuss the inter-relationships between theories in terms of whether they overlap or are independent. This issue will be discussed in Charter 4. (2) Is it useful to explain any motivational phenomenon (e.g. discretionary effort) in terms of fundamental motives which are not proxies (e.g. human needs, emotion, values or goals).

It is obvious that it is very useful to examine any phenomenon taking place in work organisation in terms of human fundamental motives such as values or needs. Besides, although it is not possible to avoid proxy between motivation mechanisms, it may be meaningful to link these motivation mechanisms and any organisational phenomenon if one can be sure that these mechanisms have independent explanatory power. For these reasons, even if the motivation theories that Benkhoff identified can be proxies of each other, it is assumed that these motivation mechanisms have their own independent explanatory power. This is one of the purposes of this research: to investigate similarities and differences between the motivation mechanisms which are identified.

3.2 Less-Instrumental Motivation Mechanisms

The concept of discretionary effort used here focuses on specific behavioural patterns which may be seen as, “effort that exceeds the level required to maintain the job, apart from calculation” (Benkhoff, 1994). This definition emphasises non-calculative (non-instrumental) action towards the organisation. However, the concept of “calculation”, even in Benkhoff’s definition, is rather unclear in the sense that there are no precise criteria for non-calculation. There are two possible way to interpret this. First, this argument seems to be in line with the notion of non-situational cognitive motivation sources which stress internal cues of motivation (e.g. needs, emotion and attitudes). In other words, this implies that employees may exert discretionary effort based on their needs or work dispositions or satisfaction without cognitive calculation. For this reason, Benkhoff excludes the expectancy theory, which is strongly based on cognition, in her model. However, this interpretation is problematic in that job satisfaction is not totally based on affect, but also on situational cognition which involves exchange relationship. Even though this approach is useful in understanding discretionary effort in the work context, it is limited since discretionary effort can also be affected by other cognitive motivational sources.

The second approach interprets “non-calculation” in terms of being non-instrumental in relation to direct and explicit rewards or formal sanctions. The reason is that it is almost impossible for a person to recognise whether or not human behaviour is based on

calculation. This is related to the limitations of content theories of motivation. It is almost impossible to test whether or not a person has particular needs or emotional states, except through inferring their behaviour. Furthermore, there may be no human behaviour without calculation.

Much human behaviour as suggested in social cognitive theory (Wood and Bandura, 1989), involves situational cognitive motivation as well as internal motivation sources. As motivation theorists argue, since it is limiting to explain human behaviour only in terms of internal dispositions, this research is based on a social cognitive approach which stress reciprocal determinism, behaviour, cognitive, and other personal factors and environmental events operating as interacting determinants that influence each other bi-directionally. In the work context, many behaviours may involve less-situation cognitive motives, especially formal rewards system or sanctions by formal rules.

The definition of discretionary effort adopted in this research implies specific effort which is voluntary and self-reinforced rather than being driven by the formal rewards systems based on contractual responsibility, and thus it focuses on behaviours which are less instrumental to rewards. However, it excludes a thorough going basis of contractual exchange (e.g. economic exchange) in which every desired form of contribution is specified, weighted, rigorously measured, and systematically rewarded by formal systems.

In line with the concept of discretionary effort identified above, this research adopts relatively less instrumental motivation mechanisms for explanatory purposes. If one wants to explain everyday work behaviour, which to a large degree consists of impulsive and habitual action, one needs to explore less-calculative motivation theories. Mechanisms can thus be identified which account for such effort. These mechanisms may also explain patterns of behaviour which are difficult to justify in terms of expectancy theory, such as sustained effort over time when circumstances and incentives change (e.g. while the supervisor is absent). These are as follows: (1) need theories (need for achievement and need for esteem; (2) positive work disposition; (3) intrinsic motivation; (4) behavioural commitment; (5) social exchange theory; (6) group motivation (organisational identification; and group norms). The theoretical framework for this present research in choosing particular variables of antecedents of discretionary effort is

based on (1) Benkhoff's (1994) work which tested discretionary effort in terms of the first five motivation mechanisms in the German context, and (2) the results of in-depth interviews with bank employees and managers in which the concept of the group emerges as a strong motivator in Korean bank branches (This issue was discussed in detail Chapter 2).

Justification for selecting some variables (positive work disposition, social exchange theory) is supported by much of the research into organisational citizenship behaviour (OCB) as discretionary effort which tested its potential antecedents. Two approaches are commonly used to identify the motivational origins of OCB: first, OCB is seen in part as a function of stable dispositions and traits; secondly, that OCB is seen to depend on the individual's cognitive satisfaction. Hogan (1983) argues that personality factors such as service orientation signify the disposition to be helpful, thoughtful and co-operative. Some authors (e.g. Organ, 1988) suggest that the psychological state which may be characteristic of some persons (such as a pleasant mood state, or positive affect) enhances the likelihood that a person will render help to a distressed person, or cooperate with someone requesting such cooperation. Research evidence shows that these mood states are seen as a stable dimension of personality (e.g. Watson and Clark, 1984). In this research, disposition is operationalised in terms of positive work disposition, such as the Protestant work ethic or work as a central life interest, because discretionary effort is more likely to imply active work extra effort.

Other authors (e.g. Barnard, 1938) argue that "willingness to cooperate... is the expression of the net satisfactions or dissatisfactions experienced or anticipated...". In this present research, social exchange theory has been operationalised in terms of job satisfaction. In literature, job satisfaction has frequently been explained in terms of two important elements: disposition aspect and cognition aspect: The first viewpoint is that job satisfaction is regarded as partly reflecting disposition or trait factors (Staw, Bell, and Clausen, 1986); the second cognitive approach argues that job satisfaction responses are the result of a person's cognitive evaluations of job components such as pay, promotion, work itself (Brief and Roberson, 1987). Hence, OCB is a function of cognitive versus disposition control. For example, Organ and Konovsky (1988) found that OCB relates more closely to cognitive appraisal than it does to typical mood state (affect). It is argued

that these close relationships between satisfaction and OCB are due to a sizable “fairness” component in responses to satisfaction scales (Organ, 1990). Conceptions of fairness represent cognitive evaluations. Fairness of job conditions treatment implies comparisons of what those outcomes are with respect to some standard or frame of reference. Smith, Kendall and Hulin (1969) remarked that “satisfaction can be regarded as an evaluation of equitableness of treatment or conditions” (p.166). To summarise: a robust correlation between job satisfaction and OCB reflects the dominant cognitive component in measures of job satisfaction; and job cognition relate to OCB to the extent that they reflect fairness judgements.

Many authors (e.g. Bateman and Organ, 1983; Smith, Organ and Near, 1983; Puffer, 1987) have tested these relationships. Interestingly, this correlation coefficients are higher than those usually found between satisfaction and measures of “performance” or “productivity” (Vroom, 1964; Iaffaldano and Muchinsky, 1985). The key understanding lies in recognising different causal models of OCB and individual productivity. Individual productivity does not follow directly from effort. Rather, the relationship between effort and productivity is moderated by other important factors, such as ability, technical skill and availability of the appropriate resources (Porter and Lawler, 1968). However, OCB pertains to gestures and actions that are more likely to be a direct function of effort.

There are other variables which are frequently used to explain discretionary behaviour: perceived organisational support, procedural justice (see Chapter 4) and organisational commitment (Chapter 5).

Perceived organisational support refers to employees’ global beliefs concerning the extent to which the organisation values their contributions and cares about their well-being. Beliefs in organisational support may be fostered by employees’ ascription of human dispositional traits to the organisation itself. Levinson (1965) notes that employees tend to view actions by agents of the organisation as actions of the organisation itself. The personification of the organisation, Levinson suggests, is supported by the following factors: (a) the organisation has a legal, moral, and financial responsibility for the actions of its agents; (b) organisational traditions, policies and norms provide continuity and prescribe role behaviours; and (c) the organisation,

through its agents, exerts power over individual employees. The personification of the organisation is assumed to represent an employee's essential views concerning all the other members who control that individual's material and symbolic resources.

In order to determine the personalised organisation's readiness to reward increased work effort and to meet the needs for praise and approval, employees develop global beliefs concerning the extent to which the organisation values their contributions and cares about their well-being. Such perceived organisational support may depend on the same attributional processes that people use generally to infer the obligation felt by others towards social relationships. Perceived organisational support tends to be influenced by the frequency, extremity and judged sincerity of statements of praise and approval (Blau, 1964). Other rewards such as pay, position, job enrichment, and influence over organisational policies will affect perceived support (e.g. Brinberg and Castell, 1982).

Perceived organisational support will be influenced by various aspects of an employee's treatment by the organisation and will, in turn, influence the employee's interpretation of organisational motives underlying that treatment. This implies that there will be general agreement about the degree of support that the employee can expect of the organisation in a wide variety of situations. This includes the organisation's likely reaction to the employee's future well-being and its desire to pay a fair salary and make the employee's job meaningful and interesting. Perceived organisational support raises an employee's expectancy that the organisation will reward greater effort toward meeting organisational goals. To the extent that the perceived support also meets the employee's needs for praise and approval, the employee may incorporate organisational membership into self-identity and thereby develop a positive set of emotions or attitudes towards the organisation (see, for example, Buchanan, 1974; Stees, 1977; Cook and Wall, 1980).

In relations to work effort, Eisenberger et al., (1986), using a social exchange framework, argue that employees who perceive a high level of organisational support are more likely to feel an obligation to "repay" the organisation in terms of work-related behaviour. For the majority of organisations that stress diligence in conventional job activities, increasing one's work effort may provide approved and publicly identifiable ways of reciprocating perceived organisational support. The employee's strong

involvement in the organisation has been noted to include performance that goes beyond the formal /contractual duty (Mowday et al.,1982), including behaviours for which “the individual receives no immediate reward and which benefit the larger organisation” (O'Reilly and Chatman, 1986, p.495 Bateman and Organ, 1983; and Puffer, 1987). Despite the fact that perceived organisational support has a strong theoretical grounding as an antecedent of discretionary effort, it is not incorporated as an independent variable in this present research. This is because some variables which are already identified in this research (such as intrinsic motivation and social exchange theory) reflect the notion of perceived organisational support. That is, the enjoyment of work itself (intrinsic motivation) or the satisfaction with various working conditions (social exchange theory) may be an expression of an essential part of perceived organisational support.

One might suspect that linking discretionary effort to conceptions of fairness and sanction resulting from norms violation might lead to an internal contradiction in the framework we have constructed. The definition of discretionary effort refers to non-compensated, non-instrumental and voluntary contributions to organisational effectiveness. With regards to social exchange theory, the extent of a member's discretionary effort depends on the person's sense of fairness in the organisation, thereby, apparently, implying that non-cognition of discretionary effort in job conditions causes the individual subsequently to reduce or withhold discretionary effort. This apparent contradiction becomes clear when one distinguishes between relationships based on social and economic exchange in the manner described by Blau (1964). Economic exchange has a contractual character: the respective parties (e.g. the individual participant and the organisation) agree in terms of a specific exchange over an articulated domain of behaviour and a precise time span; the respective obligations are finite and do not depend on trust, since the terms are enforced by third parties. Social exchange theory, by contrast, involves diffuse, ill-defined obligations in terms of the value, and timing of the benefits rendered and received by the parties.

Either type of exchange can be described in terms of fairness, but according to different ways of reckoning fairness. Economic exchange is unfair to the extent that one or the other party uses coercion or exploitative means (e.g. monopoly power) to dictate unreasonable terms of the contract or to the extent that one of the parties violates the

terms of the contract, and manager to do so without some form of sanction. Fairness of social exchange, however, rests on a more global, intuitive assessment.

To the extent that an individual's work attendance exceeds the minimal contractual level, without guaranteeing any extra benefits for doing so, we would regard the person's contributions in this instance as discretionary effort. Clearly, this form of "going beyond what is required," when added to a variety of other "extra" contribution over a period of time, may well lead to some form of additional outcomes, whether in the form of a higher base salary, special privileges, greater informal status in the group, or promotion to a higher official grade. The point, however, is that the individual could not have known, either at the time of providing the contribution or at the time of receiving some incremental benefit, whether there was any specific connection between the two events. In the case that the organisation offers an incentive (e.g. tickets for a restaurant) for attendance beyond the minimum required level, the incremental contribution in the form of attendance now has a contractual or economic exchange basis. This particular contributions would thus not be considered as discretionary effort.

With regards to group norms, it seems that the concept of norms as normative control mechanisms is not compatible with discretionary effort. In other words, this implies that employees may exert discretionary effort because of rewards or sanctions resulting from conforming to or violating norms. However, since norms are unwritten, informal interpersonal rules accepted by members and are based on a normative psychological contract, they are not related to formal rewards or formal sanctions (but they may have informal long-terms rewards or sanctions) even though they comply or violate their norms. Since conforming to norms is not part of the employment contract, employees can easily ignore the norms when they feel uncomfortable. Once employees recognise certain informal rules as norms which are beneficial for their group, they tend to enter a psychological contract and subsequently conform to norms. Normative contracts occur when members (e.g. colleagues or leaders) agree on the terms of their individual psychological contracts (Rousseau, 1995). Schneider's (1987) model of Selection-Adaptation-Attribution demonstrates how people in organisations become similar in their beliefs, values and behaviour by conforming to such norms. When new members are recruited, they often seek a person who fits the norms (Selection). People who do not fit

that mould initially can be socialised to change their behaviour through training and performance management (Adaptation). Those failing to assimilate over time will leave because they are uncomfortable behaving differently or because the organisation forces them to (Attribution). This similarity creates a shared view of the group and people's roles in it. For these reasons, the existence of discretionary effort-promoting norms may have a significant impact on individual discretionary effort (These issues will be discussed in detail in Chapter 5).

3.3 Strongly Instrumental Motivation theories

There are many different kinds of motivation theories to explain general human behaviour (e.g. instinct theory: James, 1890, Freud, 1915; drive and reinforcement theories: Woodworth, 1918, Cannon, 1939, Skinner, 1953; cognitive theories: Lewin, 1938, Tolman, 1959). In particular, some of them have been applied to industrial organisations and are frequently used to explain various organisational behaviours. (expectancy theory: Mitchell, 1974; equity theory: Greenberg, 1986; intrinsic motivation: Deci and Ryan, 1980; job characteristics theory: Hackman and Oldman, 1976). Some motivation theories, such as expectancy theory and goal-setting theory, which are the most frequently used in explaining individual behaviour are not incorporated in this present research. The reason for this is that these theories, in some circumstances, may imply that (1) individual efforts are strongly linked to the expectation of rewards and this is not part of the concept of discretionary effort; (2) at the practical level, these theories do not seem to apply to the Korean context; and (3) some elements of these theories are already incorporated in this research model. These all issues will be discussed in detail as below.

3.3.1 Expectancy Theory

According to expectancy theory (Vroom, 1964; Porter and Lawler, 1968), individuals evaluate the possible outcomes of different behaviours or levels of effort and then act to maximise their own overall utility. The theory assumes that individuals are rational/economic agents who conserve energy and regard effort as a form of cost. This implies that cognitive processes are major determinants of behaviour and that individuals are able to calculate the costs and benefits of potential courses of action. The results of those calculations are supposedly used to choose among alternatives. In this sense, the theory assumes that individual behaviour in most circumstances, is strongly instrumental to rewards and thus may be controlled by formal rewards system.

The assumed calculation of expectancy theory is similar to the assumption of social exchange theory, which is part of the concept of discretionary effort, in the sense that both theories are based on cognitive processes. Hence, expectancy theory may be explained in terms of social exchange theory since employees may put in discretionary effort because of the expected satisfaction with exchange relationships based on calculated rewards in the future. Social exchange theory does not confine the exchange relationship to the present, but it accommodates the past and future (e.g. the degree of satisfaction of an exchange relationship in past can affect the level of individual effort). However, the difference between the two theories may be as follows: expectancy theory seems more likely to focus on economic /material rewards which are strongly instrumental, rather than social exchange relationships which are based on long-term trusts.

There are some problems with the expectancy theory, as research suggests. This approach applies only to certain individuals (Landy and Becker, 1987). Its strength lies in predicting discrete choices, and it works best where individuals have a period for reflection on the optimal outcome (Wanous, Keon and Latack, 1983). However, in the work situation employees rarely have sufficient time to do this and are normally faced with too many outcomes to be able to conduct comparative

evaluations. Furthermore, the theory may not apply in the Korean bank branches where there are no clear links between performance and subsequent rewards. The forms of performance of employees in the banking sector are various and rather ambiguous and, furthermore, rewards are independent of the performance of employees. For example, one of the most important rewards systems involving financial rewards such as pay and promotion, based on an employees' performance. Financial rewards mainly depend on tenure or position, while the promotion of ordinary employees relies on the results of special examinations for promotion.

Another problem is that expectancy theory is not useful in explaining variations in effort between individual workplaces. Managers find it difficult to stipulate in detail the kind and level of performance that is to be rewarded. Nor is it easy to judge the size and combination of rewards that make the extra effort worthwhile in the eyes of employees. A further problem with the application of incentive systems as suggested by expectancy theory is how to monitor and control performance in order to discourage workers from choosing the apparently favourable option of shirking. It is difficult for the theory to work in actual work context because performance outcomes are various and links with rewards are unclear.

3.3.2 Goal Setting Theory

Goal setting theory is one of the most frequently used motivation theories in explaining individual behaviour. It is based on a cognitive approach, like expectancy theory, and thus emphasises the role of intentions or deliberate determinations to act as major causes of motivated behaviour. Many research investigations (see Locke and Saari, 1981) show that specific and challenging goals (assigned goals rather than participative goals) lead to higher performance than easy goals, "do your best" goals or no goals. Goals affect performance by directing attention, mobilising effort, increasing persistence, and motivating strategy development. Goal setting is most likely to improve task performance when the goals are specific and sufficiently challenging, when feedback is provided to show progress in relation to the goal,

when financial rewards are given for goal attainment, and when assigned goals are accepted by the individual.

A goal is what an individual is trying to accomplish; it is the object or aim of an action. The concept is similar in meaning to the concepts of purpose and intent (Locke, 1969). Other frequently used concepts that are also similar in meaning to that of goal include performance standard (a measuring rod for evaluation performance), quota (a minimum amount of work or production), deadline (a time limit for completing a task), and budget (a spending goal or limit). The setting of these goals by managers seems to be related to the “stimulus control” of employees. Hence, the idea of assigning employees a specific amount of work to be accomplished is not new. The notion of goal setting has basically similar attributes to ideas of scientific management (along with those of time and motion study and incentive pay) founded by Taylor (1911), and management by objectives (MBO) in the sense that these are all based on traditional management control mechanisms. However, goal setting does not necessarily have to be part of a wider management system to motivate performance effectively. It can be used as a technique in its own right.

Although goal setting may provide the immediate regulators of individual behaviour, it does not seem to be helpful for explaining discretionary effort, which refers to employees' involvement or less calculative and spontaneous behaviours rather than those driven by formal control systems. According to the theory, people with challenging or difficult goals work harder than those who have easy goals. This mechanism can be explained by two aspects: Firstly, because of the enjoyment resulting from the achievement of difficult goals or tasks (intrinsic motivation), goals setting (self-set goals) can be a force for discretionary effort. Goals help to build people's beliefs in their capacities. Without standards against which to measure their performances, people have little basis either for judging how they are doing or for evaluating their capacities. Sub-goals serve this purpose well (Bandura and Schunk, 1981). Success in attaining challenging sub-goals increases people's beliefs in their own capacities. Accomplishing challenging goals also creates self-satisfaction and increases one's interest in what one is doing. From this perspective, the theory partly

relies on intrinsic motivation, achievement needs and group norms which are already incorporated in this present research model. People with a need for achievement are motivated to work harder if their assigned goals are difficult or challenging. Also, challenging and difficult tasks or goals make people become intrinsically motivated. Goals assigned by managers can also be work group norms, which are standards of acceptable behaviour defined by a work group.

Secondly, goal setting can be a pulling force for high efforts because of the expectation of rewards following goals attainment (exercised by formal control mechanisms). Setting goals is more likely to involve management control mechanisms which are based on formal rewards. It is important to note that most research on incentives and goals has focused exclusively on prescribed role behaviours such as performance, specifically in terms of objective numbers of units produced (Jenkins, 1986; Larson and Callahan, 1990; Mento et al., 1987). Hence, goal setting may not be a contributory factor to discretionary effort (e.g. Patrick et al., 1993) show, that goals are negatively related to extra role behaviour among individuals committed to the goals). On a practical level, the theory can only be tested where the appropriate management techniques are applied. Korean bank branches do not use goal setting techniques which assign individual goals. For these reasons, this research does not include goal setting theory in the model.

In conclusion, cognitive motivation theories (e.g. expectancy theory and goal setting theory) stress the importance of clear and specific goals and of performance-reward expectancies for individual motivation. They are useful in situations where goals can be clarified, where there is an abundance of rewards, and where those rewards can be closely linked to performance. This is simply not the case in many situations, for instance in the public sector (Perry and Porter, 1982) or in cultures where rewards are less abundant (Hofstede, 1980) and where there is less tendency or cultural sanction to differentiate among individuals on the basis of their work performance. Furthermore, humans are not only goal-oriented but also self-expressive. This means that behaviour is not always goal-oriented, instrumental but is also expressive of feelings, attitudes and self-concepts. People are motivated to enhance their self-esteem or self-worth, increase their sense of self-consistency, consolidate

their social identity, and reduce environmental uncertainty by conforming unconsciously to their group norms, and this provides a basis for less-instrumental motivation theories. Such theories are likely to be particularly useful for the explanation of behaviour in weak situations, i.e. where: (1) goals are not clearly specified (in many cases they cannot be clearly specified due to the nature of the task or the organisation); (2) the means for achieving goals are not clear or not established; (3) external rewards are not clearly related to performance or goal attainment due to difficulties in performance evaluation, or to cultural and organisational restrictions imposed on the rewards distribution system.

Chapter 4 Theoretical Explanation I: Benkhoff's Individual Motivation Mechanisms

The purpose of this chapter is (1) to offer a theoretical background to an understanding of why the individual motivation mechanisms identified by Benkhoff (1994) are linked to discretionary effort; (2) to investigate the similarities and differences between these motivation mechanisms in order to determine whether they are actually independent mechanisms; and (3) to introduce the research hypotheses which are to be tested. In particular, the second purpose is important because these motivation mechanisms are theoretically interrelated and overlap in some respects. The motivation mechanisms included in Benkhoff's (1994) research are as follows: (a) need theories: the need for achievement and the need for self-esteem; (b) disposition; (c) intrinsic motivation; (d) behavioural commitment; and (e) social exchange theory. These mechanisms are included in this present research and are considered below in detail.

4.1. Need Theories

One of the fundamental motivational concepts is that of needs. Locke and Henne (1986) define needs as "a requirement of the organism's survival and well-being" (P.1). There are two kinds of needs: physical and psychological needs. The former refer to the requirements for the body to function properly (e.g. food and temperature), and the latter refer to the requirements which ensure that the consciousness is healthy and functioning properly (e.g. self-esteem, sense of competence). When these psychological needs are not satisfied, individuals may experience pain, depression, anxiety or guilt, and are consequently motivated to act in order to satisfy these needs.

Need theories assume that needs are common to every one as innate requirements of survival and well-being. Needs are distinguishable from the values, which refer to what a person wants, considers good and acts to get. Value is that which one acts to gain and /or keep (Rand, 1964, p.15). Values are not innate, but are acquired through thought and

experience and are what guide a person's specific choices and actions. However, in particular, psychological needs may be latent and vary in strength among individuals. For example, according to the learned needs theory developed by McClelland and his associates (1961), needs are learned and acquired by the kinds of events people experience in their culture (e.g. the need for achievement, the need for affiliation, and the need for power). This makes the concept almost synonymous with the values which individuals possess to varying degrees. Ignoring these conceptual disputes, the needs that are considered and analysed in this research are strictly speaking values. The "need" label is nevertheless adopted here in line with common use in the literature.

Several theorists (e.g. Murray, 1954; Alderfer, 1969) have proposed various need categories. Murray writes about affiliation and achievement needs, and Alderfer about relatedness and growth needs. Amongst the various need categories defined and examined in research, the particular needs that are relevant in understanding work commitment are "need for achievement", "need for affiliation" and "need for esteem" (Benkhoff, 1994, p.107). The first two concepts are taken from Murray's categories and are investigated further by McClelland and his associates (1961). The third concept, "need for esteem", is emphasised by Maslow (1954) and subsumed under growth needs by Alderfer (1969). These needs are described as follows:

The need for achievement is supposed to be the driving force in individuals who (1) have a strong desire to assume personal responsibility for performing a task or finding a solution to a problem; (2) tend to work alone rather than with others; (3) tend to set moderately difficult goals and take calculated risks; and (4) have a strong desire for performance feedback. Individuals seeking to satisfy this need may exert discretionary effort because their work challenges their knowledge and abilities and promises to provide learning opportunities, regardless of the financial rewards anticipated or awarded.

The need for affiliation is defined as a desire to establish and maintain friendly and warm relations with other individuals (McClelland et al, 1970). Individuals with a high need for affiliation have the following characteristics: (1) a strong desire for approval and

reassurance from others, and (2) a sincere interest in the feelings of others. Individuals with a high need for affiliation seek opportunities at work to satisfy this need; hence they prefer to work with others rather than to work alone and tend to perform better in situations in which personal support and approval are tied to performance. Since Benkhoff's research (1994) did not reveal a significant link between the need for affiliation and discretionary effort, the need for affiliation is excluded in this research.

The need for self-esteem:

The need for self-esteem has been approached and conceptualised in various ways: e.g. ego strength, (Hartmann, 1950); effectance or competence (White, 1959); removal of all standards of judgement when evaluating the self (Ellis and Whitelyey, 1979); and genuine self-esteem deriving from an integrated sense of self based on the fulfillment of other need (see Deci and Ryan, 1994). Since it is well recognised that self-esteem is a global self-evaluation, this research follows Coopersmith's (1967) definition: "the evaluation which the individual makes and customarily maintains with regard to the self: It expresses an attitude of approval or disapproval, and indicates the extent to which the individual believes the self to be capable, significant, successful and worthy" (p.4-5) . It includes the desire for self-respect, self-esteem, and for the esteem of others. It can be focused either internally or externally (Cherrington, 1989). When focused internally, esteem needs include the desire for achievement, adequacy, confidence, independence and freedom. When focused externally, the need for esteem consists of a desire for reputation or prestige, status, recognition and dignity.

In work contexts, the needs for self-esteem may have significant impacts on employees' attitudes or behaviour. Many correlates (which may be causes and/or consequence) of self-esteem have been identified in the workplace (e.g. decision making, job search, goal choice, job characteristics, job satisfaction, and performance; see Locke et al. 1996). Thus, the need for self-esteem as a basic motivational concept may have a moderate role in liking variables (e.g. satisfaction, behavioural commitment, identification and discretionary effort).

Not much research has been done on links between the need for esteem and discretionary effort. Martin and Murberger's (1994) study shows the effect of self-esteem and assigned goals on both actual and perceived performance. They found significant differences in how high and low self-esteeming individuals perceived their performance. The high self-esteeming individuals perceived their performance to be better than did the low self-esteeming individuals, and the actual performance of those high in self-esteem was indeed better than that of those in low self-esteem.

Theoretically, the needs for self-esteem may affect discretionary effort as a consequence of the generalised efficacy dimension of self-esteem. In the long term, people who think most effectively are most likely to acquire the needed skills (within the limits of their ability) and also come to expect that they can cope with new situations. Thus, self-esteem (especially the efficacy part) could show some correlation with extra effort across many tasks. But in any single task, task-specific self efficacy and goals should show the stronger, direct relationship to high efforts (Bandura, 1986; Locke and Latham, 1990). Furthermore, people with a high need for self esteem may be more likely to show discretionary behaviour than those with low need for self-esteem because the former will view a discretionary behaviour as a deserved opportunity which he/she can do and benefit from, whereas the latter is more likely to view it as an undeserved opportunity.

Though need theories may provide some insight into why employees exert discretionary effort, needs as a universal motivation force seem largely to have lost their appeal for organisational psychologists (Locke and Henne, 1986). The most serious concerns with regard to need theories are as follows. Since the models of need theories are ambiguous,

there are problems with testing them. Needs are inferred from behaviour, and there is therefore no way of establishing whether needs exist at all. This problem is overcome here because needs are treated as values and are taken to measure individual differences.

4.2 Work Disposition

In explaining work motivation, another important concept is “disposition”, which is linked to a personality-based approach. The concept of disposition as an individual characteristic is based on the observation that sets of attitudes within an individual often show some consistency, and that certain attitudes tend to be stable over time and across situations. Applied to the work context, this implies that individuals may have a positive or negative disposition to their work resulting from long-term socialisation. This approach emphasises the impact of non-cognitive individual differences on work behaviour. During the 1970s this perspective was relatively unpopular in the organisational psychology literature. Criticisms of dispositional approaches during the situation-versus-trait debates of the 1970s (e.g. Mischel, 1973) and the poor evidence of many personality measures in predicting performance (e.g. Guion and Gottier, 1965) contributed strongly to this trend.

During the past few years, however, conceptual and empirical advances in psychology and in theories of performance have prompted renewed interest in disposition determinants of work behaviour. Initial investigations of personality in the organisational context have focused on the study of dispositional determinants of job satisfaction (e.g. Levin and Stokes, 1989; Staw, Bell and Clausen, 1986). Also, researchers have begun to explore the association between personality dimensions and different dimensions of performance (e.g. Barrick and Mount, 1991; see Kanfer, 1992).

As potential antecedents of discretionary effort, Benkhoff (1994) mentions two kinds of work disposition: (1) “work as a central life interest”, and (2) “the Protestant work ethic”. Work as a central life interest (Dubin, 1955) identifies individuals who regard their job as their preferred setting for carrying out a wide range of activities. The Protestant work ethic is often used to imply high work effort, irrespective of the

enjoyment or satisfaction deriving from the content of the work itself or working conditions.

One may assume that employees who have a positive attitude towards work will be more likely to exert themselves beyond the minimum task requirements. If work disposition can be shown to have this effect, organisations may get committed employees, not only by treating them in a particular way, but also by selecting people with the relevant personal characteristics (Benkhoff, 1994).

4.3 Intrinsic Motivation

Intrinsic motivation has been approached and conceptualised in many ways. Two popular approaches described below are those based on either individual needs or affects and emotions. The first approach is that intrinsic motivation is explained by individuals' needs, in particular the need for competence and self-determination (Deci and Ryan, 1985). The authors assume that individuals may seek the satisfaction of these two needs. The need for competence refers to the belief that individuals have the needs for free and effective interactions with the environment and the subsequent feelings of enjoyment that are involved with these needs. The need for self-determination refers to the fact that individuals like to feel free from pressures, such as rewards or contingencies.

Competence, according to White (1963), is the accumulated result of one's interaction with the environment, of one's exploration, learning and adaptation, and develops over time. The need for competence provides the energy for this learning. The reward for competence-motivated behaviour is the inherent feeling of competence that results from effective functioning. The motivation seems to result only when there is some continual stretching of one's capacities. Deci (1975) suggested that the need for competence leads people to seek and conquer challenges that are optimal for their capacities.

The approach based on the need for competence has highlighted the significance of competence. However, many non-intrinsically motivated behaviours may be

competence-oriented. Hence, to be truly intrinsically motivated, a person must also feel free from pressures such as rewards or contingencies. Since self-determination or freedom from control is necessary for intrinsic motivation to be operative, several theorists (e.g. DeCharms, 1968) have proposed that intrinsically motivated activity is based on the need for self-determination. Thus, it can be suggested that intrinsic motivation will be operative when action is experienced as autonomous, and it is unlikely to function under conditions of controls or reinforcement. The need for self-determination is closely related to the need for competence in the sense that to be self-determining one ought to have the skills to manage various elements of one's environment.

Another important perspective on intrinsic motivation is represented by theories that focus on affects and emotions as either initiators or concomitants of intrinsically motivated behavior. Affective theorists place interest, enjoyment and direct involvement with one's environment at the core of their explanation of intrinsic motivation. Izard (1977) proposed that there are ten basic human emotions. Among these emotions, interest-excitement is said to be the basis of intrinsically motivated behavior. Other theorists (e.g. Csikszentmihalyi, 1975) place greater emphasis on enjoyment. Intrinsically motivated activities are ones characterized by enjoyment, those for which the reward is the ongoing experience of enjoying the activity.

The affective approach is itself related to the need for competence in that when one engages in an optimally challenging activity with respect to one's capacities there is the maximal possibility for task-involved enjoyment. This approach, however, is problematic in that many non-intrinsically motivated behaviours may be characterized by enjoyment and interest.

In this research, the conceptualisation of intrinsic motivation is integratively offered as follows: The emotion of enjoyment and excitement accompanying the experiences of competence and self-determination represents the rewards for intrinsically motivated behaviour. These rewards, however, are not properly called reinforcements, since they neither reduce a tissue deficit (Hull, 1943) nor are operationally separate from the activity itself (Skinner, 1953).

Tasks at work that have the potential for arousing intrinsic motivation are proposed to be: (1) those which are neither too easy nor too difficult (i.e. there is a high probability that employees will gain the feeling of enhanced competence), and (2) those whose employees can feel free from pressures resulting from rewards and outside contingencies.

4.4 Behavioural Commitment

Behavioural commitment, according to Kiesler and Sakumura (1966), refers to “the binding of the individual to behavioural acts.” (p.349). Individuals tend to commit themselves to a particular course of conduct. The reason why individuals display behavioural commitment has been explained by the following two theories: side-bet theory (Becker, 1960) and attribution theory (Kiesler, 1971).

4.4.1 Side-bet Theory

Becker (1960) attempts to explain why, in some cases, individuals reject certain courses of action in favour of the single action that is in line with previous behaviour. He argues that a consistent choice is made in order to minimise losses on side-bets which would act as a penalty if an individual changed behaviour. “Committed lines... are sequences of action with penalties and costs so arranged as to guarantee their selection. The penalty may be formal or informal. The penalty may range from the pangs of conscience to criminal prosecution” (p.12). It is reasoned that these side-bets, which are considerations of the long-term or perhaps indirect consequences or costs of changed behaviour, may serve as incentives to stabilise behaviour. Committed individuals feel they cannot behave in a different way, even though they would prefer to do so.

The issues on which side-bets can be made vary from responding to cultural norms and maintaining one's self-image to financial considerations such as pension contributions, specific skills, reduced mortgage rates, lack of job alternatives or status (Benkhoff,

1994). For example, individuals may try to present themselves as being truthful, reliable and competent in order to gain desired esteem from others or to enhance their own employment opportunities. In a particular situation, then, an individual may feel inclined not to meet a deadline, but, considering the implications this may have for his/her reputation, which represents a side bet, the individual may decide to ignore his/her tiredness or forego a more rewarding alternative activity.

In the organisational context, there are reasons, apart from pay or working conditions, that may induce individuals to stay with their organisation given other alternatives. One reason may be behavioural commitment, which, as described above, is based on the tension between at least two mutually exclusive courses of action. For example, individuals may feel that getting a new job would be a good idea, but that in practice there are certain constraints. The course of action is chosen because of the unacceptable penalties associated with the alternative. Individuals may be unconscious of the side-bets, or they may be consciously calculated. Since commitment, as defined in this research refers solely to non-calculating motivation, only some of Becker's examples of side-bets fit the concept.

According to Becker (1960), people's preferred self-image is a side-bet that explains consistent behaviour. Some authors (e.g. Rizer and Trice, 1969) have attempted to test Becker's side-bet theory in terms of the employee's intention to stay in the organisation, but the treatment in the commitment literature of side-bet theory does not seem to do justice to Becker's ideas. Becker's theory is not only about turnover, but is also about consistent behaviour in general.

4.4.2 Attribution Theory

Attribution theory, as developed by Kiesler (1971), is another approach used to explain behavioral commitment. Kiesler views commitment as a form of consistency, suggesting that it is based on previous behaviour and constrains subsequent behaviour. Explicit behaviour is something that an individual must accept as integral to the self. The motivation force of commitment is presumed to be the striving force behind consistency

(or, alternatively, the reduction of inconsistency). Furthermore, the degree of commitment tells us how closely the behaviours are tied to the self.

To the extent that a person is bound to some explicit and attitudinally relevant behaviour, he/she must accept it as integral to his/her self-view, and other attitudes and beliefs must be accommodated accordingly (Kiesler, 1971). This explanation of behavioural commitment assumes that attitudes are derived from behaviour and that individuals try to establish a self-image of being competent and in control by being consistent and committing themselves to discretionary effort. Heider (1958), Kelly (1967), and Bem (1965) also argue that individuals make inferences about the self through observation of their own behaviour.

A self-image of being competent and in control could also work as a side-bet in Becker's (1960) terms. For example, people who previously worked hard continue to work hard for fear of losing their self-image as hard-working persons. While Becker assumes that consistent behaviour can be the result of behaviour or attitudes, Kiesler's model is confined to the commitment that comes from a particular kind of behaviour, "the performance of an overt act" (Benkhoff, 1994, p.16).

Kiesler and Sakumura list a number of conditions under which behaviour may have implications for future behaviour and attitudes:

"We may hypothesize, for instance, that one may increase the degree of commitment by increasing one or more of the following:

- (1) the number of acts performed by the subject;
- (2) the importance of the acts for subject;
- (3) the explicitness of the act, for example, how public or otherwise unambiguous the act was;
- (4) the degree of irrevocability of the act;
- (5) the degree of volition perceived by the subject in performing the act. In turn, we hypothesize that the degree of volition may be increased by: an increase in the degree of perceived choice in performing the act; a decrease in the degree of external pressure exerted upon the subject to perform the act." (Kiesler and Sakumura, 1966, p.350).

A wedding ceremony is an obvious example where most of these factors are employed to work towards maximum consistency and stability.

4.5 Social Exchange Theory

Social exchange theory has a long tradition within the social sciences (Homans, 1961; Blau, 1964; Greenberg, 1986; Thibaut and Kelly, 1959) and has undergone many changes over the years. However, at the heart of the theory are a few simple ideas. First, every relationship generates rewards and costs for its participants. The balance between these rewards and costs is a critical factor in determining a relationship's value. Secondly, the participants in most relationships are motivated to maximise their rewards and minimise their costs. These goals can be accomplished in several ways such as by increasing the rewards and/or decreasing the costs actually generated by the relationship, by re-evaluating rewards and costs so that the relationship seems more valuable, or by becoming more involved in other relationships whose value seems greater. Finally, people can participate in several relationships simultaneously, so the relative value of a given relationship depends in part on the value of any other relationships that are available to the participants.

Evaluation of a relationship's value can focus on the past, the present or the future. One's discretionary effort may depend on the three important comparisons. First, people compare the value of their past relationships with the value of other prior relationships in which they were or could have been involved. Secondly, they compare the value of their present relationship with the value of other relationships in which they are or could be involved. Finally, individuals compare the expected value of their future relationships in which they will or could become involved. One's discretionary effort thus increases when (a) their past relationship is remembered as more valuable than prior alternative relationships; (b) their present relationship is perceived as more valuable than current alternative relationships; and (c) their future relationship is expected to be more valuable than future alternative relationships (Moreland, Levine and Cini, 1993).

Hence, social exchange theories are based on the assumption about human behaviour: there is an assumed similarity between the process through which individuals evaluate their social relationships and economic transactions in the market. Social relationships can be viewed as an exchange process in which individuals make contributions (investments) for which they expect certain outcomes. Individuals are assumed to have expectations about the outcomes that should result when they contribute their time or resources in interaction with others. In this sense, the basic notion of expectancy theory may be included in social exchange theory.

The theory concerns the process through which individuals decide whether or not a particular exchange is satisfactory. Most exchange theories assign a central role to social comparison processes in terms of how individuals evaluate exchange relationships. For example, individuals may compare their outcomes and contributions in an exchange with the outcomes and contributions of the person with whom they are interacting. Where there is relative equity between the outcomes and contributions of both parties to an exchange, satisfaction is likely to result from the interaction.

Social exchange theory assumes that individuals seek and maintain relationships which allow them to maximise their utility. In an organisational context, when one observes employees supporting their organisation without getting an obvious financial reward, this may be only a partial. The rewards may be there, but are indirect and usually self-administered non-financial (social) rewards, e.g. in the form of need satisfaction or intrinsic motivation. Social exchange is different from economic exchange, as Blau (1964) argues that economic exchange is very limited and based on the fairness of contractual demands and predetermined obligations, such as pay. Fairness in social exchange is much more general, determined by a broad consideration of factors that go beyond contractual obligations, such as trust in the overall systems used by the organisation.

Social exchange theory is widely applicable because it is not restricted to marketable goods. Rather it includes pride in group membership, status, affection or security, which are desirable to the employees and which can be exchanged for benefits the employer may appreciate (e.g. compliance and flexibility). For example, as exchange for the

satisfaction with their membership, employees may increase the level of effort and generate different kinds of behaviours beneficial to the organisation.

The important point in application of social exchange theory is that it does not make sense for the partners in the exchange to take a strongly instrumental stance, because social exchange theory is based on the following rules: (1) there is no explicit price attached to the benefits being exchanged, and (2) the exchange does not have to take place simultaneously. A partner who provides benefits, be it money from the company or extra effort from the employees, cannot be sure that the other side will "pay" or receive later (Benkhoff, 1994). The exchange relationship is based on trust rather than certainty. This highlights the crucial difference between social exchange theory and expectancy theory, the most widely applied motivation theory, which proposes that effort is triggered by expectation of rewards (Benkhoff, 1994, p.117).

One prominent theory of social exchange processes is Adams' (1963, 1965) theory of equity, which is perhaps the most rigorously developed statement of how individuals evaluate social exchange relationships. **Equity theory** postulates that in their exchange relationships people seek to achieve a situation where all parties receive outcomes that are a fair reflection of their inputs. The theory implies that individuals feel tension if their own ratio of outcomes (money, status, intrinsic rewards, etc.) relative to inputs (skill, effort, reliability, etc.) is not balanced with the other side in the exchange relationship. Individuals feel angry when they feel under-compensated and guilty when the rewards seem to be overgenerous. Equity theory considers fairness, mainly distributive justice: employees determine whether they have been treated fairly at work by examining their own payoff ratio of outcomes (e.g. size of a raise) to inputs (e.g. level of performance) and comparing that ratio with the corresponding outcome-input ratio obtained by others such as their co-workers.

Another sense of fairness that employees may feel is based on **procedural justice**, which does not focus on the results of any compensation decision or other administrative decisions that involve allocations of scarce resources among employees, but instead focuses on the fairness of the decision-making process itself. Hence, procedural justice

refers to “the perceived fairness of the procedures used in making decisions” (Folger and Greenberg, 1985, p.143). In other words, the focus shifts from what is actually decided to how the decision is made. Procedural justice has been seen as a supplement to equity theory. Although equity theory has received broad support, it has also been criticized as not being particularly useful (see, for example, e.g. Locke and Henne, 1986). A major limitation to equity theory’s usefulness is the difficulty of specifying what type of action an aggrieved employee will take. Some serious consequences for organisations can arise when perceived unfair treatment leads to retaliation by employees. In defining unfair treatment by outcome-inputs ratios, equity theory provides grounds for predicting that retaliation (e.g. work slowdowns as a way of lowing employee inputs) might accompany underpayment. The same principle also provides a basis for the opposite prediction: If the inequity is resolved via cognitive adjustment (e.g. by the employee perceptually raising his/her own outcomes), then the underpaid employee might well work harder.

Equity theory’s failure to resolve these opposing predictions may stem from its tendency to place too much emphasis on the outcomes of reward allocations and to ignore the process that led up to them. The research done to test equity has focused only on distributive justice issues and has neglected procedural justice issues. Two people may respond differently to the same inequity if they believe different things about how that inequity was created (e.g. if two different decision-making processes were used). Procedural justice involves mainly structural aspects. For example, individuals may decide fairness by evaluating procedural rules, such as bias, consistency, and/or accuracy (Greenberg, 1986; Leventhal, Karuza, and Fry, 1980), or by how much influence or “voice” they have in determining the actual outcome they receive (Folger, 1977).

Tyler and Bies (1989) has found evidence for three aspects of concern about procedural fairness: (1) the extent to which the decision maker exhibits neutrality, (2) the extent to which the intentions of the decision maker can be trusted, and (3) the extent to which the decision maker shows respect for the rights of the parties to a decision (those whom the decision affects). These three types of considerations represent the central features of what it means for decisions to be made in a procedurally fair manner. In general, when individuals determine that the structural characteristics of the decision making process

are fair (e.g. procedures have no bias, and they provide an opportunity for “voice”), they will also determine whether the outcome received from this decision making process is fair. Research concerning the structural characteristics of procedural justice has identified individuals’ ideas about procedural fairness in performance appraisal contexts (Greenberg, 1986), day-to-day managerial operations (Sheppard and Lewicki, 1987), and compensation systems (Folger and Konovsky, 1989).

Since fairness in social exchange is based on long-term trust towards organisations, Organ and Konovsky (1989) suggest that discretionary effort (especially organisational citizenship behaviour) is reflected more through social exchange. These authors argue that if people believe they are being treated fairly, and trust that they will continue to be treated fairly, they are more likely to judge that they are in a reciprocal social exchange relationship with that organisation, and will not worry too much about being rewarded for discretionary effort.

Distributive justice and procedural justice may have a direct influence on employees’ attitudes or work behaviour. In particular, distributive justice may predict satisfaction with the outcome received, whereas procedural justice may influence satisfaction of outcomes or the evaluation of organisation. According to Martin’s (1988) research, both distributive and procedural justice determine satisfaction, while organisational commitment is more likely to be determined by perceptions of procedural fairness. Organ (1988) has argued that a determination of fairness is a key cognition in estimating job satisfaction, based on the assumption that attitudes have both an affective (emotions or feelings) and a cognitive (beliefs) component.

In relations to work behaviour, Organ and Konovsky (1989) suggest that organisational citizenship behaviour is reflected more directly through social exchange. The authors argue that if people believe they are being treated fairly, and trust that they will continue to be treated fairly, they are more likely to judge that they are in a reciprocal social exchange relationship with that organisation and will not worry about being rewarded for extra-role behaviours. If treated inequitably, people will shift their perceptions to a more economic exchange view and only perform actions for which they are compensated in

some way. Being treated fairly, then, means that discretionary effort is more likely to occur.

4.6 A Comparison of the Five Motivation Mechanisms

Benkhoff (1994) tested these five motivation mechanisms described above to examine whether or not they are distinctive and independent of each other. This test was important because the author considered the five mechanisms to be conceptually interrelated. The inherent similarities and differences in the theoretical construction of the original five motivation mechanisms are explained below as a basis for replicating Benkhoff's (1994) approach.

Table 4-1 illustrates the relationships between the five motivation mechanisms. The arrows symbolise the relationships in terms of the similarities and the differences, but do not imply a cause-effect relationship between the five variables.

Table 4-1 Relationship between motivation mechanisms



As illustrated in Table 4-1, relationships seem to exist between the various theories as follows:

(1) the need for achievement and the need for esteem, (2) the need for achievement and intrinsic motivation, (3) the need for esteem and intrinsic motivation, (4) the need for esteem and behavioural commitment, (5) disposition and intrinsic motivation, (6) intrinsic motivation and social exchange theory. Each of these relationships will be considered in turn.

4.6.1 The Need for Achievement and the Need for Esteem

There is a similarity between the need for achievement and the need for self-esteem, even though each theory tends to be treated as a different category. People with a high need for esteem are more likely to have a need for achievement, because the need for esteem in most circumstances is associated with achievement, competence and independence, when focused internally. However, the need for esteem may also be satisfied in other ways than achievement, such as physical attractiveness or social status.

4.6.2 The Need for Achievement and Intrinsic Motivation

The need for achievement and intrinsic motivation may be similar in the sense that intrinsic motivation can partly be explained by the need for achievement. According to Deci and Ryan (1985), individuals have a need for free and effective interactions with the environment, and they experience feelings of enjoyment as they perceive that these needs are satisfied. The enjoyment and excitement accompanying the experiences of competence and self-determination represent the rewards for intrinsically motivated behaviour.

Hence, intrinsic motivation can be explained by the need for competence which is similar to need for achievement. However, intrinsic motivation is different from the need for achievement in that: (1) need theory is based on the assumption of an inner

disequilibrium or deficit, whereas intrinsic motivation does not focus on reducing one's deficits; (2) intrinsic motivation is inferred when individuals are involved in particular activities under particular circumstances. For example, people with a need for high achievement are not intrinsically motivated by all types of work. The enjoyment resulted from intrinsic motivation is moderated by one's values and experiences.

4.6.3 The Need for Esteem and Intrinsic Motivation

There are similarities between intrinsic motivation and the need for esteem in the sense that they are both related to the need for competence and control. Intrinsic motivation is based on the enjoyment resulting from control and competence experienced. Esteem needs are also partly related to the feeling of one's confidence or competence and achievement.

Intrinsic motivation differs from the need for self-esteem in an important respect. Whereas intrinsic motivation is inferred during or after an activity, the need for self-esteem generates tension in an individual striving to be successful. Insofar as people are putting themselves under pressure, feeling anxious, and working with great urgency, one may assume that intrinsic motivation is not the only driving force behind an individual's behaviour.

4.6.4 The Need for Esteem, Work Disposition and Behavioural Commitment

The need for esteem is clearly associated with behavioural commitment. One may be a moderator of the other. It could be argued that the need for achievement and the need for recognition are important conditions which make employees susceptible to behavioural commitment (Benkhoff, 1994). Behavioural commitment implies that people maintain consistency in their behaviour in order to satisfy their own and other people's expectations in terms of competence or control (Kiesler, 1971). Inconsistency in terms of their attitudes and behaviour and in terms of their behaviour over time would undermine

their perception of themselves. Hence, some employees may tend to exert discretionary effort because of their fear of damage to their reputation or self-esteem. In this sense, behavioural commitment is an expression of the need for esteem.

However, behavioural commitment is different in scope from the need for self-esteem in that the consistency of behaviour depends on factors other than self-esteem. It is part of an attribution process theory in which individuals derive their attitudes from their behaviour. Esteem need, on the other hand, can be satisfied in various ways other than behavioural commitment.

Positive work disposition and behavioural commitment may often go together. People with a positive work disposition are more likely to allow themselves to be committed than others because work performance tends to be very important for their self-image.

4.6.5 Intrinsic Motivation and Disposition

Intrinsic motivation at work is similar to positive work disposition in the sense that they both stress work itself as an important issue. The difference between intrinsic motivation and disposition is that (1) intrinsic motivation can be inferred by everybody in a particular situation under certain conditions, and (2) dispositions exist independently of the enjoyment of the job as individual characteristics. The two motivational mechanisms may frequently coincide, however. Employees with a positive work disposition are more likely to be intrinsically motivated by their work.

4.6.6 The Need for Achievement, Disposition, Intrinsic Motivation and Social Exchange Theory

Intrinsic motivation is similar in certain respects to social exchange theory in the sense that both refer to enjoyment or satisfaction with the work situation. Intrinsic motivation explains the activity in the absence of a reward contingency or control. According to intrinsic motivation theory, some people work harder than others not because of high pay or supervisor's control, but because of the challenge and scope of the work itself.

Social exchange theory, on the other hand, basically implies that people's behaviour depends on their degree of satisfaction with monetary and non-monetary outcomes such as pay or personal development. While intrinsic motivation refers to the reward as enjoyment derived from work itself, the scope of rewards of social exchange theory is much broader, including such rewards as recognition and promotion opportunities.

With regards to the relationship between positive work disposition and social exchange theory, people with a positive work disposition and a high need for achievement are more likely to view more favourably the social exchange situation because they will not focus so much on the costs as on the benefits, and will therefore be more likely to be satisfied with the overall rewards.

The implication of the above arguments for this research is that one cannot be sure that each theoretical approach represents a separate motivational mechanism (Benzhoff, 1994). In other words, the similarities and differences between theories outlined above will affect the clustering among variables in factor analysis, which shows whether or not these variables have independent explanatory power. In Benzhoff's (1994) research, the five motivation mechanisms were entered simultaneously in the same model of factor analysis. The results showed that the measures of each theory (the need for achievement, the need for esteem, a positive work disposition, behavioural commitment and social exchange theory) represent independent mechanisms, with the exception of intrinsic motivation and disposition, whose measures formed one factor. In a replication of this approach, it will be interesting to see whether the same picture emerges when using a completely different sample from a different industry and a different culture. The five motivation mechanisms will be entered into the same model of factor analysis. The results will show that where there is a significant difference in the theories the variables will appear in different clusters. However, where there is considerable overlap in the motivation mechanisms, the variables will appear in the same cluster.

4.7 Research Hypotheses

The hypotheses of this research are based on the argument that work commitment (discretionary efforts) may be explained by the five independent motivation

mechanisms as discussed above. The specific hypotheses that will be tested in this research are as follows:

(1) Benkhoff's motivation mechanisms are independent mechanisms.

(2) Work commitment (discretionary efforts) from employees is high when employees have:

(a) a high need for achievement

(b) a high need for esteem and work in a setting where they are expected to meet high work standards or where the expectation for achievement is high.

(c) a strong positive work disposition.

(d) a high degree of intrinsic motivation.

(e) a high level of behavioural commitment.

(f) a high level of satisfaction with their working conditions. These working conditions are as follows: pay, promotion opportunities, training opportunities, task area and position.

(3) The motivation mechanisms work together in an additive fashion. Therefore, each additional motivation mechanism working on an individual adds to his/her level of discretionary effort.

Chapter 5 Theoretical Explanation II: Organisational Identification and Group Norms

Group motivation such as organisational identification and group norms may be further explanatory mechanisms for discretionary effort, though these variables are not considered in Benkhoff's (1994) research model in relation to discretionary effort. These two additional mechanisms, unlike the five motivation mechanisms, are based on group motivation rather than individual motivation and thus they may provide an alternative or additional explanation for discretionary effort.

This chapter focuses on answering the following two questions: (1) Why should group motivation be treated as independent from the five motivation theories in understanding individual behaviour? (2) On what basis can one argue that group norms affect individuals' discretionary effort?

5.1 Group Motivation

In addition to the individual motivation mechanisms, there is an important motivation mechanism, such as group motivation (e.g. organisational identification and group norms), to explain human behaviour within work organisations. These additional mechanisms as group motivation may provide a different explanation of human behaviour within work organisations (discretionary efforts), other than that offered by Benkhoff's five motivation mechanisms which are based on an individual motivation. The distinction of group motivation from the individual motivation is rooted in traditional arguments with regard to the individual-group relationship: is there more to groups than the sum of the individuals that comprise them? Some authors, particularly, reductionists (e.g. Allport, 1962) argue that the group phenomenon may ultimately be reduced to individual psychological processes. Also, Steiner (1986) concurs with Allport's (1962) point, adding that "there are no groups without individuals, and there are very few individuals who are not also functioning parts of groups" (Steiner, p.285).

However, groups emerge out of people's common perceptions of themselves as members of the same social unit and in various relations to one another within that unit. These perceptions of themselves are associated with various group attributes such as norms and values, and these can become internalised and hence serve to guide people's behaviour. For these reasons, Allport's (1962) conclusion that the concept of "group" has no place in a social psychology is not very convincing. Hence, in this research, Sherif's (1966) views are adopted: "We can not do justice to events by extrapolating uncritically from man's feeling, attitudes, and behaviour when he is in a state of isolation to his behaviour when acting as a member of a group. Being a member of a group and behaving as a member of a group have psychological consequences. These are consequences even when the other members are not immediately present." (p. 8-9)

Much of traditional social psychology is reductionist in that it explains the social group in terms of properties of the individual; that is, it is individualistic, and has been ever since the time of Allport (Cartwright 1979; Pepitone 1981; Sampson 1977, 1981). By dissolving the group into individuals, the concept of group no longer has any separate conceptual status from that of the individual, and social psychology no longer studies the social group; it merely focuses on interactions between individuals. The social identity approach has developed as a spearhead of the attack on such individualism in social psychology. Its initial focus was the study of inter-group relations. Over the years the approach has broadened out to include a wide variety of group phenomena and as an attempt to reintroduce the concept of group as a distinct explanatory tool in social psychology (e.g. Turner et al. 1987). The explanation of group behaviour requires articulation of the uncertainty-reduction motive with more specific group-based motives that derive from inter-group relations. The mediating construct is social identity.

5.2 The Definition and Formation of a Group

One of the interesting debates in social psychology has centred on the nature of a group. A group is defined as any number of people who (1) interact with each other and/or (2)

perceive themselves to be a group. This definition encompasses two aspects: the first is “the existence of some formal or implicit social structure, usually in the form of status and role relationships” (Sherif, 1969, p.8); and the second is the view that a group exists when “two or more individuals perceive themselves to be members of the same social category” (Tajfel, p.15, 1981; see also Turner, 1982; Turner et al., 1987).

The first of these two observations implies that a group consists of people in face-to-face interaction with one other (e.g. Bales, 1950; Homans; 1950). This is certainly true for many small groups to which one belongs, such as the family and work groups. This approach, however, would seem to exclude large-scale social categories such as ethnic groups or large organisations. This problem can be solved by adopting the second element of the definition that focuses on the more subjective perception of groups in terms of an individual’s self-categorisations (Tajfel, 1981; Turner, 1982; Turner et al., 1987).

For the purpose of generating hypotheses, it is important to consider why groups form. Answers to this question have been put forward from two different angles: one is the social cohesion approach and the second the social identity approach. The former is based on the idea that group formation results from mutual interpersonal attraction which fulfills interpersonal needs satisfaction (e.g. through co-operative interaction, interdependent goals, a system of interpersonal exchange, positive interpersonal reinforcement and interpersonal similarity). The second approach, on the other hand, implies that groups are formed by self-categorisation in order to achieve social identity (a mechanism that will be explained further in Chapter 5.3). Accordingly, groups may generate intragroup attraction, which is the affinity between individuals who are members of the same group, in different ways (Hogg and Turner, 1985; Turner, 1984).

Social identity theory and the social cohesion approach provide different explanations for the formation of groups, but they are not necessarily contradictory because the concept of attraction or affinity is part of both approaches. The social cohesion approach by definition explains the formation of groups in terms of interpersonal attraction. With respect to the social identity approach, a distinction can be made between psychological groups and those based on formal structures.

Where individuals do not have any choice about belonging to certain formal groups (e.g. race or gender), they can still cognitively justify their membership by inferring that it is based on interpersonal attraction and can feel psychological belongings. A collection of individuals can also become a group to the extent that they exhibit the same patterns of behaviour. Identification with other groups (e.g. male feminists, pragmatic businessmen trade union officials) is a matter of choice. It is likely then that individuals perceive themselves to be part of the group if they have a positive attitude or attraction towards that social category. When the category is not attractive, individuals are reluctant to classify themselves into this social category or to commit themselves psychologically to the group. Since both approaches assume that the formation of a group is associated with the individuals' affinity or attraction, they are compatible. The social identity approach is the more comprehensive and will be used for subsequent analysis and measurement.

5.3 Group Motivation and Social Identity Theory

Social identity theory, as described by Tajfel and Turner (1979), attempts to explain inter-group relations from a group perspective. As implied by the name given to the theory, "social identity" is defined as "...that part of an individual's self-concept which derives from his knowledge of his membership of a social group (or organisation) together with the value and emotional significance attached to that membership" (Tajfel 1978a, p.63). The theory assumes that people desire to have a positive social identity. This desire will influence individuals to make social comparisons between their own group and other groups in order to achieve both a favourable and a distinct position for their own group. That is, it attempts to explain inter-group behaviour by referring to psychological processes such as social identity, social comparison, and psychological distinctiveness.

Social identity theory is concerned with all aspects of relations between groups, especially groups having unequal power. Specifically, it maintains that society comprises social categories which stand in power and status relations to one another. Social categories refers to the division of people on the basis of occupation, nationality, race,

class and sex. The theory attempts to predict the conditions in which people will feel motivated, individually or collectively, to maintain or change their group relationship and their inter-group situation. It also assumes that individuals are motivated to maintain or achieve a positive self-identity. In the context of organisations, this implies belonging to organisations that enjoy high status.

According to social identity theory (SIT), inter-group relations and group behaviour are analysed in terms of two separate processes (see the overview by Hogg and Abrams, 1988): (1) the cognitive process of categorisation which assigns individuals to social categories; and (2) the motivational process of self-enhancement or self-esteem which causes individuals and groups to strive for a relatively positive social identity.

The first process means that people like to perceive themselves and others as belonging to various psychological groups through organisational membership, religious affiliation, and gender identity, etc. (Tajfel and Turner, 1986) in order to simplify their complex environment. The expected benefit of stereotyping other people is that it makes their behaviour more predictable. Self-categorisation at once accomplishes two things: it causes one to perceive oneself as "identical" to, and to have the same social identity as, other members of the category - it places oneself in the relevant social category, or places the group in one's head; and it generates category-congruent behaviour on dimensions which are stereotypic of the category. Self-categorisation is the process which transforms individuals into groups.

The second process implies that membership in a social group provides an important source of self-esteem for individuals. The existence of a fundamental individual motivation for self-esteem (e.g. Tajfel and Turner 1979; Turner 1981b, 1982) is satisfied in an inter-group context by maximising the difference between in-group and out-group on those dimensions which reflect positively upon in-group. People try to derive a sense of value, self-respect and self-worth from their membership of high-status or successful social groups. Just as self-esteem may be enhanced by positive comparisons between the personal self and other individuals, high self-esteem may also be achieved through membership of a group with positive distinctiveness as compared to other groups. To

enhance their self-esteem even further, individuals tend to be positively biased in the way they perceive their own group in relation to outsiders.

Conversely, membership in a low-status, disadvantaged or devalued group may threaten self-esteem by suggesting that an individual has undesirable attributes, or is regarded unfavourably by others (Allport, 1954). However, people are not merely passive victims of their group's social status. People often actively try to protect their self-esteem from the damaging implications of membership in low-status, disadvantaged or poorly performing groups by mainly using the following three strategies (Crocker and Major, 1989):

- (1) Distancing oneself from the "undesirable group", for instance by criticising its values or policies in public;
- (2) Reinterpreting the group's status in order to increase its prestige or value, for example by emphasizing the promising long-term potential of a company which currently is not very profitable;
- (3) Discriminating against members of the out-group whose status is seen to be lower than one's own group (e.g. some men discriminate against women). The meaning of membership of a high-status or successful group is derived partly from the fact that other groups are lower in status, less selective or less successful (Tajfel and Turner, 1979). Thus, by derogating other groups, one may elevate the relative status of one's own group and hence elevate one's own self-esteem (Tajfel and Turner, 1979; 1986);

With these influences of social identity on individual behaviour, the theory has recently provided new basis for explaining the phenomenon of employees' identification with their organisation. Since some authors equate the concept of identification with organisational commitment, social identity theory may also account for phenomenon of organisational commitment. The theory implies that when employees perceive themselves to be members of an organisation, they tend to comply with their values or norms of organisation (This conformity issue will be discussed in detail in the section 5.5).

Many authors have tended to focus their research on the link between the degree or strength of individual's identification or commitment and performance. This is because in large organisations, even though employees are recognised as organisational members, they may not comply or pretend to comply with the values or norms of their organisation because organisational values or norms are not helpful at all for an individual in certain departments and are not strong enough to affect individual behaviour. This raises issues concerning the following concepts: compliance, identification, internalisation in terms of the degree of conformity. O'Reilly and Chatman have been interested in linking these with employees work behaviour.

Apart from this issue, it is extremely interesting to look at the contents of values or norms of organisations which may affect the individual behaviour or organisational performance. Some organisations can have discretionary effort-promoting norms such as cooperation norms; others may have performance-harming norms such as avoidance norms. In many cases (especially large organisations), values or norms of organisations are not powerful enough to influence individuals' behaviour because there may be no mechanisms to reward or punish them when individuals conform or deviate. Individual behaviour is more likely to be affected by their work groups such departments or bank branches which are environments that are closer to individuals. This is because in small groups individual behaviour is more clearly and easily observed by group members such as group leaders or managers and group expectations (group norms) are clearer, and thus group leaders more easily reward or punish employees who conform or deviate group norms (but group norms are different from formal rules based on formal rewards systems or formal sanction). For this reason, in small groups such as work groups, regardless of whether employees identify with their organisations, the existence of work group norms can have independent impact on individual behaviour. According to social identity theory, since employees tend to conform to their norms or value as group members, it may be more important to focus research on contents of norms than degree of conformity.

The important difference between the two mechanisms is that organisational identification is broader than group norms in an analytical unit as well as the application of the concept itself. Organisational identification focuses on organisational unit (e.g. banks), whereas, group norms focuses on groups (e.g. bank branches). The concept of organisational identification is broad and general in that the object of identification is group or organisation itself which may have various attributes whereas, group norms implies a specific attribute (norms) of group. Hence, these two mechanisms may affect individual behaviour differently within organisations. These difference will be discussed in more detail in section 5.3.3.

5.4. Organisational Identification

5.4.1 Confusion about the Concept

Organisational identification has long been regarded as important in the literature because of its potential impact on individual behaviour and thereby on the general effectiveness of an organisation (Hall, Schneider, and Nygren, 1970; Lee, 1971; O'Reilly and Chatman, 1986; Patchen, 1970; Rotondi, 1975). Theoretical and empirical works on organisational identification have not provided fruitful results, but have confused the concept with other relevant concepts such as commitment and internalisation. There is no generalised agreement on its definition. Many authors equate it with the concept of organisational commitment as illustrated in the following quotation.

“the relative strength of an individual’s identification with and involvement in a particular organisation...” (Porter et al., 1974).

“An attitude or an orientation toward the organisation which links or attaches the identity of the person to the organisation” (Sheldon, 1971, p.143)

“the process by which the goals of the organisation and those of the individual become increasingly integrated or congruent” (Hall, Schneider and Nygren, 1970, p.176).

“the totality of internalised normative pressure to act in a way that meets organisational interests” (Wiener, 1982, p.418) This definition refers to the degree of the internalisation of normative pressure exerted by an organisation. Here normative pressure seems to be the same as organisational values or norms. The internalisation of these values or norms implies that an individual agrees with and accepts them. Hence, Wiener’s definition is similar to that of Hall, Schneider and Nygren’s (1970), which considers commitment to be the same as organisational identification or internalisation.

Hogg and Turner (1987) treat identification as a different concept from internalisation by defining it as “self” in terms of social categories, whereas the concept of internalisation refers to the incorporation of values, attitudes, and so forth within the self as guiding principles. Hence, authors assume that although certain values and attitudes are typically associated with members of a given social category, acceptance of the category as a definition of self does not necessarily mean acceptance of those values and attitudes.

However, identification may not be simply a form of categorisation, as Hogg and Turner (1987) suggested, but it is a process of becoming psychological group (through emotional attachment), based on categorisation. It is different from categorisation which may not always include emotional attachment. Identification is more likely to imply psychological categorisation. For this reason, it is difficult to distinguish difference between identification and internalization in the sense that both are indicators of emotional attitudes. Thus, if individuals identify with their organisation, they tend to internalise their organisational values. Hall et al, (1970) define organisational identification as “an process by which the goals of the organisation and those of the individual become increasingly integrated and congruent.” (p176). This definition equates identification with internalisation, which implies an acceptance of organisational goals or values. This subsequently makes identification equate with organisational commitment, which is defined as “the process by which the goals of the organisation and those of the individual become increasingly integrated or congruent.” (Hall, Schneider and Nygren, 1970, p.176).

For these reasons, this research assumes that organisational commitment and organisational identification are the same concept. However, some authors still suggest that there is difference between them (e.g. McGreger, 1967; March and Simon, 1958). Organisational identification is regarded as an antecedent of commitment by defining the extent to which the individual accepts the values and goals of an organisation as his own and, therefore, becomes emotionally committed to that organisation. The relationship between the two concepts very much depends on their particular definitions. It is essential to examine what makes these concepts confusing to establish clear definitions of identification and commitment.

As discussed in Chapter 1, the concept of commitment, in this research, is suggested as *“psychological, emotional engagement or responsibility which is represented by individuals’ identification or internalisation with individuals, groups, organisations or the goals, values or norms of organisations”*. This definition is in line with many authors’ definitions, as mentioned above, in terms of core meaning of commitment such as shared values or norms. Hence, organisational commitment or identification is conceived of as the psychological engagement felt by the person for the organisation; it will reflect the degree to which the individual internalises or adopts the characteristics or perspectives of the organisation.

The fact that commitment or identification research has had unfruitful and inconsistent results today may be due to the lack of conceptual clarity, although there has been a great deal of research over the last thirty years. The concept of identification or commitment basically refers to the relationship between employees and the organisation, although recently its objects are extended to individuals, work groups, or organisations (e.g. Meyer and Allen, 1997, who focus on an organisation, top management, unit, unit manager, work team, and team leader). These relationships begin with formal contracts which require mutual responsibility and duty. Hence, individuals who work for organisations feel responsible for their contracts and subsequently feel that it is compulsory to work for their organisations. Apart from formal contracts, individuals may have independent psychological engagement or responsibilities towards organisations which can be affected by formal contracts, but are more likely to be controlled by broad social exchange relationships. This implies that commitment or

identification can be explained by social exchange theory, but does not exclude the possibility that it can be explained by either individual characteristics (e.g. disposition) or formal contractual conditions.

However, individuals may face the organisation as a system which has complex characteristics or attributes in terms of its mission, purposes, values, norms, and goals as well as leadership styles, interpersonal relationships among co-workers, and a rewards system. All factors may have an influence on psychological engagement and responsibility (Rousseau's, 1995, psychological contract seems to be in line with the same notion). Some factors may be contradictory for some individuals, but individuals may have general feelings of engagement or responsibility towards their organisations.

As many authors recognise, when commitment, or identification focuses on aspect of organisational values or goals, it may cause serious problems in applying the concept to today's complicated organisations. What are organisational values or goals? The existence of an organisation or a group is recognised when it has goals or values to maintain the system. These goals or values may be essential symbols representing the reality of the organisation as a de-personalised object. There can be clear and consensual goals or values for the existence of an organisation in some circumstances (especially small groups, like football teams), but in most circumstances (e.g. large business organisations), the goals or values of the organisation are not simple and clear objects but vary according to departments, work groups or leaders. As individuals come into contact with organisations, they encounter dress norms, the organisation's formal rules and procedures, its informal codes of behaviour, tasks, pay systems and so on. These are expressions of certain kinds of values or goals. It is extremely difficult to categorise these values or goals into a single consensual concept. Furthermore, organisation itself can be seen in terms of values or culture. Since organisational values or goals make the existence of an organisation possible and thus may be the proxy of organisation itself, they can be treated with the organisation. For these reasons, some authors focus organisational commitment on emotional attitudes towards the organisation (Porter et al, 1974; Sheldon, 1971), but others stress organisational goals or values (e.g. Hall, Schneider and Nygren, 1970; Wiener, 1982). Hence, there may be little difference between organisation itself and organisational goals or values.

One of the reasons why commitment or identification research has become complicated may be the assumption that there are clear and concrete consensual goals or values of the organisation for individuals or consensual attitudes towards organisations. This assumption may be helpful in small groups. However, it may be a less useful concept in large business organisations, particularly in attempting to establish links between commitment and work behaviour. Individuals may not have consensual goals or values, (e.g. some goals or values of organisation are congruent with competent individual goals or values, such as performance-related pay), but others are not congruent with individuals (e.g. supervisor's over-control of the work process). In this case, the basis for individuals' commitment towards the organisation can vary (e.g. rewards system, formally written mission or values of organisation, leadership style, or work group norms), and subsequently these factors may strongly moderate the relationship between commitment and work behaviour. It may not be very interesting to link between commitment, identification and work behaviour without considering these moderating factors, but it is interesting to investigate what sorts of mechanisms affect organisational commitment or identification.

What is the basis for one's psychological engagement or identification to an organisation? One important mechanism in the development of identification is the social identity. From this perspective, identification with the values or goals of the object (that is, some of the attributes, motives, or characteristics of the object) are accepted by the individual and become incorporated into the cognitive response set of the individual.

5.4.2 Links between Identification and Discretionary Effort

Previous research has not really provided a clear link between organisational identification and employees' discretionary effort, which is the subject of the present analysis. Organisational identification may be associated with various types of employee behaviour which contribute to superior organisational performance. Organizational identification means that individuals see themselves and another individual or a group of individuals as being one. Individuals' desire to have positive social identity may have a

considerable impact on organisational identification. Hence, this research attempts to link organisational identification, which is based on social identity theory, and discretionary effort. The SIT literature suggests that several factors of direct relevance to organisations are most likely to increase the probability of organisational identification:

- (1) The distinctiveness of organisational values and practices in relation to those of comparable groups (Oakes and Turner, 1986).
- (2) The prestige of the organisation (Chatman, Bell, and Staw, 1986; March and Simon, 1958): perceived organisational prestige is seen to be strongly related to organisational identification.
- (3) The salience of the out-groups (Allen et al., 1983; Turner, 1981). Out-groups become salient when conflict and competition between groups is intensive, and awareness of out-groups reinforces awareness of one's in-group. According to Wilder (1981), individuals assume that there is a greater homogeneity in the in-group when an out-group is present than when no specific out-group is salient.
- (4) The sets of factors traditionally associated with group formation (e.g. interpersonal interaction, similarity, liking, shared goals and so forth) can be expected to affect the extent to which individuals identify with an organisation.

Benkhoff also suggests that organisational identification can be operationalised in terms of social identity theory and thus focuses on the following three aspects:

- (1) The perception of shared goals and values, which refers to the view that employees and organisations have important issues in common and that there are no significant conflicts of interest.
- (2) Pride in one's membership, which relates to employees' needs for esteem.
- (3) Positive cognitive bias, which refers to employees' positive attitude towards their organisation (positive social identity).

Identification may be better recognised by the perception of no conflict with the values or goals of an organisation. The desire for consistently positive social identity is more likely to imply both pride in membership and perceived positive bias toward the in-group than acceptance of the values of an organisation. Identification can be expected to affect

employees' behaviour or effort only when employees strongly identify with their organisation (that is, when they feel psychologically engaged or responsible for organisation but not just emotional attachment, belongings which refer to traditional concept of identification).

In linking organisational identification and employees' behaviour, some previous research has assumed that employees who identify with their company will exhibit discretionary behaviour such as "supporting the organisational objectives, taking pride in the tenure in the organization or defending the organization to outside." (e.g. Lee, 1971, p.215). This relationship can be explained in terms of social identity theory. For example, supporting the organisational objectives derives from the fact that when individuals find that their own goals and values are similar to those of the organisation, they are less likely to exhibit counterproductive behaviour or resist management demands. Taking pride in one's group membership may derive from a positive cognitive bias towards the in-group and a negative bias towards the out-groups. Defending the organisation is a form of defending oneself since criticism of the organisation simultaneously undermines the members' own status. All these insights derive from social identity theory.

Since employees who identify with their organisation tend to support their organisational goals and take pride in their organisational membership, they may choose to exert direct discretionary effort in order to make a contribution to the superior performance of their organisation. This triggers a circular mechanism: once an organisation gains a reputation for high performance, this also improves the self-concept of the employees who feel part of it.

Organisational identification may have a strong impact on discretionary effort, especially if discretionary effort is a condition for group membership. This relationship may be moderated by how much individuals value group membership and how strong group expectations are. If membership of an organisation is very salient and valuable for an individual (e.g. when the organisation has high status and is associated with tangible and emotional rewards such as support and warmth from other members within an organisation), and if the response of salient others (e.g. a supervisor or colleagues) is important to an individual, then there will be a strong relationship between organizational

identification and discretionary effort, e.g. employees will be more likely to perform according to the expectations of the organisation that go beyond the contractual relationship.

Since this research regards identification as commitment, it is interesting to look at the link between commitment and discretionary effort (especially OCB) in the literature. The links between organisational commitment and organisational citizenship behaviour depend in large measure on whether one conceive the latter as a set of behaviour, a set of behavioural intentions, an attitude, or a calculated motivational force. In the work of Steers, Mowday, and Porter (1982), whose measure of organisational commitment has been used extensively, organisational commitment seems to represent both an attitude and a set of intentions, since they define organisational commitment as connoting an acceptance of organisational goals and values along with an intent to remain in the organisation and a “willingness to exert considerable effort on behalf of the organisation.” As many empirical researchers (e.g. Benkhoff, 1994) demonstrate, there is no single dimension. Behavioural aspects such as extra effort and desire to stay may not be part of the commitment concept, but they seem to be more likely the results of commitment.

Scholl (1981), and O'Reilly and Chatman (1986) present persuasive arguments for thinking of organisational commitment as a psychological state rather than overt behaviour, although they differ somewhat in how they characterise this state. For Scholl, organisational commitment is a moral imperative that sustains the direction and intensity of an organisational participant's behaviour when calculated incentive would not suffice to do so. O'Reilly and Chatman prefer to regard organisational commitment as simply the strength of attachment to an organisation; however, the basis of this attachment can take qualitatively different forms. Their research suggest that only an attachment based on identification with the organisation or internalization of its values would sustain the types of contributions defined as OCB.

Allen and Myer (1993), distinguishing between affective commitment and normative commitment, examine the links between citizenship behaviour and both concepts of commitment. Both affective and normative commitment are positively related to

citizenship behaviour. The relationships between normative commitment and extra-role behaviour, however, are weaker than those involving affective commitment.

A literature review of the links between commitment and discretionary effort shows clear positive relationships between them. However, if commitment is defined in terms of psychological engagement or responsibility towards the organisation, these relationships become theoretically clearer: they involve the norms of reciprocity, according to which the recipient of benefits is morally obligated to recompense the donor (Gouldner, 1960). Helping others incurs obligations, the repayment of which reinforces giving and strengthens the mutually advantageous exchange of benefits (Blau, 1964; Eisenberger).

However, organisational commitment or identification is only one of many psychological mechanisms that may result in discretionary effort. In situations where group norms are strong enough, they can be expected to have an impact on employee behaviour, independently of whether or not employees identify with their organisation. Conversely, employees who identify with organisations do not always conform to norms within an organisation if those norms are not very strong or if employees do not care very much about supervisors' or colleagues' expectations. Moreover, it is questionable whether in reality an organisational consensus about norms exists. For example, in a large organisation where there are many different departments or branches, various group norms may co-exist. For these reasons, work group norms need to be captured separately as a different or additional mechanism from organisational identification. The subsequent section is therefore dedicated to the nature and dynamics of work group norms.

5.5 Work Group Norms

The work group holds immense influence over individual behaviour, such as work effort, in most work settings. Hackman (1976) reviewed a number of studies which suggested that group norms may have a greater influence on individual's performance than the knowledge, skills, and abilities the individual brings to the work setting. The behaviour of individuals occurs within three conceptually

independent subsystems (McGrath, 1983): the physical and technical environment; patterns of interpersonal relations; and the person or self system. The physical or technical environment consists of the stable conditions of the environment that place limitations and requirements on behaviour. Much of the physical and technical environment makes up a portion of the ambient stimuli available to the group.

Hackman (1976) defines ambient stimuli as “stimuli which potentially are available to all group members....whose availability is contingent only on group membership per se” (p.145). Much of the behaviour of individuals is controlled by the ambient stimuli. New comers to the group can infer what behaviours are appropriate from the ambient stimuli. Thus, these environments specify the task contents and the process demands of the task. Groups use discretionary stimuli (“which can be transmitted selectively to individual group members at the discretion of their peers” as defined by Hackman, 1976) to enforce norms and establish roles. Norms are patterns of interactive behaviour which become mutually established within a group. Once established, norms dictate how individuals should behave, and thus become rules for appropriate behaviour in a work group. Violations of norms are negatively sanctioned by members of the group. Some norms are general and apply to all members of a group in a wide variety of situations. Importantly, they are more potent than tangible rewards or punishments (see Asch, 1955; Allen, 1965; Aronson, 1995). Such norms can become so habitual, so familiar, that they are adhered to without question. For these reasons, it is necessary to examine their dynamics in work settings in relation with employees’ work effort or discretionary effort.

5.5.1 The Definition and Functions of Norms

The definition of norms varies according to the author’s point of view. The following definitions are considered to be the most appropriate and are adopted in this research:

“..... Norms are commonly considered legitimate, socially shared guidelines to accepted and expected behaviour (Birebaum et al., 1976). They are standards against which people can evaluate the appropriateness of behaviour. They provide order and meaning to what otherwise might be seen as an ambiguous, uncertain, or perhaps

threatening situation (Raven et al., 1976). Norms are regular behaviour patterns that are relatively stable and expected by a group's members (Bettenhausen et al., 1985). They need not be explicitly recognised or discussed to use considerable behavioural force. There are two kinds of norms: (1) formal norms, rules or guides to behaviour which are formally set out in legal codes, or the commandments of religious faiths, or the rules of group; (2) informal norms such as returning a kindness, being courteous to the elderly, offering hospitality, and in fact any other commonly assumed "proper" ways of behaving. The main difference between formal and informal norms in this sense can be seen in the consequences associated with non-conformity. Violation of formal norms is in principle, and often in fact, accompanied by more or less clear-cut and inevitable punishment; transgression of informal norms are not so accompanied by sanctions which are in principle clear-cut and inevitable. There are punishments laid down for breaking laws and rules but, in our society at least, not, in the same sense, for being rude to elderly people or for lack of kindness. On the basis of these definitions of norms, in this research, group norms are defined as informal interpersonal behavioural rules established by the members of a group within a bank branch to maintain behavioural consistency. Although bank branches norms can function as a control mechanism, this does not mean formal sanctions through formal rewards system.

More important, norms may either operate consciously or unconsciously, whether they are formal or informal. That is to say, the individual in conforming to norms may not be remotely aware that he is conforming: he is simply behaving in a certain way. This may be precisely the situation of everyday life. In ordinary circumstances, the individual behaves in accordance with norms without being conscious that his behaviour is the norm and that his is conforming to it (See, Beloff, 1958). This being so, any definition of the concept of "norms" must allow that behaviour in terms of behaviour is usually unconscious. Awareness of norms and conformity probably may only arise in situations of conflict, when, in some sense and for some reason, the norms are breaking down and conformity to it is difficult or impossible.

Norms provide a basis for anticipating and predicting the behaviour of others and also serve as a guide for the group members' own behaviour, thus reducing ambiguity and uncertainty. Groups are likely to bring under normative control those forms of behaviour

that ensure group success, increase the predictability of group members' behaviour, avoid embarrassing interpersonal situations and give expression to the group's central values (Feldman, 1984). Norms refer to what should be done. They thus represent value judgments with respect to modes of behaviour in social situations, and are social products which are formed during the course of social interaction. Since norms define a range of acceptable (and hence also unacceptable) behaviour for group members, they specify, more or less precisely, certain rules for how group members should behave. The norms of work groups are the invisible force that guides behaviour. Norms are the unwritten - often unconscious - messages that complement or undermines what is decreed in formal policies, rules, procedures and job descriptions. Norms determine how formal statements are interpreted and provide what the written documents leave out. As a result, norms affect the quality of decision-making and action-taking, and this in turn affects work group morale and performance.

By conforming to group norms, an individual's attitude may be adjusted in order to correspond to his/her behaviour. According to Bem's self-perception theory (1972), individuals come to know their own attitudes, emotions and internal states partly by inferring them from observations of their own overt behaviour and the circumstances in which this behaviour occurs. They tend to adjust their attitudes in line with their behaviour, not necessarily because of cognitive dissonance but because they simply draw inferences from their behaviour provided it was freely chosen. Hence, one should normally expect a strong relationship between attitudes and behaviour in cohesive groups.

The more members are attracted to a group and internalise its goals, the more likely they are to abide by the group's norms and to press one another to do so. This is a circular phenomenon as the more cohesive a group is, the more it is able to exert social pressure; and the more it can exert pressure on members to conform to its standards, the higher will be its cohesion. Norms thus represent a form of social control and help the group to work expediently and may increase the satisfaction of the participants within the group.

5.5.2 The Strength of Norms

An important research issue concerning norms is their strength. Norms in an organisational or group context have two key features which need to be assessed: direction and intensity. Direction refers to the actual content or substance of norms, exemplified by (though not limited to) behavioural norms and thinking styles (Trice and Beyer, 1984). Intensity refers to the strength of this content. Norms that vary in direction (a group may have a diverse set of norms highlighting the importance of achievement, control or efficiency) may support different behavioural patterns, whereas norms varying in intensity have different degrees of influence on members' actions. The intensity of norms is a function of several factors, including (1) the degree of consensus among unit members regarding what the norms emphasise, and (2) the strength of the connections among expectations and behaviour (Cooke and Rousseau, 1988). Norms can be experienced as a coercive power, given the penalties attached to deviant behaviour. However, where individuals share the values of the group, they may be unaware of the influence norms have on their behaviour.

The strength of group norms refers to the extent to which an individual conforms to group norms and the degree of pressure these norms exert on group members. When groups feel so strongly about norms that deviations are met with strong disapproval and when they are able to impose strong rewards and punishments (such as public humiliation, censure, overt disapproval, and even ostracism from the group), one speaks of strong norms. Since strong norms are associated with rewards and punishments, the strength of the norms can be deduced from the strength of the consequent sanctions. However, the problem here is that even though group pressure on members may be strong, this does not necessarily mean that norms are strong. Some people may pretend to conform to the norms publicly while not accepting them privately. This phenomenon is called public compliance. The strength of norms implies something different; members have a desire to maintain membership in the group, and so are likely to privately accept its norms. If the contents and strength of group norms are

convincingly measured, they will thus be very helpful in seeking to examine the link between the strength of norms and employees' discretionary effort.

5.5.3 Conformity to Norms

Conformity is defined as "a change in behaviour or belief toward a group as a result of real or imagined group pressure" (Kiesler, 1971, p.5). The theoretical treatment of conformity contains a number of conceptual distinctions. A typical distinction of social influence is that between normative and informational influence (Deutsch and Gerard, 1955). Normative influence, which is a traditional approach, results from the individual's need for social approval and acceptance. It creates a conformity which is merely public compliance with, rather than private acceptance or internalisation (Kelman, 1958) of group behaviours. It is not associated with true internal change. The individual goes along with the group for instrumental reasons such as the attainment of group goals or the avoidance of punishment, censure or rejection for deviation, or in order to cultivate social approval and acceptance. Normative influence arises under conditions in which the group (or individual) is perceived to have coercive power (i.e. the power to criticise, derivate, threaten, punish, or enforce laws and regulations for which there are penalties attached for non-compliance), and reward power (the power to reinforce compliance or administer affection, praise and material rewards).

On the other hand, informational influence (Ash, 1952 Gerard, 1955) results from the individual's need to be correct. It is true influence in that it results in private acceptance and internalisation of behaviour. The power of informational influence resides in the perceived expertise or expert power (i.e. possession of knowledge) or the informational power (possession of a specific piece of information that is needed) of others. The precondition for effective informational influence is therefore subjective uncertainty, or lack of confidence in the objective validity of one's belief, or opinion. Although normative and informational influence are theoretically distinct processes, in most circumstances they operate together to create conformity. It is difficult to distinguish between the two since they most often are operation concurrently to conformity.

From the social identity perspective adopted in this research (Hogg and Turner, 1987a; Turner 1982, 1985), the conformity to group norms occurs in the following three stages: first, people categorise and define themselves as members of a distinct social category or assign themselves a social identity; secondly, they form or learn the stereotyped norms of that category; and thirdly, they assign these norms to themselves and thus their behaviour becomes more normative as their category membership becomes salient. This approach accounts for conformity as private acceptance or true change as a consequence of social identification through self-categorization. Conformity is increased by identity salience and since increased salience of the identity leads to the greater expectations of agreement between common category members, and this thus creates greater pressure for conformity when perceived or actual disagreement is encountered.

Conformity to norms is generally rewarded by the group while deviancy is punished or at least not rewarded. Hence, it is not surprising that there is general conformity to group norms. As a result of observation of deviant behaviour, other group members are reminded of the range of behaviour that is acceptable to the group. When the group is faced with failure, the deviance is much more sharply punished. Any behaviour which negatively influences the success of the group becomes much more salient and threatening to group members.

The power of a group to influence its members towards conforming to shared beliefs and actions depends on three main factors:

- (1) The degree to which individual members value their membership of the group and its accompanying rewards (e.g. recognition, status, prestige, financial inducement). If the group is of little importance to the individuals, they may not conform to norms and try to seek more attractive groups;
- (2) The positive and negative sanctions (rewards and punishment) the group has at its disposal. If the deviant contributes a great deal to the group, the group may tolerate the deviation in order to avoid threatening the loss of a valued member;
- (3) The members' desire to avoid negative sanctions such as social and physical punishments or expulsion from the group;

(4) Individual characteristics: individuals with self-confidence and inner security are least likely to be affected by group norms. Subjective uncertainty, or lack of confidence in the objective validity of one's belief or opinion, makes individuals more likely to conform to their group norms;

5.5.4 Link between Norms and Discretionary Effort

Groups tend to have a large variety of norms. In particular, groups may have discretionary effort-promoting or high performance-enhancing norms. The concept of norms seems to be incompatible with the concept of discretionary effort because norms mechanisms may function through sanctions, but norms also function through rewards. Furthermore, since these sanctions and rewards imply informal sanctions or rewards and do not involve formal sanctions or formal rewards systems, norms are compatible with the concept of discretionary effort, especially in work contexts. For example, employers can not give formal punishment even if their employees do not respect or trust their superiors. Also, although employees conform to these norms, they are not rewarded by any formal rewards system. These make norms different from formal rules which consist of in-role job description.

5.5.4.1 A Literature Review and Justification for Choice of Particular norms

In the literature, many norms (representing the culture) have been associated with high effort or performance (e.g. innovation norms, social relationship norms; see Kilmann and Saxton, 1983) and in some cases this relationship has been tested (e.g. achievement norms, helpful norms, affiliative norms and self-actualisation norms; see Cooke and Rousseau, 1990). In order to provide a justification of the framework of this present research, several studies are reviewed. In particular, the choice of eight specific norms (achievement norms, competence norms, co-operation norms, autonomy norms, innovation norms, respect norms, openness norms and trust norms) in relation to high effort or performance needs to be justified.

In the following section, different sets of norms are equated with the concept of culture. This approach is in line with the work of some authors who operationalise culture in terms of behavioural norms (e.g. Allen and Dyer, 1980, and Cooke and Rousseau, 1988). Many organisational theorists (Pascale and Athos, 1981; Peters and Waterman, 1982; Ouchi and Johnson, 1978; Denison, 1984; Cooke and Rousseau, 1988) who assume that certain types of norms or culture directly affect employees' effort and performance fail to provide a theoretical justification for linking culture (referring to organisational values) or norms to performance. For example, Ouchi (1981) and Pascale and Athos (1981) argue that the financial success of some Japanese and American firms is attributable to their "strong" cultural emphasis on certain humanistic values, for example their concern for the personal well-being of employees or their emphasis on consensus decision-making. Similarly, Peters and Waterman (1982) described the cultures of sixty-two financially successful firms, making similar claims of a link between a particular type of "strong" culture and superior performance to those of Ouchi (1981) and Pascale and Athos (1981). They define culture in terms of the following eight espoused values: (1) a bias for action, (2) being close to the customer, (3) autonomy and entrepreneurship, (4) productivity through people, (5) being hands-on value-driven, (6) sticking to the knitting, (7) simple form, lean staff (8) loose-tight properties. Some of these values which the authors stress are humanistic (e.g. productivity through people, being close to the customer, and autonomy). Apart from the fact that many of these values seem to represent business strategies rather than culture (e.g. being to close to the customer, sticking to the knitting), it remains open as to why particular types of culture should raise performance.

Furthermore, this particular research by Peters and Waterman lacks the rigour of traditional scientific research in that the sixty-two companies were too convenient a sample, apparently drawn from a list of McKinsey clients. Samples of employees were selected in a non-random fashion, often by the firm's management. No comparison groups of either less successful companies or companies with different kinds of cultures were included in the same. The authors focused primarily on the top managers of these companies. The subculture of the single most powerful group in the firm was treated as equivalent to a unitary, firm-wide culture. Culture was

measured through interviews (open-ended and unstructured) with managers, and the “strong cultures” of these sixty-two firms were described as sharing the above mentioned eight values with these generalisations being illustrated by memorable anecdotes. Accordingly, it can be argued that the research results may have been affected and overestimated by the authors’ subjective judgement of the degree to which the firms exhibited the eight particular attributes.

A subsequent follow-up of the same companies in Peters and Waterman’s sample (*Who’s Excellent Now*, 1984) demonstrated further inadequacies of these methodological choices. Focusing only on measures of financial performance, this article concluded that fourteen of the original sixty-two “superior performances” had either not passed the financial tests described in their research or had suffered a subsequent decline in earnings. It becomes apparent that Peters and Waterman’s (1982) research did not establish a solid empirical link between culture and performance.

Cooke and Rousseau (1988) assume that certain types of norms are linked to high performance: “(1) Achievement norms characterise organisations that do things well and value members who set and accomplish their own goals; (2) Humanistic/helpful norms characterise organisations that are managed in a participative and person-centred way; (3) Affiliative norms characterise organisations that place a high priority on constructive interpersonal relationships; and (4) Self-actualisation norms characterise organisations that value creativity, quality over quantity, and both task accomplishment and individual growth” (p.258). The authors’ theoretical justification for linking certain types of norms with high performance was influenced by research on human needs (especially Maslow, 1954) and the growing body of literature on leadership styles (e.g. Katz, Maccoby, Morse, 1959; Stodgill, 1963). The authors assumed that “the people dimension” and “higher order needs” such as “self-actualisation norms”, “achievement norms” and “affiliative norms” lead to high performance.

Maslow’s (1954) need hierarchy theory, however, is neither convincing nor helpful for explaining the relationship between certain types of needs and performance for

the following three reasons: (1) there is no evidence to support it; (2) the need for self-actualisation is ambiguous and almost impossible to measure; and (3) while achievement norms by definition should have an effect on effort or performance, the case is not obvious in relation to the need for affiliation, which refers to social needs reflecting a desire for affection and belonging. This need can have an effect on work motivation only if the desired reward, group membership and affection are conditional on high performance.

Research about leadership styles seems to have influenced the categorisation of norms (e.g. "people-oriented norms" versus "tasks-oriented norms", Cooke and Rousseau, 1988) associated with leadership behaviour. Behavioural theories (e.g. Likert, 1967; Halpin and Winer, 1957; and Blake and Mouton, 1964) have focused on the relationship between leadership styles (e.g. production-centred leadership style and employee-centred leadership style) and organisational effectiveness. However, the research results on these relationships are inconclusive because it is difficult to measure and categorise individuals in terms of the two styles. For this reason, Cooke and Rousseau's assumption that people-oriented norms are positively related to performance (e.g. helpfulness norms) and task-oriented norms are negatively related to performance (e.g. competence norms) are not convincing.

Rousseau (1990) attempted to test the links between these different types of norms and performance through a cross-sectional study of local (metropolitan) units of a nation-wide non-profit organisation. He investigated differences in behavioural norms between high and low fund-raising units. Some types of norms such as achievement, self-actualisation, co-operation, and affiliation norms ("team-oriented norms"), were hypothesised to be positively associated with performance. Others norms which were termed "security norms" (approval, conventional, dependent, avoidance, opposition, power, competition, and perfectionistic norms) were hypothesised to be negatively related to performance.

Just as Cooke and Rousseau failed to establish a theoretical justification for the link between different types of norms and performance as a result of the flaws of needs theory and leadership theory, they also failed to find a statistically significant

relationship between satisfaction-oriented norms and performance (see Rousseau, 1990). As hypothesised, the statistical results (Spearman's rank order correlation coefficients) showed that there was a significant and negative relationship between the dollar amount of funds raised and some of "the security-norms" such as approval, conventional, and dependent norms. The relationship between "team-oriented norms" and performance was positive but not statistically significant.

Achievement norms and helpfulness norms, which are the more promising among those norms identified by Cooke and Rousseau (1990), are adopted in this research. This is because the authors found that these norms were positively correlated with high performance, and these links are convincing in terms of theoretical justification. Since the failure to find a statistically significant relationship between these norms and high performance may be due to methodological problems (e.g. the sample size or measures), they are regarded as potential candidates in the search for norms with a performance enhancing effect.

Rousseau (1990) admitted that the lack of a significant correlation may be attributed to the fact that relatively few units had strong team-oriented cultures at this time. It also seems likely that there were problems with the measurement of achievement, helpfulness and self-actualisation norms in that the wordings used were ambiguous. For example, the statement "show concern for the needs of others" was used to measure helpfulness norms, but "needs of others" is simply not clear enough and is too general for respondents to give meaningful answers. The statement "take moderate risks" was used to measure achievement norms, but the meaning of "moderate risks" is ambiguous. Finally, to measure self-actualisation, the following items were used: "emphasise quality over quantity", "do even simple tasks well", and "maintain their personal integrity". However, it is doubtful whether these items can really measure "self-actualisation norms" because their meanings do not seem to match that concept.

In summary, although the literature discusses many norms which are assumed to lead to high performance, there are not many statistical results to support this assumption. One possible reason may be the lack of theoretical justification for the

assumption linking certain types of norms and performance (e.g. humanistic norms, affiliation norms and self-actualisation norms in Cooke and Rousseau, 1988; close to customers, a bias for action, and hands-on value-driven in Peters and Waterman, 1982; task support, social relationship, and personal freedom in Kilman and Saxton, 1983; and performance facilitation, job involvement, training and supportive climate in Allen and Dyer, 1980). Since it is not established whether these norms do actually lead to high performance, they are not considered in this research.

Another reason for the failure of empirical testing may be the inadequacy of the measures used (e.g. self-actualisation is an extremely ambiguous concept and thus difficult to measure; see Cooke and Rousseau, 1990). Accordingly, this present research attempts to test some types of norms which are linked convincingly with high discretionary effort on the basis of new measures. These are (1) achievement norms; (2) competence norms; (3) co-operation norms; (4) autonomy norms; (5) innovation norms. It is argued that these five norms are applicable in explaining high performance, particularly in the banking industry. In the service sector, employees' behaviour at work is more discretionary than in the manufacturing sector (e.g. when dealing with customers; for example, employees can not be forced to behave politely) and this discretionary behaviour is more likely to be affected by norms.

In order to identify further norms which are not suggested by previous research, this present research has employed in-depth interviews with bank managers and employees lower down in the hierarchy in Korea. The following question was put to the interviewees: "*What sort of values or behavioural patterns are disapproved of in your branch?*" Nine managers and fourteen other employees from different branches were interviewed. The results revealed that further norms were relevant for employees' effort and branch performance, such as respect norms, trust norms and openness norms. These three norms may be seen as more important for high performance in the banking industry than elsewhere because such performance is more likely to depend on interpersonal relationships between employees than in other sectors such as manufacturing.

Since certain types of interpersonal relationships (e.g. respect, openness or trust relationships with colleagues or superiors) help employees to obtain or exchange useful information on important issues such as the circumstances of customers and their preferences, these relationships may consequently affect performance by avoiding wasteful, internal competition and duplication of effort. Additionally, employees' relationships with their colleagues or supervisors may affect behaviour towards their customers. If employees feel respected by their supervisors, they find it easier to respect their customers. By contrast, individuals' behaviour in the manufacturing sector is more likely to be controlled by the technology of the production system and less likely to be affected by interpersonal relationships.

However, other norms such as competition, reciprocity, customer service norms which are frequently mentioned in the literature in explaining discretionary efforts are not treated as independent mechanisms for the following reasons: Since competition norms in bank branches may function through competence norms or achievement norms which emphasise individual ability or achievement, they are not considered as a separate variable. The same applies for reciprocity norms: they may be recognised through the following specific individual norms: respect norms, co-operation norms, trust norms, and openness norms which emphasize interpersonal relationship which leads to reciprocity. Furthermore, it is clear that reciprocity norms are essentially vague, and cover perhaps only general principles: it may be a universal expectation that people will reciprocate the favours they receive, but how they do so is left open. Such broad universal norms therefore offer little guidance on what any particular individual may expect in any particular situation. Hence, since norms are to be a guide to actual or potential relationships, it becomes necessary to establish norms, to provide expectations, for these more specific relationships. Customer service norms may be represented by innovation norms, especially in work places like bank branches where most of the tasks involve dealing with customers because the emphasis of innovation through change in work methods, unlike in the manufacturing sector, may imply change in ways of dealing with customers. In particular, this case is obvious in the Korean banking industry where a supply-oriented banking service is changing into customer-oriented service through innovation.

5.5.4.2 Theoretical Grounds between Specific Norms and Discretionary Effort

The following section summarises the theoretical explanation of why the eight specific norms may affect employees' effort and performance and describes them in detail.

(1) Achievement norms

The concept of achievement norms, which is in line with Cooke and Rousseau's (1988) definition of achievement culture, refers to group expectations that individuals will feel responsible for their tasks, work alone and set challenging and achievable goals for themselves. When achievement norms exist in a bank branch, employees are expected to establish plans to reach these goals and pursue them with enthusiasm.

Achievement norms may affect discretionary effort or performance by directly establishing the level of effort. For example, employees feel that they must avoid all mistakes, keep track of everything, and work long hours to meet deadlines because perfectionism, persistence and hard work are valued and rewarded. Since most tasks within the bank branch are simple, it can be assumed that employees' effort may lead directly to high performance.

(2) Competence norms

Competence is the accumulated result of one's interactions with the environment, and of one's exploration, learning and adaptation (White, 1959). Competence norms refer to behavioural rules within the bank branch which value and reward employees' competence and punish their incompetence. If competence norms exist in a bank branch, employees are expected to have the skills to handle any tasks required of them.

The performance of many tasks in organisations is strongly affected by the job-relevant knowledge and skills of employees. Even if an employee has exerted effort towards accomplishing a particular piece of work and has a well-formed strategy of how to go about it, the implementation of that plan can be constrained or frustrated if individuals do not have the necessary skills to carry it out. This implies that competence norms can have

a direct impact on performance independently of achievement norms. Competence norms and achievement norms, however, are not completely independent because the existence of achievement norms may also encourage employees to improve their competence. If competence norms and achievement norms coexist within a bank branch, branch performance is likely to be greater than when each exists alone.

(3) Co-operation norms

Co-operation norms refer to the group expectations that employees will behave in helpful ways toward colleagues or superiors within the group. If co-operation norms exist in a bank branch, employees tend to help less skilled colleagues, provide information and additional expertise, or share the tasks of colleagues with problems. It is hypothesised that such co-operation relationships among employees will have a direct effect on the level of discretionary effort or branch performance over and above the effect of achievement norms and competence norms.

Co-operation norms may be independent of competence norms and achievement norms in that employees may need to cooperate with others to obtain important information or support even though they have enough skills and the determination to complete the job.

(4) Autonomy norms

Autonomy means the degree to which the job provides substantial freedom, independence and discretion to the individual in scheduling work and in determining the procedures to be used in carrying it out (Hackman and Oldham, 1976). If a bank branch has autonomy norms, group members are expected to use autonomy in planning their tasks or determining the work procedures, and to feel responsible for work outcomes.

To the extent that autonomy is high, workers will view work outcomes as depending substantially on their own efforts, initiatives and decisions rather than on the adequacy of instructions from their supervisors or on a manual of job procedures. In such circumstances, individuals should feel strong personal responsibility for the successes and failures that occur on the job, and accordingly they should exert discretionary effort. Autonomy norms can have a direct impact on employees' effort or performance, independently of other norms such as co-operation norms. Both autonomy and co-

operation norms can be expected to raise expectancy levels. In many instances, autonomy norms may be associated with achievement or competence norms. The more employees know and the more they care about their performance, the more likely they will be given autonomy.

(5) Innovation norms

Innovation refers to changes in work methods, and innovation norms mean that creativity at work is expected and rewarded by a group. When innovation norms exist within companies, risk-taking and creativity at work are valued. These norms are rarely observed in the banks.

Management in the banking sector has tended to dislike innovation since the industry has traditionally been stable. However, in the Korean context, this situation has now changed. Employees are expected to create innovative ideas or methods, such as canvassing new customers (e.g. customer management plan), or make suggestions to improve work processes dealing with customers (e.g. quicker and more polite customers service) at work rather than depending on traditional ways of doing things. Strong innovation norms are now regarded as desirable in the face of the forthcoming intensive competition which will result from the entry of foreign banks into the domestic market.

(6) Respect norms

Respect norms mean that recognition, praise and politeness among members are valued and rewarded within a bank branch. The theoretical link of respect to motivation may be explained in terms of group cohesion. The interpersonal relations based on trust among members may increase the identification with their group and subsequently lead to discretionary effort in situations where achievement or competence norms exist.

Respect norms may have a significant impact on discretionary effort, particularly in the banking industry, when performance depends directly on customers' satisfaction with employees' services, especially in terms of politeness or respect. Employees' behaviour in turn may be considerably affected by their feelings of psychological satisfaction deriving from their interpersonal relationships with colleagues or

superiors. If employees feel respected by their superiors, it is easier for them to be respectful to customers.

(7) Openness norms

Openness means free and frank communication between employees, and openness norms refer to group expectations that members have frank discussions. If openness norms exist in a bank branch, members tend to be open-minded each other and may experience psychological arousal since this openness may lead to a reciprocal understanding and trust. Such positive psychological arousal may affect the level of discretionary effort. Besides, the existence of openness norms allows for employees to criticize about their group policies or to discuss branch problems. In this case, potential mistakes are easily identified and avoided, and it is possible to take advantage of employees' different levels of skills, knowledge and information. For example, if some employees within a branch have personal information on existing or potential customers, and others employees or managers take advantages of this information, then this action should affect branch performance.

Open communication channels within a group can have a direct impact on performance regardless of trust or co-operation between members (e.g. formal open communication channels can exist in a company without a trusting relationship between employees and superiors). Employees tend to be open to members with competence because they have confidence in their likely performance level. For this reason, openness norms are probably related to competence norms and trust norms. However, openness norms may have direct impact on performance independently of competence norms.

(8) Trust norms

The concept of trust is in line with Cook and Wall's (1981) definition: "the extent to which one is willing to ascribe good intention to and have confidence in the words and action of other people" (p.56). Trust norms refer to the group expectation that employees will trust their colleagues or superiors. Co-operation or openness norms may appear to be similar to be trust norms. Although trust can frequently lead to co-operative

behaviour, trust is not a necessary condition for cooperation to occur. Employees could co-operate with another employee whom they actually do not trust. The reason for co-operation may be the existence of a powerful manager who is clearly expected to punish the other employee for any refusal to co-operate. In the circumstances where employees' tasks are interdependent, cooperation among members may happen even without trusting other members.

If trust norms exist in a bank branch, these may lead to high performance through the reduction of transaction costs in terms of time or money spent in controlling or checking the employees. Examples of control systems that branch managers may establish are the requirement that members should report all small tasks, or the creation of a new reporting system or control department. These control systems may raise the transaction costs and consequently harm branch performance in terms of efficiency. When achievement or competence norms exist, trust norms may modify the impact on employees' effort. If employees feel trusted by others, they are more likely to comply with other members' demands and co-operation. However, co-operation norms can have a direct impact on performance regardless of the existence of trust norms. For example, some employees should co-operate and help to complete colleagues' tasks if their tasks are interrelated regardless of whether openness or trust towards them exists.

In summary, each of the eight norms identified above is expected to have an independent and additional explanatory power for the level of effort and performance of an employee. However, since these norms are conceptually interrelated in some respects (e.g. in the case of achievement norms and competence norms) and influence each other, this may lead to the results with a high correlation coefficient among the five norms in statistical analysis.

It can thus be seen that both organisational identification and group norms are likely to have a significant impact on discretionary effort and performance. Group norms may represent different and additional mechanisms from organisational identification for the following reasons: First, if strong norms exist within a group, they may affect employees' effort independently of whether or not employees identify with organisations.

Secondly, even if employees identify with their organisation, they do not always conform to group norms unless norms are helpful to them. Thirdly, organisational identification focuses on the organisation (e.g. the whole bank), whereas group norms apply first and foremost to work group units (e.g. bank branches) as sources of individual motivation.

These two group motivation mechanisms may also provide a different and additional explanation of individual behaviour (e.g. discretionary effort) from the five motivation theories which will be described in the following section. To some extent they overlap with these theories, but there are also crucial differences between them.

5.5.5 Comparisons between Group Motivation and Benkhoff's individual Motivation Mechanisms

Benkhoff's the five individual motivation mechanisms have been discussed in terms of the major similarities and differences amongst them in Chapter 4. It may now be useful to discuss the other two mechanisms (organisational identification and group norms) in terms of the similarities and differences when compared with these five individual motivation mechanisms. A strong theoretical relationship seems to exist between the following motivation mechanisms: (1) the need for self-esteem, social exchange theory and identification; (2) the need for achievement and achievement, competence and autonomy norms; (3) openness norms, autonomy norms and behavioural commitment; and (4) group norms in general and social exchange theory. Each of these relationships will now be considered in turn.

5.5.5.1 The Need for Self-esteem, Social Exchange Theory and Identification

There are some similarities between organisational identification and the need for self-esteem. Social identity theory postulates that individuals seek to create a social identity through membership in prestigious groups. This can be explained by the need for esteem. People like to belong to organisations which have a high reputation in order to enhance their own positive distinctiveness. Organisational identification, however, differs from a

need for esteem in the sense that the latter can be satisfied in various ways (e.g. through personal achievement, competence or physical attractiveness) or through identification with other social groups (social class, identification with profession, family, etc.)

Organisational identification can be explained in terms of social exchange theory. If employees are satisfied with the financial and non-financial rewards offered by the organisation, they are more likely to identify with it. However, individuals may still identify with their organisation, even though they are not satisfied with particular rewards offered by the organization, such as pay, in situations where their organisations face difficulties. The reverse also applies. Employees who are satisfied with a high salary or good interpersonal relationships with others do not always identify with the organisation, for example if it has a bad reputation.

5.5.5.2 The Need for Achievement and Achievement Group Norms

In the work context, individual behaviour may be affected by group norms as well as by individual personal needs or values. One can imagine different situations in which group norms and individual needs may or may not coincide. Individuals can be expected to make behavioural choices between group norms and individual needs depending on their relative strength.

Where employees have a high need for achievement and their bank branch exhibits strong achievement, competence and autonomy norms, employees will behave in line with these group norms and work hard to accomplish their achievement needs by contributing to their branch performance. Where employees' achievement needs are low, and their bank branch has weak or no achievement, competence and autonomy norms, employees will not work hard and consequently will have a low performance. In both situations, since employees do not have any conflict in their behavioural choices between individual preferences and group expectations, a state of balance exists and they are likely to be satisfied.

Where strong achievement, competence and autonomy norms exist within a bank branch and employees' achievement needs are low, employees may have several behavioural

choices to make. Employees may work hard in line with these group norms instead of following their own weak achievement needs if punishments for the deviation from group norms are very severe. Alternatively, individuals may leave their group if the discrepancy becomes more unpleasant than the value of group membership can compensate them for. If individuals for some unrelated reasons want to stay with the organisation, they may isolate themselves from others and pretend to work hard, especially when supervised.

Finally, where employees have a need for high achievement and their bank branch has weak or no achievement norms, competence norms and autonomy norms, high achievers may stay in the group and pursue their own achievement needs by ignoring low achievement norms or may accomplish their achievement needs elsewhere. They may become isolated from a group as a result of not following low achievement norms and they may prefer to leave their group. Another way of dealing with discrepancies between values and norms, is that employees may then change their individual values in order to conform to group norms.

These various examples illustrate that even though individual needs and group norms may be congruent, it would be a mistake to measure group norms through individual needs even if they are difficult to distinguish from values. Achievement group norms across bank branches may vary and so may employees' values. Hence, individual needs and norms should be assessed separately.

5.5.5.3 Openness, Autonomy, Respect Norms and Behavioural Commitment

Openness norms and behavioural commitment are inter-linked in that employees' behavioural commitment is triggered when employees explicitly express their opinions to other group members. Autonomy norms affect employees' behavioural commitment because they emphasise employees' independence at work. Employees try hard to maintain their behavioural consistency in order to protect their self-esteem. Also, when respect norms exist, people have a strong behavioural commitment because people tends to commit more to those whom they respect, or who matter to them. To the extent that autonomy is high, workers will view work outcomes as depending substantially on their

own effort rather than on the adequacy of instructions from their supervisors or on a manual of job procedures. In such circumstances, individuals should feel strong personal responsibility for the successes and failures that occur on the job, and accordingly they should exert discretionary effort. The existence of autonomy norms increases employees' feelings of personal responsibility for their tasks, and consequently they may work harder not to damage their self image as competent.

5.5.5.4 Group Norms and Social Exchange Theory

One reason why individuals may comply with group norms is the benefit derived from the working conditions, including pay, task area, promotion opportunities and the relationship with supervisors and colleagues. In particular, employees' conformity to trust norms requires social exchange relationship which generates, and is based on trust. Nevertheless, group norms are different from the tenets of social exchange theory in the sense that they explain and suggest particular, desirable behavioural patterns while social exchange theory simply emphasises the exchange relationships in rather vague terms. Norms make more explicit the expectations the organisation has of its employees. This gives all participants in the exchange a stronger sense of direction which in turn produces greater satisfaction for both partners. Also, group norms sometimes tend to operate unconsciously while social exchange theory tends to be a more conscious process. Even though employees may be satisfied with the general rewards of an organisation, they may not always comply with group norms when the corresponding specific behavioural rules deviate significantly from individual values and self-interest.

Having explained the theoretical overlap between Benkhoff's five individual motivation mechanisms and the two additional variables, all the fourteen variables will be entered into the same model of factor analysis. The results will show whether variables measuring each of the motivation mechanisms appear as a different cluster. This implies that each mechanism has a distinctive and independent explanatory power. On the other hand, some mechanisms may appear as one and the same cluster, implying that variables share an underlying meaning. In particular, with regards to the specific norms, the result of factor analysis may indicate some overlaps between norms because they are strongly interrelated theoretically.

5.5.6 Research Hypotheses

The hypotheses of this research are based on the argument that discretionary effort and high performance may be explained by group motivation, organisational identification and work group norms as discussed above. The specific hypotheses that will be tested in this research are as follows:

- (1) The discretionary effort of employees is greater when they identify with their organisation.
- (2) Employees exert discretionary effort when the following group norms exist at the bank branches: (a) achievement norms, (b) innovation norms, (c) competence norms, (d) respect norms, (e) trust norms, (f) autonomy norms, (g) cooperation norms, and (h) openness norms.
- (3) Organisational identification and work group norms provide a different and additional explanatory power from that offered by Benkhoff's the five individual motivation mechanisms.

Chapter 6 Methodology I: The Replication of Benkhoff's Model

This section aims (1) to show how variables concerning the five motivation mechanisms are measured; and (2) to confirm with statistical evidence whether the five motivation mechanisms established by Benkhoff (1994) provide an independent and additional explanatory power in understanding discretionary effort in the Korean bank branches. In Benkhoff's (1994) research in German context, the five motivation mechanisms were entered simultaneously in the same model of factor analysis. The results showed that the measures of each mechanism (need theories, a positive work disposition, intrinsic motivation, behavioural commitment and social exchange theory) represented independent mechanisms, with the exception of intrinsic motivation and disposition, whose measures formed one factor. Also, the author tested whether the variables representing the five motivation mechanisms made a contribution to discretionary effort when the effect of other variables was held constant (using multiple-regression). In a replication of this approach, it will be interesting to examine whether the same picture emerges when applying for Korea which is a completely different sample from a different culture.

6.1 The Sample

In order to test these relationships, the data were collected through a postal survey of bank employees in Korea. In this paper, to maintain its anonymity, the bank involved will be referred to as "K-bank". "K-Bank" was founded by a group of Korean merchants in 1899 and is now a full-service financial institution firmly placed among Korean's big five commercial banks. Through a network of 442 domestic branches and 18 overseas offices staffed by approximately 8,000 employees, it provides various services in four major business areas: (1) retail banking, which is based on individual customers' deposits; (2) corporate banking to over 20,000 corporate customers; (3) international banking, offering a portfolio of financial services; and (4) capital market services such as investment in various

securities including monetary stability bonds, public bonds, stocks, and foreign currency securities.

At the end of 1996, total assets amounted to W 43,339 billion (US \$ 51,337 million), and their total stockholders' equity was W1,711 billion (US \$ 2,026 million). Rising to new levels of banking excellence in virtually every area, "K"-bank is now moving towards securing superior competition in both the domestic and overseas financial markets.

"K"-bank, however, faces difficult external environments, as does the Korean banking sector as a whole. These include the implementation of comprehensive income taxation, reform of the trust business, interest rate deregulation, and the opening of the foreign exchange market. Such changes lead to intensive competition in the banking sector and consequently affect the policies or strategies of each bank.

The banking sector in Korea was traditionally regarded as a conservative industry and thus its policies were not aggressive. Recent changes in business environments do no longer allow for such stability and demand aggressive or innovative marketing strategies and policies. However, among bank branches there is a marked difference of degree in adopting headquarter policies. Branches as independent groups establish their own formal policies and have their own behavioural norms or cultures. Since "K-bank" has a long history, it can be assumed that it has its own steady cultural norms. For these reasons, bank branches of "K-bank" are appropriate as a sample for this research in order to test group motivation, i.e. the impact of norms on employees' effort or performance.

The questionnaires used contained approximately 130 items on various aspects of motivation theories, discretionary effort and control variables of performance. They were sent out to 800 employees at 90 branches. Each branch had between 5 and 13 staff members. These relatively small branches scattered across the whole distribution network of the bank were selected because it was more likely that their financial performance measures would reflect the behaviour of individual bank employees as opposed to the measures of larger branches. The sales figures

and profits of branches with more employees tend to be distorted by large customers and large deals (Benkhoff, 1997).

228 of the 800 questionnaires sent out were returned, amounting to a response rate of 28 per cent. The responses came from 51 different branches. Responses from bank branches where at least two employees filled in the questionnaire were included in the analysis. Sole employee responses from an individual branch were discarded because a single view was not regarded as sufficient to give an unbiased picture of the practices and attitudes operating within the branch.

6.2 Statistical Techniques for Data Analysis

Statistical analyses were conducted to test a variety of hypotheses linking motivation mechanisms with discretionary efforts in K-Bank. The statistical techniques implemented were as follows: (1) frequency and descriptive analysis; (2) factor analysis (construct validity) (3) Cronbach' Alpha coefficient (reliability test) (4) correlation analysis (5) multiple regression analysis (linear regression, and logistic regression) and (6) analysis of Variance (one way and multivariate).

First of all, (1) frequency and descriptive analyses for each variable (i.e. mean, standard deviation) were conducted for two purposes: to check the characteristics of the collected data through summarising them (e.g. normality test), and to screen data for unexpected codes in the tables that may indicate errors in data entry or coding.

(2) Factor analysis was conducted with two purposes: firstly, to check the homogeneity of all the multi-questions used in this research. Factor analysis is one of the most commonly used statistical techniques to examine whether multi-item measures form a homogeneous scale (construct validity); and secondly, to explore the meaningful factors by identifying a relatively small number of factors that can be used to represent relationships among sets of many interrelated variables. The

Kaiser-Meyer-Olkin measure (KMO) and Bartlett's Test of Sphericity (BTS) were conducted to examine whether the use of factor analysis is appropriate. First, the Kaiser-Meyer-Olkin measure (KMO) was used to test the sampling adequacy since this test indicates whether the items belong together by examining the underlying correlation matrix (see Backhaus et al., 1994, p.205). KMO-values should be above .50 to achieve statistical significance because "small KMO values indicate that a factor analysis of the variables may not be a good idea since correlation between pairs of variables cannot be explained by the other variables" (Norusis, 1990 p.35).

The second test, Bartlett's Test of Sphericity (BTS), was used to test whether or not the correlation matrix is an identity matrix, and to show whether or not the factor model is appropriate. If the value of the test statistic for sphericity is large and the associated significance level is small, it appears unlikely that the population correlation matrix is an identity. If the hypothesis that the sample correlation matrix is an identity can not be rejected because the observed significance level is large, this implies that the use of factor analysis may not be appropriate.

(3) Cronbach's alpha coefficient (see Kaiser et al., 1974) was used to check a internal reliability (consistency) of the variable items. According to Kaiser et al., in the .90s reliability is marvellous; in the 80s meritorious, in the .70s middling; in the 60s mediocre and in the .50s miserable but still acceptable.

(4) Correlation analysis (Spearman correlation) was used to examine the relationship between the independent and dependent variables. Correlation analysis is useful in understanding whether or not there is a linear link among variables. However, its weakness is that the impact of other variables confounds the results of the correlation. To understand the relationship between variables, it is necessary to hold all other variables constant.

(5) Multiple-regression analysis (linear and logistic regression) were conducted in order to overcome drawbacks of correlation analysis. It eliminates the effect of

other variables and therefore provides a better picture than correlation analysis of the relationship between independent variables and dependent variables. The methods of factor- based regressions rather than item-based, were used. In this research, multiple regression analysis are used for a “tournament of variables” produced results where the variables representing each theory isolated their own contribution to discretionary efforts or financial performance. Logistic regression analysis was used with dichotomous dependent variables.

(6) Analysis of Variance (ANOVA) shows significant tests for the equality of group means for each variable.

The more specific objectives and a description of each techniques applied are provided when they are used in analysis of the following sections.

Two levels of analysis were followed: an individual and group level (bank branches). Apart from performance indicators (branch performance), all the data was collected at the individual level through individual perception. Therefore, in order to analyse the data at the group level, the individual data had to be aggregated at the group level (branch). A variety of individuals' responses were averaged to determine the means at the group level.

6.3 Measures of Benkhoff's Five individual Motivation Mechanisms

In measuring the five motivation mechanisms, this research adopts Benkhoff's measures except for those measuring the need for achievement and behavioural commitment. In order to measure these later two variables, (a need for achievement and behavioural commitment), a new approach was designed for this research.

6.3.1 The Need for Achievement

Needs can be triggered and satisfied within work organisations and outside work. This research, however, focuses exclusively on work-related issues. Hence, the need for achievement is measured in terms of employees' evaluation of work characteristics (e.g. opportunities for self-development or feeling challenged). Employees with a high need for achievement are assumed to value highly having opportunities for self-development through work and challenging feelings regarding work.

The following two statements attempt to measure this underlying need:

- (1) *"It is really important for me to have opportunities for self-development in my work."*
- (2) *"It is really important for me to have the opportunity to do challenging work."*

Response categories are as follows: (1) *unimportant*, (2) *slightly important*, (3) *moderately important*, (4) *important*, (5) *very important*.

Since these needs can only be satisfied in a work situation where there is a possibility of their realisation, respondents are presented with the following statement to examine whether or not these features are "fully" realised at the bank branches: *"Opportunities for self-development are fully realised in the bank"*. Response categories are as follows: (1) *fully disagree*, (2) *do not agree*, (3) *neither agree nor disagree*, (4) *partly agree*, (5) *fully agree*. Only employees who respond to "partly agree", and "fully agree" are included in statistical analysis.

In the literature, needs are measured together in terms of overall Higher Order Need Strength (Hackman and Lawler, 1971; Warr, Cook and Wall, 1979) or Individual Growth Need Strength (Hackman and Oldman, 1975). These overall measures typically combine the need for achievement with the need for autonomy, and in Hackman and Lawler's case also with the desire to do a complete job and to obtain feedback. It is useful to keep each specific need separate so that its particular contribution to employee's effort or performance can be identified. The

items selected in this research are similar to the 6-item Higher Order Need Strength questionnaire by Warr, Cook and Wall (1979). They ask respondents how important (along a 7-point scale from “not at all important” to “extremely important”) they find, for example, “the opportunity to learn new things” or “extending your range of abilities”. However, since their approach does not seem convincing in that the wordings of certain items are too generally phrased and not all the items are work related, new statements are designed for this research.

The items used by Benkhoff's (1994) research (“promotion opportunities” and “training opportunities”) are also not adopted in this research because these items as measures of the need for achievement may be contaminated, the first by a money motive, and the second by the respondents' perception of their own competence.

6.3.2 The Need for Esteem

The need for esteem refers to the desire for self-respect, self-esteem and for the esteem of others and may be focused internally or externally. When focused internally, esteem needs include a desire for confidence, independence and freedom. When focused externally, this need consists of a desire for reputation or prestige, status and recognition

The following three items measure the need for esteem:

- (1) *“I find self-confirmation and recognition at work.”*
- (2) *“Personal approval of my work is an incentive for me to do even better.”*
- (3) *“I find my work interesting because I have the feeling that I am needed.”*

These measures seem to be more appropriate than other measures suggested in the literature (e.g. the three item sub-section in Porter's Need Satisfaction Questionnaire, 1961) in that they refer to esteem about the work itself rather than the position or esteem in general. By contrast, Porter's Need Satisfaction Questionnaire clearly attempts to measure the need for esteem in terms of

position, for example by asking: "how much is there now and should there be of (1) The feeling of self-esteem a person gets from being in my management position; (2) The prestige of my management position inside the company; and (3) The prestige of my management position outside the company?" The results of factor analysis and reliability test about the three items measuring a need for esteem are shown in the following Table 6-1.

Table 6-1 Factor analysis of the need for self-esteem

	<u>Factor loadings</u>
(1) I find self-confirmation and recognition at work.	.8745
(2) I find my work interesting because I have the feelings that I am needed.	.8685
(3) Personal approval of my work is an incentive to me to do even better.	.8135

Eigenvalue=2.18, Variance = .72, N=228, KMO=70, Alpha = .81 BTS=.0000

6.3.3 Work Disposition

There are two work dispositions that are particularly relevant to discretionary effort: (1) work as a central life interest and (2) the Protestant work ethic. Work as a central life interest (Dublin, Champoux and Porter, 1975) identifies individuals who regard their job as their preferred setting for carrying out a wide range of activities. The Protestant work ethic is frequently used to imply a high level of work effort, no matter how pleasant or unpleasant the work.

“Work as a central life interest”, which is one work disposition, is measured by the following item: “I regard work as the main purpose of my life.” Response categories are (1) “fully disagree”, (2) “disagree”, (3) “neither disagree nor agree”, (4) “partly agree”, (5) “fully agree.” Since there is no appropriate item that could identify individuals who regard high work effort as their norms, the measurement of the Protestant Work Ethic (Kidron, 1978) was not used in this research.

6.3.4 Intrinsic Motivation

Intrinsic motivation is defined as the tendency to engage in an activity for no other reason than an interest in the activity itself. Tasks at work that have the potential for arousing intrinsic motivation are: (1) those that are neither too easy nor too difficult, and (2) those which allow employees to feel free from pressures such as reward and outside control.

The following item measures intrinsic motivation, *“My work is almost like a hobby to me”*. Response categories are (1) “fully disagree”, (2) “disagree”, (3) “neither disagree nor agree”, (4) “partly agree”, (5) “fully agree.”

This measure is derived from Deci and Ryan’s (1980) approach, which seems to be the most appropriate because they regard intrinsic motivation as a motive resulting from the enjoyment of work as though it were a hobby. According to them, the two basic needs for competence and self-determination are assumed to be responsible for intrinsic motivation.

6.3.5 Behavioural Commitment

Behavioural commitment refers to a self-affirming mechanism which induces individuals to behave consistently in relation to previous behaviour. People have an interest in behaving in a predictable way in order to avoid damaging their

competent self-image and disappointing or frustrating exchange partners' expectations. In this research, behavioural commitment is focused on the behavioural patterns relating to discretionary effort. When employees stop exerting discretionary effort, they may lose their self-image as competent employees.

The following items, in this research, are used to measure behavioural commitment:

- (1) *"My superiors and colleagues regard me as a hardworking person."*
- (2) *"I always deliver the result of the work expected from me."*
- (3) *"Bad working conditions do not prevent me from working harder than others."*

Items (1) and (2) are concerned with the employee's perception of other people's judgements and expectations while item (3) refers to the employees' perception of his/her own behaviour in terms of consistency. The results of factor analysis and the reliability test, which tests homogeneity of scale, are shown in Table 6-2.

Table 6-2 Factor analysis of behavioural commitment Factor loadings

(1) My superiors and colleagues regard me as a hardworking person.	.8628
(2) I always deliver the result of the work expected from me.	.8190
(3) Bad working conditions do not prevent me from working harder than others.	.8311

Eigenvalue 2.11, Variance .70, N=228, KMO=.70, Alpha=.79 BTS=.0000

Benkhoff (1994) uses a proxy, such as employees' position in the organisational hierarchy, to measure behavioural commitment. According to her, the more demanding the task, the higher will be people's expectations. One's own understanding of these expectations is also likely to be a function of task difficulty, which may well be proxied by one's position in the organisational

hierarchy. However, this approach is not adopted in this research because the hierarchical level, as she admits, may not only reflect pressure from heightened expectations. Employees in higher positions are likely to be characterised by, for example, a high need for achievement or need for esteem, by intrinsic motivation due to more challenging jobs, or by a sense of obligation to reciprocate the higher rewards they receive.

6.3.6 Social Exchange Theory

Social exchange theory predicts that employees will exert discretionary effort only if they feel that the organisation responds or will respond in the future with adequate financial rewards (pay and promotion) or non-financial rewards (respect, recognition, job security and position). Though social exchange theory is based on the idea of self-interest, it excludes an immediate calculative attitude because this harms the feeling of mutual discretionary efforts. The various aspects of working conditions provided by an organisation can be exchanged for varying levels of discretionary effort by employees. Hence, the level of an employee's satisfaction with working conditions may affect the level of his/her effort. Only important aspects of working conditions in general are considered in this research because these are the ones which affect employees' discretionary efforts: (1) position, (2) task area, (3) pay, (4) promotion opportunities, (5) training opportunities, and (6) initial expectations.

Social exchange theory is measured by the following items:

“All in all, how satisfied are you with: (1) your position (2) task area (3) pay level (3) promotion opportunities (4) training opportunities?” and

“My initial expectations from the company before entering were met.”

Response categories are as follows: (1) *fully dissatisfied*, (2) *not satisfied*, (3) *partly satisfied*, (4) *satisfied*, (5) *very satisfied*.

The item, “Employee's overall work satisfaction”, with which Benkhoff (1994) attempted to measure social exchange theory, is not adopted in this research

because there is a weak relationship between general job satisfaction and job performance (e.g. Vroom, 1964). It is assumed that there is a stronger relationship between the level of employees' satisfaction with specific aspects of working conditions and the level of discretionary effort than between general work satisfaction and performance.

The importance of working conditions may vary according to an individual's preferences or values. In particular, when they are thought to be important and meaningful to individuals, the level of satisfaction with them can affect employees' behaviour. Hence, it is necessary to check whether or not these working conditions are important to the respondents. For this reason, the following question was also asked of respondents: "*How important is: (pay level, position, task area, promotion opportunities, training opportunities) to you?*" Response categories are as follows: (1) unimportant, (2) slightly important, (3) moderately important, (4) important, (5) very important.

Only employees who respond to "partly important", "important" and "very important" are included in statistical analysis. Also, in order to check whether or not the various aspects of working conditions have common underlying factors, factor analysis and reliability test were conducted (see Table 6-3 for factor loading).

Table 6-3 Factor analysis of social exchange theory Factor loadings

1. All in all, how satisfied are you with your position?	.7713
2. All in all, how satisfied are you with your task area?	.7432
3. My initial expectations from the company before entering the company were met.	.6756
4. All in all, how satisfied are you with your pay?	.7007
5. All in all, how satisfied are you with your promotion opportunities?	.7685
6. How satisfied are you with your training opportunities?	.7108

Eigenvalue 3.19, Variance .53, N=228, KMO= .81, Alpha=.74 BTS=.0000

6.4 Measures of Discretionary Effort

The definition of discretionary effort used in this research is based on Benkhoff's (1994) concept of work commitment, which is defined as extra effort: "the outcome of a set of motivational mechanisms, apart from calculation, which induces employees to act in support of their task or their organisation in a way that exceeds the requirements for keeping the job" (Benkhoff, 1994, p.185). However, since there is no convincing theoretical basis to define work commitment as discretionary efforts, as discussed in Chapter 1, this research do not regard work commitment as discretionary efforts but adopt extra effort as important part of discretionary effort.

Benkhoff's two instruments for measuring extra effort are also used in this research to measure discretionary effort: in the first, discretionary effort is measured in terms of *extra work effort*. The respondents in this research were presented with the following four statements and were asked to indicate the one with which they most definitely agreed.

- (1) *"I put myself out in my work and I often do more than is demanded of me. My job is so important to me that I sacrifice much for it."*
- (2) *"All in all, I enjoy my work and every now and then I do more than is required. But this should not be a permanent situation."*
- (3) *"In my job I do what is demanded of me. Nobody can criticise me there. But I cannot see why I should exert extra effort beyond that."*
- (4) *"I often have to force myself to go to work. I therefore only do what is absolutely necessary."*

The second method adopted here is individually through various discretionary behaviours that employees display in bank branches. This instrument will be referred to as the *discretionary behaviour*. Benkhoff's approach applies equally to the Korean bank industry because the tasks in the Korean bank branches bear remarkable resemblance to those in German banks (according to interviews with

bank managers). Consequently, employees' discretionary behaviour may be shown in some way to be cross-cultural.

In this research, these discretionary behaviours are captured through the following questions. Response categories are based on a 5-point Likert scale: (a) *completely agree* (b) *partly agree* (c) *neither agree nor disagree* (d) *disagree* and (e) *strongly disagree*.

- (1) *"I try to contribute to the performance of the bank by suggesting improvements to my boss and colleagues."*
- (2) *"Even if I do not like certain changes which are to be introduced, I go along with them if they will help us to hold our market share."*
- (3) *"I am always friendly and helpful to customers, even if I do not like them particularly."*
- (4) *"I avoid taking on additional duties and responsibilities at work."*
- (5) *"I work harder than most others in my type of job or position."*
- (6) *"If I can get away with it, I refuse to work late or at weekends."*
- (7) *"I try to not to let customers wait. In situations where this is unavoidable, I apologise to them."*

In order to check whether or not these items designed to capture discretionary effort belong to one dimension (factor), statistical analyses (factor analysis and reliability test) were conducted. The results (see Table 6-3 for factor loadings) show that apart from items (4) and (6), all other items load to one factor. To ensure homogeneity (which implies high internal consistency; see Green, Lissitz and Mulaik, 1977), only these items were considered for discretionary effort. The fact that items (4) and (6) deviated from the one dimension of discretionary effort may be explained as following two reasons. First, the phrase in item (4), "taking additional duties and responsibility" may be ambiguous and therefore problematic. It might suggest to respondents that they encroach on others employees' task areas, perhaps because these are popular or enjoyable tasks, or perhaps because respondents are compelled to accept other employees' unpopular tasks. Respondents may therefore not read this option to mean simply exerting extra effort as a positive action. As for item (6), employees who "work late or at the

weekend" might be seen by respondents as incompetence, implying that they are not able to finish their work on time. Respondents might thus need clarification with regard to the specific purpose of "working late or at the weekend". Secondly, since these two items are phrased in negative ways, it may affect employees' perceptions.

Table 6-4 Discretionary behaviour (Self) Factor loadings

(1) I try to contribute the performance of the bank by suggesting improvements to my boss and colleagues.	.6801
(2) Even if I do not like a certain changes which are to be introduced, I go along with them if they will help us to hold our market share.	.8002
(3) I am always friendly and helpful to them particularly.	.6850
(4) I work harder than most others in my type of job or position.	.5209
(5) I try to not to let customers wait. In situations where this is unavoidable, I apologise to them.	.7636

Eigenvalue 2.43, Variance .48, N=228, KMO= .75, Alpha=.73 BTS=.0000

6.5 Statistical Methods and Results

6.5.1 Test of the Distinctions between Benkhoff's Motivation Mechanisms

6.5.1.1 Methods

Factor analysis is conducted to explore whether each of the five motivation mechanisms (need theories, disposition, intrinsic motivation, behavioural commitment, and social exchange theory) has its own explanatory power as an independent mechanism in the Korean context. By clustering related variables, factor analysis explores the meaningful relationships among sets of many variables.

The statistical package used (SPSS FOR WINDOWS 6.1) extracts by default the factors through principle component analysis and discards those with an Eigenvalue less than one. Oblique rotation is applied because it produces factors that are assumed to be related rather than independent of each other.

The results of factor analysis will indicate whether the motivation mechanisms hypothesised as contributing to discretionary effort really represent distinct mechanisms rather than just different aspects of a smaller number of latent variables. If the clusters appear as expected, the credibility of the different theoretical approaches as well as the items used to measure them is enhanced. If the clusters do not support the hypothesis that the five different mechanisms are responsible for discretionary effort, then it would be necessary to consider questioning the justification of the theories or to refine the measures.

6.5.1.2 The Results

Table 6-5 indicates that the six motivational approaches form four separate factors. Two theories appear as separate factors as predicted: social exchange theory and the need for achievement. The other four theories combine with each other as follows: (1) behavioural commitment and the need for esteem and (2) intrinsic motivation and work disposition.

One possible explanation of why behavioural commitment and need for esteem appear as the same factor may be the theoretical interrelation between them (see Chapter 4 for details) in the sense that some employees may tend to exert discretionary effort to avoid damage to their reputation or self-esteem. Behavioural commitment goes together with the need for esteem in that consistently hard workers gain recognition and enjoy the feeling of being needed. Also, intrinsic motivation and disposition appear as the same factor. This may be due to the interrelation between the two theories in the sense that enjoyable work (measuring intrinsic motivation) is likely to make one regard it as important and the main purpose of people's life (disposition).

In addition, one of the items measuring the need for esteem (“Personal approval of my work is an incentive to me to do even better”) does not appear as one factor but it appears as one factor with intrinsic motivation and disposition. This is because recognition from others does not necessarily guarantee an employee’s personal approval. Self-esteem is not always given externally; it comes from an inner source (personal approval). It may also be explained by a theoretical inter-linkage between the need for esteem (“Personal approval”) and intrinsic motivation and disposition: employees may enjoy their work (intrinsic motivation) and regard work as important (disposition) because of the positive feelings resulting from personal approval of their work

There are other interesting results. Even though some theories do not appear as one cluster, they are highly loaded on the same factor, which implies that they are related to each other: (1) the need for esteem (“feel needed” and “recognition at work”), satisfaction with social exchange (“fulfilment of initial expectation”), intrinsic motivation and disposition; and (2) disposition, the need for esteem (“personal approval”) and the need for achievement. First, the need for esteem (“feel needed” and “recognition at work”) are related to intrinsic motivation, satisfaction with social exchange (“fulfilment of initial expectation”) and disposition in that employees with a high need for esteem at work are likely to enjoy their work, be satisfied with the rewards from the organisation, and regard their work as the important in their life. Secondly, disposition and the need for esteem (“personal approval”) and a need for achievement are related, indicating that employees who values their work as important (disposition) are likely to have a corresponding need for esteem (“personal approval”) and a need for achievement at work. Employees with a need for esteem (“personal approval”) are more likely to have a need for achievement.

6.5.1.3 Comparison with Previous Research

Findings from Benkhoff’s previous research indicated that each of the motivation mechanisms was an independent factor (with the exception of disposition and

intrinsic motivation which appeared as one factor). In this research, even though the measurement of some variables (i.e. the need for achievement and behavioural commitment) is slightly different from Benkhoff's (1994) approach, the general pattern of the results shown in Table 6-5 is remarkably similar to Benkhoff's results. The main difference between Benkhoff's (1994) pattern of results and those of this research is that behavioural commitment and the need for self esteem appear as different factors in Benkhoff's (1994) research, whereas they appear as one factor in this research. There are two possible reasons for this difference: first, it may be due to different methods of measurement of behavioural commitment. Benkhoff used proxy variables (employees' position in the organisational hierarchy) to measure behavioural commitment whereas, in this research, it is measured by individuals' perceptions of their own behaviour in terms of its consistency and the expectations of others. A second explanation for the discrepancy may be the theoretical similarity between behavioural commitment and the need for esteem, which the former can be proxy of the latter.

In conclusion, the results of factor analysis (Table 6-5) raise a question concerning the assumption that the five motivation mechanisms established by Benkhoff (1994) have their own independent and additional explanatory power. This is because among Benkhoff's motivation mechanisms, behavioural commitment and the need for esteem do not appear as independent and different mechanisms; and work disposition and intrinsic motivation are perceived as the same mechanisms in both research. There are two possible ways to explain why these variables belong to one factor: one reason is that they may be theoretically the same mechanisms and another reason may be due to a unrefined measurement. Considering the clear theoretical difference between these motivation mechanisms, as discussed in Chapter 4, the problems are more likely to arise from unrefined measurement. For example, with regards to items measuring behavioural commitment and the need for self-esteem, employees might perceive them as the same phenomenon in the sense that all these items relate to confidence in their work and accompanying hard work (e.g. the need for esteem: "I find self-confirmation and recognition at work" and behavioural commitment: " I always deliver the result of the work expected from me.") The same principle applies to

measurement of work disposition and intrinsic motivation. Respondents might have difficulty in perceiving a difference between the following two items in a sense that work itself is something important: “ I regard work as the main purpose of my life” (work disposition) and “My work is almost like a hobby to me” (intrinsic motivation)

Because of the failure of the assumption that motivation mechanisms identified by Benkhoff are independent, at least in this case, this research regards clustered variables (e.g. work disposition and intrinsic motivation) as single variables in subsequent analysis (multi- regression) to ensure construct validity.

Table 6-5 Factor analysis of Benkhoff's motivation mechanisms

	Factor 1	Factor 2	Factor 3	Factor 4
1) Behavioural commitment				
-Hard-working person	.85509	-.02141	-.01899	-.06009
-People's expectation	.83650	-.02459	.04540	-.01785
-Working conditions	.74925	.06802	-.08102	.08259
Need for esteem				
-Feel needed	.51536	.07131	.49212	.00509
-Recognition at work	.46326	.12360	.41713	.10770
2) Social exchange theory				
-Satisfaction with promotion	-.11670	.80875	.05693	-.07248
-Satisfaction with pay	.19883	.77056	-.27289	.02991
-Satisfaction with position	.10519	.73381	-.02633	.15510
-Satisfaction with task area	.04842	.71216	-.01448	.18793
-Training opportunities	-.10918	.63541	.28228	-.16094
-Initial expectation	-.05168	.51250	.41854	-.16338
3) Intrinsic motivation and disposition				
-Intrinsic motivation (Work is like hobby)	.01776	.01755	.78265	.02587
-Disposition (Main purpose of life)	.08412	.01897	.54849	.40299
-Need for esteem (Personal approval)	.26475	.08662	.41012	.35096
4) Need for achievement				
-Self-development is important	-.11950	.02260	.02845	.91773
-Challenging job is important	.11162	.01737	-.00397	.78575

6.5.2 The Correlates of Discretionary Effort

6.5.2.1 Methods

This section attempts to identify the correlates of discretionary effort in order to find out what sorts of variables are associated with it. To explore the relationships between variables, it is necessary to hold all other variables constant with the help of multivariate analysis (linear regression, logistic regression). However, the results of correlation analyses are still helpful in that they give general impressions of the relationships between variables, although the impact of the other variables compound the results of the correlation. In this research, where no correlation or only a weak correlation was found between variables, qualitative data from in-depth interviews with bank managers and bank employees was used to gain an understanding of the findings. Since the response scale used in this research is ordinal, Spearman correlation is used.

6.5.2.2 Results: Spearman Correlation

Table 6-6 presents the result of Spearman correlation, illustrating the relationships between the items representing five motivation mechanisms and discretionary efforts. The five motivation mechanisms (need theories, disposition, intrinsic motivation, behavioural commitment and social exchange theory) are all significantly correlated with discretionary efforts which are measured by a 5 item scale capturing **(1) discretionary behaviour and (2) extra work effort**. In particular, among the five motivation mechanisms, the variables measuring behavioural commitment have a high correlation coefficient with discretionary effort. By contrast, there is a weak correlation coefficient between the variables measuring social exchange theory and discretionary effort (e.g. initial expectation and satisfaction with pay).

Particularly with regard to social exchange theory, some aspects of exchange such as task area and position are significantly related to discretionary effort, but others

(such as “training opportunities” and “promotion opportunities”) are not. One possible reason why “training opportunities” and “promotion opportunities” are not significantly related to discretionary effort may be the inappropriate measurement on aspects of social exchange theory, at least in the Korean context. In general, “K-bank” is faced with the problem of slow promotion opportunities for most employees when compared with other private companies. In other words, most employees do not seem to be satisfied with their promotion opportunities and training opportunities (84 per cent, according to the survey data). Since such dissatisfaction seems to be a general tendency in this industry, it has less of an impact on effort. In fact, employees may work even harder to get promotion since competition for rare promotion and training opportunities is severe.

The item “initial expectations met” appears to be unrelated to discretionary behaviour but significantly related to extra effort. One possible reason is that an individual may exert discretionary effort in order to satisfy his/her need for achievement elsewhere when the initial expectation is not fulfilled. Equally, if an employee’s initial expectation is met, she/he may not feel generously treated, and so reciprocal discretionary effort may not be considered an obligation.

With regards to pay, it is significant for extra effort but not for discretionary behaviour. One possible reason may be as follows: There have been a lot of arguments regarding whether or not satisfaction with financial reward (pay) leads to high performance. For example, some authors argue that high pay does not always lead to high performance even though pay is an important working condition for employees (Winstanley, 1982; Pearce and Perry 1983). In general, despite the above-mentioned exceptions, the results confirm the contribution of social exchange theory on discretionary effort at least in terms of the task area and position. There are differences in the results of correlation coefficients concerning the aspects of social exchange (e.g. “initial expectation met” and “satisfaction with pay” between two measures: discretionary behaviour and extra work effort. Such discrepancy may also be due to difference in the measurement focus between two measures in that discretionary behaviour seems to measure discretionary effort

resulting from employee's general behaviour for the organisation, while extra work effort is likely to measure discretionary efforts, focusing on work itself (e.g. ".....I often do more than is demanded of me. My job is so important to me that I sacrifice much for it").

6.5.2.3 Comparisons with Previous Research

Benkhoff's (1994) research used Contingency tables (Pearson's chi-square) to show that there was a relationship between the five motivation mechanisms and extra work effort (work commitment in Benkhoff's terms). The results showed that all the items were significantly related to extra effort, apart from training opportunities, which attempted to measure the need for achievement.

These results are similar to those emerging from the present research. The only difference between the two pieces of research is that some aspects of social exchange theory, such as promotion and training opportunities, pay and initial expectation, are not significantly related to discretionary effort in this research, whereas all the aspects of social exchange theory in Benkhoff's (1994) research were significant at the 1 per cent level for discretionary effort.

The difference may be due, first of all, to the contrasting measurements of social exchange theory. In Benkhoff's (1994) research, two aspects of the measurement of social exchange theory (satisfaction with promotion and training opportunities) were not taken into account, but instead overall work satisfaction was employed in order to account for discretionary efforts (extra work effort). Secondly, the difference may reflect the inappropriate application of several aspects of the measurement of social exchange theory (promotion and training opportunities) to the context of this particular Korean bank.

Table 6-6 The correlates of discretionary effort: Benkhoff's motivation mechanisms

(Spearman correlation coefficient, n= 228, One tailed test,
 *=probability values<.05, ** = probability values <.01)

<Individual items based>

	Mean	S.D	Discretionary Behaviour	Extra Work Effort
1) Need theories				
a) Need for achievement				
-Opportunity for self-development	3.53	.82	.34**	.24**
-Opportunity for challenging work	3.38	.87	.31**	.34**
b) Need for self-esteem				
-Recognition at work	3.30	.79	.31**	.31**
-Personal approval	3.44	.85	.27**	.39**
-Feel needed	3.20	.85	.27**	.34**
2) Disposition				
-Main purpose of life	3.17	.94	.27**	.28**
3) Intrinsic motivation				
-Work is like hobby	2.83	.97	.15*	.29**
4) Behavioural commitment				
-Hard working person	3.05	.77	.35**	.36**
-Others' expectation	3.22	.79	.37*	.38**
-Working conditions	3.36	.82	.50**	.37**
5) Social exchange theory				
-Satisfaction with task area	3.19	.85	.20**	.26**
-Satisfaction with training opportunities	2.44	.84	-.05	.05
-Initial expectation is met	2.58	1.00	-.02	.15*
-Satisfaction with pay	2.83	.89	.07	.16**
-Satisfaction with position	3.02	.93	.18**	.27**
-Satisfaction with promotion opportunities	2.42	.97	.00	.06
< Factor based>				
- Need for achievement	3.46	.75	.37**	.26**
- Work disposition/intrinsic motivation	3.27	.72	.34**	.32**
- Need for esteem/ behavioural commitment	3.23	.62	.47**	.38**
- Social exchange theory	2.75	.66	.07	.14*

6.5.3 “Tournament” of the Variables

6.5.3.1 Methods

It remains to be seen whether the variables representing motivation theories make their own contribution to discretionary effort when the effect of other variables is held constant. The statistical technique that allows one to establish the weight of several hypothesised independent variables is multiple-regression analysis. Multiple-regression analysis provides a better picture than correlation analysis of the relationship between independent and dependent variables since it indicates by how much the dependent variable changes as the independent variable changes whereas the correlation coefficient indicates only whether or not the two variables move in the same or opposite directions and the degree of linear association.

There are various methods of multiple-regression (e.g. linear multiple-regression and logistic multiple regression). In general, linear multiple-regression is used in situations where response scales of independent and dependent variables are continuous and data are normally distributed. Strictly speaking, the response scale used for this research is not continuous but ordinal. However, since the data distribution is close to normal, linear multiple regression can be used to test the relationships between the five motivation mechanisms and *discretionary behaviour*. Logistic-multiple regression, on the other hand, is used when the dependent variable has only two possible values. The use of this binary variables is appropriate whenever the theory implies that behaviour differs between two different time periods, or between two groups within a cross-section (e.g., married and unmarried individuals). In this research it is used to test the relationship between motivation mechanisms and *extra work effort* which is re-coded into two values.

Since theoretical similarities between motivation mechanisms (e.g. need for esteem and behavioural commitment) may lead to a multicollinearity problem in statistical analysis, multiple regression-analysis is based on factors obtained from

the results of previous factor analysis. A multicollinearity problem arises whenever two or more independent variables used in a regression are not independent but are correlated. In the social sciences, this problem often arises since many psychological variables are interrelated. When two or more independent variables are correlated, the statistical estimation techniques discussed earlier are incapable of sorting out the independent effects of each on the dependent variables.

Multicollinearity is probably present in most regression analysis since the so-called independent variables are unlikely to be totally independent. Thus, whether or not multicollinearity is a problem depends on the degree of collinearity. The difficulty is that there is no statistical test that can determine whether or not it really is a problem (see Schroeder et al., 1986). One method to search for the problem is to look for "high" correlation coefficients between the variables included in a regression equation. Even then, however, this approach is not foolproof since multicollinearity also exists if linear combinations of variables are used in a regression equation. There is no single preferable technique for overcoming multicollinearity, since the problem is due to the form of the data. If two variables are measuring the same thing, however, one of the variables is often dropped, since little information is lost by doing so.

6.5.3.2 The Results of Multiple-Regression Analysis:

Tables 6-7 (a) and (b) show the importance of motivational mechanisms in terms of the two measures of discretionary effort: discretionary behaviour and extra work effort. Extra effort was re-coded in the following ways: Agreement with Statement (a), "I often do more than is demanded of me. My job is so important to me that I sacrifice much for it", and (b) "All in all, I enjoy my work and every now and then I do more than is required. But this should not be a permanent situation." was recorded as 1; all other responses were recorded as 0. This is because only statement (a) and (b) refer to the measurement of discretionary effort.

The multivariate analysis is conducted as illustrated in Tables 6-7 (a) and (b) which show the result of the link between the five motivation mechanisms and discretionary efforts. Table 6-7 (a), showing the result of linear regression, indicates that some hypothesised motivational approaches within the five motivation mechanisms survives the “tournament” for *discretionary behaviour*: a need for achievement, need for esteem, behavioural commitment are significant for discretionary behaviour. Table 6-7 (b), giving the result of logistic regression analysis for *extra work effort*, shows a different pattern of independent variables emerging as significant. The need for achievement, need for esteem, and behavioural commitment are significant for extra work effort. However, work disposition, intrinsic motivation and social exchange theory are not significant for both discretionary behaviour and extra work efforts.

6.5.3.3 Comparison with Benkhoff's Results

Benkhoff's (1994) research demonstrates that most hypothesised motivational mechanisms survive the “tournament” for extra work effort (using logistic regression analysis), but need for esteem and intrinsic motivation are not significant for extra work effort (p.158). The following motivation mechanisms are responsible for extra work effort in Germany.

- (1) the potential to satisfy one's need for achievement as measured by promotion prospects for those who want promotion;
- (2) a positive work disposition measured by “ I regard work as the main purpose of my life”;
- (3) behavioural commitment, showing its impact through both its proxies, being a supervisor and belonging to a higher level in the organisational hierarchy and;
- (4) social exchange theory in terms of overall work satisfaction.

The common results between the two research investigation are that the needs for achievement and behavioural commitment are significantly related to extra work effort, but intrinsic motivation is not related to extra work effort. In particular,

intrinsic motivation is not significantly related to discretionary effort in either context.

The main difference between Benkhoff's results and this present research is that according to Benkhoff, work disposition and social exchange theory are significant for extra work effort, but not significant in this research. One possible explanation for this discrepancy is the cultural difference between Germany and Korea. It is interesting to ask why work disposition and social exchange theory (operationalised in terms of job satisfaction) are not responsible for discretionary effort.

First of all, with regards to work disposition and intrinsic motivation, which are part of the same factor because of similar measurements resulting from the theoretical overlaps, there are no clear links between these variables and discretionary effort in Korean bank branches. One possible reason is that work disposition, which refers to the affective aspect towards work as an individual trait (e.g., "work is like hobby to me"), may not have strong impact on individual work behaviour in the Korean context. This view is supported by the assumption that emotional state themselves do not always lead to behaviour. Work disposition and intrinsic motivation are positively correlated with discretionary effort (see Table 6-6), but this impact seems to be moderated by the impact of the need for esteem and behavioural commitment, which emphasise hard-work deriving from confidence about work itself. This implies that work behaviour, like discretionary effort, is more likely to be affected by cognitive elements which may be represented by behavioural commitment and the need for esteem (to gain recognition from others or to meet others' expectation) rather than the emotional aspects which may be revealed by work disposition and intrinsic motivation. For similar reasons, the need for achievement may have a positive impact on discretionary effort (e.g., "it is really important for me to have the opportunity for self-development").

Secondly, with regards to social exchange theory which is operationalised in terms of job satisfaction, it is not found that job satisfaction has resulted in employees'

discretionary effort in the Korean context. Many studies in the literature have shown that there is a clear link between job satisfaction and discretionary effort (especially discretionary behaviour). In particular, Organ (1988) has suggested that the relationship between job satisfaction and OCB may be better stated as a relationship between job fairness and OCB. Job fairness measures might capture more directly than job satisfaction measures the cognitive appraisal process which assesses the basis on which an employee can define his/her relationship with the organisation as social exchange. Hence, job fairness is a core part of job satisfaction.

One possible reason why job satisfaction is not significantly related to discretionary effort in the Korean banks may be employees' perception of unfairness in terms of distributive justice or procedural justice. For this reason, employees' job satisfaction is very low (the mean of job satisfaction is 2.75 and especially the mean of promotion opportunity, which is the most important aspect of exchange relationship, is 2.42). Hence, employees' discretionary effort might not be sensitive to such an exchange relationship. It may be affected by other factors such as norms, or identification, based on different types of exchange relationship. Furthermore, since 84 per cent of employees in this survey data are not satisfied with their jobs, this unbalanced data distribution might lead to statistical problems which make it difficult to examine the two relationships

Table 6-7 (a) and (b) Antecedents of discretionary effort: Benkhoff's motivation mechanisms

(Multiple-regression analysis, Beta coefficients, *= $p < .05$ **= $p < .01$
analysis level is an individual).

(a) Discretionary behaviour (self, linear)		(b) Extra work effort (logistic)
Adjusted R Square	.29	Model chi-square = 35.34, S=00
F=15.81, S=00	Beta	Wald
-Need for achievement	.15*	5.58*
-Need for self-esteem/ Behavioural commitment	.47**	17.68**
-Work disposition/ Intrinsic motivation	.00	.01
-Social exchange theory	-.04	.00

6.5 Research Findings and Discussion

The statistical results of this research demonstrate interesting findings about the application of motivation mechanisms across national/ cultural boundaries. Statistical analyses were conducted in several ways according to the research hypotheses and purposes:

The first aim is to test whether or not the individual motivation mechanisms identified by Benkhoff (1994) have independent explanatory power, considering the similarities and differences between them, replicating Benkhoff's model about motivation mechanisms (originally tested in the German context) in the Korean context. The statistical results (factor analysis) are remarkably similar to Benkhoff's (1994) findings, showing that there are both similarities and differences between the first five motivation mechanisms. The only difference between the two investigations is that, in Benkhoff's research, behavioural commitment and the need for esteem appear as different factors, while in this

research these two mechanisms appear as one common factor. One possible reason for this may be found in the different methods of measurement of behavioural commitment. While Benkhoff used a proxy variable (an employee's position in the organisational hierarchy) which is not convincing, this present research measures behavioural commitment in terms of individuals' perceptions of their own behavioural consistency. The measures of behavioural commitment used in this research seem to offer a better approach than Benkhoff's, but since the needs for esteem and behavioural commitment are theoretically interrelated, they seem to appear as one and the same factor. These research results imply that the motivation mechanisms established by Benkhoff (1994) are not completely independent mechanisms, at least in the Korean context. Such overlaps between motivation mechanisms may result from similar measures deriving from theoretical similarities. It is extremely difficult to make a clear measurement of a particular motivation mechanism which is completely different from related motivation mechanisms. In order to examine whether each of the motivation mechanisms has its own explanatory power for discretionary effort, it is necessary to use more refined measurements

The second aim is to examine the relationship between these motivation mechanisms and discretionary effort in the Korean context, in particular, to see whether each of them provides a different and independent explanatory power for discretionary effort. With regards to the simple relationships between each of the Benkhoff's motivation mechanisms and discretionary effort, the results of Spearman correlation show that all motivation mechanisms, except for social exchange theory, clearly explain discretionary effort, in the Korean context. However, multiple-regression was conducted to test whether each of these mechanisms shows its own independent factors affecting discretionary effort, by controlling the impact of other variables which result from interaction between independent variables. The results of multiple-regression show that some of the motivation mechanisms, such as the need for achievement, the need for esteem and behavioural commitment account for discretionary effort in Korean context. However, social exchange theory, work disposition and intrinsic motivation are not significant for discretionary effort.

This research, replicating the analysis of Benkhoff (1994), confirms with statistical evidence (e.g. through factor analysis, correlation analysis and multiple-regression analysis) that some of the less-calculative motivational mechanisms identified by Benkhoff are responsible for employees' discretionary effort in the Korean bank branches (such as the need for achievement, the need for esteem and behavioural commitment). However, some are not significantly related to discretionary effort (work disposition, intrinsic motivation and social exchange theory). This result implies that some authors' assumptions (e.g. Hofstede, 1982) that motivation mechanisms are not universal across cultures, is questionable because some mechanisms still function in the Korean context. Meanwhile, since other mechanisms such as social exchange theory or work disposition do not work in the Korean context in explaining discretionary effort, this implies that motivation mechanisms can also be affected by national/cultural context. Hence, this research result supports the assumption of universalist motivation theories, which argue that basic psychological processes are likely to be a common feature of human life everywhere, but that their manifestations are likely to be influenced by cultural context. Accordingly, employees exert discretionary effort in Korean bank branches for the following reasons: (1) They put in high discretionary efforts to satisfy their needs for achievement and self esteem at work. (2) Additionally, discretionary effort increases because employees like to show behavioural consistency in order to sustain their self-image as hardworking persons.

Chapter 7 Methodology II: Organisational Identification and Group Norms

This section deals with the measurement of the two variables concerning group motivation (organisational identification and group norms) and statistical analyses which attempt to examine whether or not these two mechanisms provide an alternative and additional explanatory power for discretionary effort in Benkhoff's (1994) model. For the statistical analysis which attempts to test the links between group motivation and discretionary effort and performance, the sample, discretionary effort scale, and performance data follow those used in the previous analysis (Chapter 6).

7.1 Measurement of Organisational Identification

Measurement follows Benkhoff's approach (1995) which attempts to operationalise organisational identification in terms of social identity theory, thus emphasising the following three aspects:

- (1) the perception of shared goals and values;
- (2) pride in one's organisational membership; and
- (3) positive cognitive bias.

The first aspect, the perception of shared values, is measured by the following statements:

“I feel that my values and norms and those of the bank are the same.”

The response categories are based on a five-point scale ranging from “fully disagree”, “disagree”, “neither disagree nor agree”, “partly agree”, to “fully agree.”

Shared goals are measured by the following two elements:

“To what degree do you think you share the same goals and interests as the following in the bank (a) your head office, (b) the bank in general ?”. Response categories consist of a five-point scale: (1) large conflict, (2) considerable conflict, (3) some conflict, (4) minor conflict, and (5) same interest.

The second aspect, pride in organisational membership, is measured by the following statement which is taken from Porter et al.'s (1974) Organisational Commitment Questionnaire:

"I am proud to tell others that I am part of this bank."

The response categories are based on a five-point scale ranging from "fully disagree", "disagree", "neither disagree nor agree", "partly agree", to "fully agree."

The third aspect, positive attitudes toward the bank and its management, is measured individually by capturing the latent variable underlying several opinion statements. It is assumed that individuals who strongly identify with their organisation are positively biased when making judgements about the company that are difficult to verify.

- (1) *"At the top of the bank we have competent and sensible people."*
- (2) *"The bank has good prospects for the future".*
- (3) *"There is good co-operation between departments and branches in the bank."*
- (4) *"The bank has a series of interesting financial products."*
- (5) *"The bank is bureaucratic and not open to development that would enhance its performance."*
- (6) *"The bank supports many important causes in society."*
- (7) *"One cannot trust the bank because top management is capable of deceiving people."*

The response categories are on a five-point scale ranging from "fully disagree", "disagree", "neither disagree nor agree", "partly agree", to "fully agree."

There are other approaches measuring identification in the literature (e.g. Porter et al., 1974, Hall, Schneider and Nygren, 1970). These authors have attempted to measure it in terms of only shared values. However, these approaches do not consider social identity aspect of identification such as in-group positive bias and pride in membership. Hence, since these are not comprehensive enough, this research adopts Benkhoff's approach identified above.

Factor analysis and a reliability test were conducted to test homogeneity of subscales (See Table 7-1 (a) and (b) for factor loadings). The results show that all items measuring organisational identification are divided into three factors (See Table 8-1 (a) for factor loadings). The removal of items 5 and 6 ("The bank is bureaucratic and not open to development that would enhance its performance" and "The bank supports many important causes in society") reduces the three factors to just two. The first factor refers to positive attitudes (item 1 to item 7), shared values and norms and pride in the bank, and the second factor is about shared goals with the bank in general and headquarters. For the purpose of subsequent analyses (e.g. correlation analysis and multi-regression analysis), the second factor (shared goals) was removed from the identification scale (Table 7-1 (b)). This was because identification refers to positive attitudes toward the in-group and it is thought to be more important to include positive attitudes rather than shared goals to measure identification. Items (5) and (6) were also removed for the same reason.

It is unclear exactly why in the result of factor analysis item (5) appeared as an independent factor. One possible reason is that the statement may be seen to indicate a factual characteristic of banks in Korea rather than a measurement of an emotional attitude. Generally, the banking industry in Korea is regarded as a relatively stable industry composed of bureaucratic organisations, particularly in comparison to other private companies. Even though attitude is based in part on a factual (cognitive) component, the emotional aspect is also important. However, these two elements are not always congruent. For example, even if a bank is bureaucratic, employees may still have a positive attitude in the Korean context.

With regards to item (6), one possible reason for the deviation is that there are no social causes for Korean banks to support.

Table 7-1 Factor analysis of organisational identification

(a) identification scale based on all the items

	Factor 1	Factor 2	Factor 3
1. The bank has good prospects	.79245	.05450	-.19097
2. There is good co-operation	.74490	.06784	.05927
3. I am proud to tell others	.73810	.14942	-.23070
4. The bank has interesting products	.72158	-.18765	.10185
5. Bank has competent top managers	.66780	.06401	.09635
6. My values and those of bank are same	.61230	.00480	.12704
7. One can not trust management of bank	.54011	.11865	.07893
8. The same goals and interests with Head office	.04051	.86162	.10269
9. The same goals and interests with bank	.18457	.80388	.00316
10. The bank is bureaucratic	-.10103	.25564	.75125
11. The bank supports causes in society	.32408	-.18751	.66750

Eigenvalue= 4.20 Variance =38.3 N=228 KMO=.83 Alpha=.63 BTS=.0000

(b) Identification scale after removal of some items

	Factor loadings
1. The bank has good prospects	.78756
2. There is good co-operation	.74948
3. I am proud to tell others	.73957
4. The bank has interesting products	.71155
5. Bank has competent top managers	.67850
6. My values and those of bank are same	.64372
7. One can not trust management of bank	-.61132

Eigenvalue= 3.49 Variance =.50 N=228 KMO=.84 Alpha=.62 BTS=.0000

7.2 The Measurement of Work Group Norms

There has been little statistically-based research into group norms and their relationship with organisational effectiveness. Consequently it is not surprising that there is a lack of well-developed instruments to measure them. One explanation stems from the difficulty in measuring norms as a collective concept.

One of the most significant features of group norms as properties of a social system is that they are based on group behaviour. However, they tend to be measured at an individual level through a measure of an individual's perception (by using questionnaires). The problem with this is that the responses can be contaminated by individual norms rather than group norms or the aggregation of individual data to the group level. Since individual norms are not always congruent with group norms, it is open to question as to whether or not the former accurately reflect the latter when measurement is undertaken.

The following section deals with how group norms are measured in this research, based on a critical literature review of approaches to the measurement of norms. Measures of group norms, in this research, have been approached in two ways in order to enhance the validity of measurement: qualitatively through in-depth interviews, and quantitatively through questionnaires. Both methods have relative strengths and weaknesses in terms of the validity of norms measurement. In order to measure norms or culture within groups or organisations, many authors advocate qualitative methods such as in-depth interviews, and observation (e.g. Louis, 1983, Smircich, 1983). Such proponents argue that norms are most appropriately assessed by qualitative methods for the following reasons;

- (1) The fundamental content of culture (norms) is unconscious and highly subjective.
- (2) Norms (culture) are highly subjective social constructions that cannot properly be studied by researcher-constructed categories and scales.
- (3) The categorisation of constructs of norms (culture) by researchers doing field research may misrepresent the experiences of respondents, and may thus be

invalid. For these reasons, qualitative methods may be useful to enhance the validity of norms measurement. Furthermore, since many behavioural norms can exist within a group, it may be difficult to identify them all through the structured and categorised quantitative approach, and consequently many important norms which may effect discretionary effort may be overlooked. This implies that the sole use of quantitative methods, such as questionnaires, may be problematic in measuring group norms.

Despite the fact that qualitative approaches have strong support, one possible reason why quantitative methods are generally preferred is that it is exceedingly difficult to make any analytic comparisons from qualitative data. There are many important theoretical questions which cannot be answered until norms can be measured with repeatable, easily administered instruments that permit systematic comparisons. For example, behavioural norms can be derived from the values and expectations that organisational members share (e.g. Pettigrew, 1979; Baker, 1980). In order to determine the extent to which norms are shared, the responses of individual organisational members must be compared. In order to learn if an organisation has sub-units (e.g. departments) with distinctive norms (e.g., Martin and Siehl, 1983), it may be possible to identify and compare group norms. In order to study norms as a dynamic process of learning and change, systematic comparisons across time must be made possible.

Furthermore, in order to test speculations about the relationship between types of norms or the strength of these norms and levels of effort or profitability, it is necessary to use quantitative methods. It may be difficult to make these types of comparisons systematically when only qualitative data are available. A few studies have used quantitative approaches to the study of norms (e.g. Cooke and Rousseau, 1988; Kilmann and Saxton, 1983).

Since this research is designed to examine the statistical relationship between group norms, discretionary effort and performance, the survey method is indispensable. In response to the above critiques, both quantitative data

(questionnaire) and additionally qualitative methods (in-depth interview) are used to compensate for the challenges inherent in both approaches.

7.2.1 Qualitative Method (In-depth Interview)

Nine managers and fourteen employees from different branches were interviewed and the following questions were asked in order to obtain data concerning norms measurement.

- (1) What sort of values or behavioural patterns are valued in your bank branch?*
- (2) What sort of values or behavioural patterns are disapproved of in your branch?*
- (3) What will happen to you if you do not follow your group norms or values? Will you be punished?*
- (4) If you get punished, what kind of punishment is there?*
- (5) What is the most important thing to observe for employees working in your branch?*
- (6) What things do employees very much like to see happening in your branch?*
- (7) What is the biggest mistake an employee can make at work in your branch?*
- (8) What sort of things does your branch manager emphasise the most when you have meetings?*
- (9) Are there any “taboos” in your branch?*

The main findings may be summarised as follows:

First, concerning the above questions used to obtain branch norms, most managers gave similar answers. In particular, response patterns were almost the same for the following questions: (1), (2), (5) and (8). These are “co-operation among members”, “respects towards members and customers”, “enthusiastic and hard work”, “honesty”, “trust relationships”, “new ideas” and “employees’ ability”.

However, the responses to the following questions: (6),(7) and (9) did not produce similar responses as questions (1), (2), (5) and (8) (e.g. “high payment”, “promotion”, and “finish the works in time” and in some cases (e.g. What sorts

of “taboos” are there in your branch) there were no answers at all because the respondents did not understand completely what the questions meant. When interviews were conducted with employees, most of them did not understand what group norms were. However, when employees were asked the questions: “*What behaviours are valued in your branch?*” and “*What sort of behaviour is disapproved of?*”, they answered easily. These results were similar to those of the interviews with managers. The results give an insight into one possible way of measuring group norms, which is to access group norms in terms of specific behavioural patterns rather than by asking directly what the group norms are.

The existence of group norms may be recognised when employees meet with disapproval for behaving in certain ways. In Korean banks, when employees violate group norms, they may meet with disapproval and punishments as follows: (1) criticism from the manager or co-workers; (2) exclusion from dinner or drink meetings after work. Members may recognise their group norms through the disapproval and punishment they experience in the workplace. In addition, members recognise the content and strength of norms indirectly through the experience of their co-workers.

When comparing the interview results, it was found that responses to questions (1), (2), (5) and (8) also varied according to bank branches. Some branch managers mentioned co-operative behaviour among members as being important, while other managers valued this less. In other branches behavioural patterns such as “respect” or “kindness” among members were seen as important. According to ordinary employees within branches, this variation in group behaviour or norms was considerably influenced by their branch manager’s style. For example, some branch managers particularly emphasised co-operation and openness among employees in a workplace, for example by organising “a special party” on a Sunday to build co-operation and interpersonal trust among members.

Other managers also organised “a meeting” for dinner or drinks after work. These sorts of meetings or parties may have affected the formulation of certain kinds of group norms (e.g. co-operation/trust) in the workplace. The results of interviews

indicate that group norms and their strength do vary amongst bank branches. Many interviewees with work experience at different branches confirmed that there are different group norms in the various branches as well as differences in the strength of norms, and this may be an important factor in affecting the level of individual effort.

Finally, during the interviews, the following questions were asked in order to see the relationship between norms and employees' effort or performance: "*What makes employees within bank branches work harder than required?*" Most respondents said that it depends on "the branch climate (participative/co-operative)", or "the relationships among co-workers and managers (respect/kindness)". "Branch climate" and "relationships among members" may exert pressure on members through the formation of group norms by the manager or co-workers. Respondents also said that these were the most important factors affecting branch performance. The "branch climate" and "the relationship among members" may reflect the effects of interpersonal behavioural rules. Consequently what group members call "branch climate" seems to have basically the same meaning as "group norms". It is conceivable that group norms are the most significant factor in affecting the effort level of employees as demonstrated through the results of the interview. It seems that certain kinds of group norms do make people work harder.

7.2.2 Quantitative Method (Questionnaire)

In order to measure norms as a collective concept with a questionnaire, this research focuses on the concept of "*disapproval*". Since group norms are behavioural rules which are "desirable and admirable", employees meet with "disapproval" when they violate these rules. Hence, group members may recognise their group norms by encountering certain kinds of "punishments" (raised eyebrows, criticisms, censure, public humiliation, and even rejection from the group) when they violate their group norms. Since punishments are severe for strong group norms, this strength is measured by the degree of "disapproval"

(punishments). This approach in measuring norms may be convincing, compared to the other previously used measures of norms which suffer from several flaws in terms of the validity of measurement.

Given that there has been lack of research into group norms (in particular, the link between types of norms and performance), there are only a few instruments in the literature measuring norms, including the one designed by Cooke and Rousseau (1988). There are other norms measures available, such as the Norm Diagnosis Index (NDI; Allen and Dyer, 1980). Since NDI may be used by others researchers, it deserves particular attention and scrutiny.

Cooke and Rousseau's instrument will be analysed and criticised with the following questions in mind: (1) does the instrument actually measure what it is supposed to measure? and (2) are the individual items clearly worded or are they ambiguous and easily misunderstood by respondents?

Cooke and Rousseau define behavioural norms as the shared beliefs and values guiding the thinking and behavioural styles of members. They assume that these values specify appropriate and inappropriate behavioural patterns in an organisational setting. Cooke and Rousseau seek to assess behavioural norms within an organisation and their sub-units (groups).

It is questionable, however, whether Cooke and Rousseau's proposed instrument really measures behavioural norms. It attempts to measure behavioural norms in terms of "members' expectations in the organisation" by presenting the following statement: *"Please think about what it takes for you and people like yourself (e.g. your co-workers, people in similar position) to fit in and meet expectations in your organisation. In other words, how are things done around here?"* Measuring group norms, through the use of the phrase, "*meet expectation in the organisation*", may be problematic for the following reason. Behavioural norms are the rules of employees' behaviour to which a majority of members within a group conform. Since group norms tend to restrict or guide members' behaviour, and predict what sorts of behaviours are appropriate, they can be seen as the

behavioural patterns that are expected of an organisation or group. This expectation of the organisation or group, however, may not be based purely on specific group norms, but may be contaminated by their wider social desirability. It is likely that any desirable social values (e.g. respect) would be expected from everybody, whether or not they form part of a group specific norms. Thus this approach can measure just socially desirable values rather than actual group norms. Therefore, the idea of using the expectations of others to measure behavioural norms does not seem to be convincing.

In general, Cook and Rousseau's measurement is problematic in that the wordings of most items in the questionnaire are too ambiguous to allow employees to respond consistently. For example, item 1 (*"point out flaws "*) attempts to measure opposition norms, but the term "flaw" is ambiguous and not specific enough. What exactly does it mean? Is it a "flaw" regarding products or processes or regarding co-workers? These ambiguous wordings undermine the validity of the questionnaire since employees may interpret the particular terms arbitrarily. For example, given the question; *"point out flaws"*, some respondents may think of the term "flaw" in terms of the personalities of the supervisor or co-workers. Others may interpret the term "flaw" in relation to their products or production processes. Hence, depending on the definition one attributes to the term "flaw", the response will vary greatly and consequently weaken the validity of the questionnaire.

There is an other important measure of behavioural norms, the Norms Diagnostic Index (NDI), designed by Allen and Dyer (1980). The authors define norms in the following way: " Norms are expected or usual ways of behaving in groups or organisations" (p194). The NDI was developed from an original pool of 86 survey items used by the Human Resources Institute (HRI) over a period of more than 15 years' work with organisational norms in diverse settings, ranging from migrant labour camps to large manufacturing and retail firms. This pool was reduced to a final set of 38 statements dealing directly with organisational norms in seven primary areas:

(1) performance facilitation: employees' perception of norms relating to job performance; (2) job involvement: reflecting employees' emotional environment in their jobs and in the total organisation; (3) training; (4) leader-subordinate interaction; (5) policies and procedures: the efficiency of organisational policies and procedures and the extent to which they are effectively communicated to those who must implement them; (6) confrontation: relating to constructive responses to other people's behaviour (interpersonal interaction); and (7) supportive climate.

NDI (see Appendix 2 for all items) seeks to identify the specific norms of these various areas rather than general behavioural norms within the group or organisation. Allen and Dyer assume that the seven areas are significantly related to the success of the organisation. However, they do not consider the specific relationship with performance.

NDI may have several problems in terms of the validity of norms measures. First, since norms are behavioural rules within a group which restrict members' behaviour, members may be expected to follow them. However, it is doubtful whether the use of the idea of "expected or usual ways" is appropriate for measuring norms because even if it is not included in all statement wordings, the operational definition of norms mentioned in the questionnaire's instruction makes respondents think of norms as the "expected and usual ways" (e.g. "norms is expected or usual ways". "It is norms around here: to maintain the progress that is made." Hence, this idea can be contaminated by social desirable values, and its use may not be comprehensive enough to measure norms.

Secondly, there are also problems with the statements in each question. NDI intended to measure norms by asking too directly for respondents' opinions concerning norms that exist in the group. It is not always possible to recognise what norms are, because norms are sometimes unconscious. For example, this is the problem with item 1: "*it is a norm around here: to maintain the progress that is made*".

Thirdly, NDI seems to measure individual opinions on aspects of an organisation rather than group norms themselves. For example, the following items were used to measure norms of performance facilitation: *“It is the norm in our organisation to maintain the progress that is made,”* *“...to care about and strive for excellent performance,”* and *“...to have a clear way of measuring results.”* These items may easily lead respondents to give their own opinions about management policies rather than about group norms. Norms seen as specific behavioural rules are different from individuals’ opinions about the management policies. In general, the wordings of items on the questionnaire are also unclear and ambiguous.

There are others instruments measuring culture (e.g. Organisational Culture Profile, O'Reilly, Chatman, and Caldwell, 1988; Corporate Culture Survey, Glaser, 1983; and Organisational Beliefs Questionnaire, Sashkin and Fulmer, 1985). However, these are not considered in this research because their concept of culture is operationalised in terms of organisational values rather than specific behavioural patterns. Given the considerable disadvantages associated with the existing instruments measuring norms or culture, in this research norms are captured in terms of the disapproval with which deviation from the expected behaviour is met. The following section focuses on how specific eight group norms are measured.

(1) Achievement norms

Achievement norms refer to the group expectation that employees will do things well and set and accomplish their own goals. Employees are expected to set challenging but realistic goals, establish plans to reach these goals, and pursue them with enthusiasm. The following two items measure achievement norms:

- (1) Employees meet with disapproval if they do not take on challenging tasks; and*
- (2) Employees meet with disapproval if they do not try hard to improve on their past performance at work.*

(2) Competence norms

Competence norms refer to the group expectation that employees will have high level of skills and knowledge at work. When competence norms exist groups,

employees are expected to avoid all mistakes, and work long hours to finish their work on time. The following items measure competence norms:

- (1) *Employees meet with disapproval if they do not have sufficiently high level of skill to do their work;*
- (2) *Employees meet with disapproval if they do not perform perfect tasks; and*
- (3) *Employees meet with disapproval if they do not try to learn all the work skills that they need for their work.*

(3) Co-operation norms

Co-operation norms signify the group expectation that employees will give one another a hand at work and will share tasks when necessary. The following three items measure co-operation norms:

- (1) *Employees meet with disapproval if they do not give advice to colleagues who need help;*
- (2) *Employees meet with disapproval if they just care about their own work without co-operation; and*
- (3) *Employees meet with disapproval if they do not share the workload when their colleagues are in danger of not meeting a deadline.*

(4) Autonomy norms

Autonomy at work refers to the degree to which the job may provide substantial freedom, independence, and discretion to the individual in scheduling work and in determining the procedures to be used in carrying it out (Hackman, 1976). When autonomy norms exist, individuals are expected to use autonomy in planning their own tasks or determining the work procedures. Hence, autonomy norms can be measured by the following three items:

- (1) *Employees meet with disapproval if they shift their responsibility to others;*
- (2) *Employees meet with disapproval if they do not try to use their own judgement in interpreting rules and regulations; and*
- (3) *Employees meet with disapproval if they are not confident about working on their own.*

(5) Innovation norms

Innovation refers to creative change in the work process (e.g. developing new methods in dealing with customers or efficient work process). When innovation norms exist, employees' risk-taking and creativity at work are valued and rewarded. These norms are measured with the following three items:

- (1) Employees meet with disapproval if they always follow the same methods when they do their own work;*
- (2) Employees meet with disapproval if members do not approach work in original ways; and*
- (3) Employees meet with disapproval if they do not suggest new ideas at work.*

(6) Respect norms

Respect may be represented by the expression of recognition and praise and politeness among members. In this research, respect norms are operationalised in terms of expected politeness among employees, and this includes both superiors' respect to subordinates as well as subordinates' respect to superiors. Respect norms are measured through the use of the following three items:

- (1) Employees meet with disapproval if they do not show respect for their colleagues at work;*
- (2) Employees meet with disapproval if they do not show respect for their superiors at work;*
- (3) Employees meet with disapproval if they do not behave in a friendly and polite ways towards their colleagues.*

(7) Openness norms

Openness norms are interpersonal behavioural rules which are associated with the free and frank expression of employees' opinion to their colleagues and superior concerning their branch policies and practices. Openness norms also refer to the group expectation of listening to other employees' opinions and not ignoring them. Measurements of these norms may be made through the following statements:

- (1) *Employees meet with disapproval if they do not express their thoughts and opinions on their tasks at work;*
- (2) *Employees meet with disapproval if they do not listen to or ignore their colleague's opinions; and*
- (3) *Employees meet with disapproval if they do not share information that would help to improve the performance of the branch.*

(8) Trust norms

The definition of trust adopted in this research refers to both superiors' trust of their subordinates and subordinates' trust of their superiors. Superiors who trust their subordinates tend to control their subordinates' work behaviour less, and subordinates who trust their superiors tend to honestly discuss their problems and mistakes at work. Hence, trust is measured by the following three items:

- (1) *Superiors meet with disapproval if they exert too much control over how subordinates do their work;*
- (2) *Employees meet with disapproval if they do not discuss the problems they have with their work with their superior; and*
- (3) *Subordinates meet with disapproval if they make mistakes at work and do not consult with their superior.*

Each of these eight specific norms which are measured by multi-items is put into a factor analysis model and a reliability test is conducted to test homogeneity between items. The results show that each of these norms belong to one factor which implies that they are homogeneous. (See Tables 7-2 for factor loadings and Alpha). However, some items which have not shown internal consistency, that is, Alpha coefficient is too low (less than .50) were removed from scales ensure reliability (e.g. autonomy norms). Although Alpha coefficient is unacceptable low (.46), these items such as achievement norms are adopted as homogeneous scale, because Alpha coefficient (.46) may be relatively not too low, when considering only two items.

Tables 7-2 Factor analysis and reliability test for norms

Achievement norms	Factor loadings
(1) Employees meet with disapproval if they do not take on challenging tasks.	.8069
(2) Employees meet with disapproval if they do not try hard to improve the past performance at work.	.8069
Eigenvalue= 1.32, Variance=.53, N=228, KMO=.50, Alpha=.46, BTS=.0000	

Competence norms	Factor loadings
(1) Employees meet with disapproval if they do not have enough skill to do jobs.	.7578
(2) Employees meet with disapproval if they do not do perfect jobs.	.7916
(3) Employees meet with disapproval if they do not try to learn all the work skills that they need for their work.	.8114
Eigenvalue 1.86, Variance .62, N=228, KMO= .66, Alpha=.69 BTS=.0000	

Co-operation norms	Factor loadings
(1) Employees meet with disapproval if they do not share the work when their colleagues are in danger of not meeting the deadline.	.8560
(2) Employees meet with disapproval if they just care about their own work without co-operation.	.7901
(3) Employees meet with disapproval if they do not give advice colleagues who need help.	.7882
Eigenvalue= 1.98, Variance= .66, N=228, KMO= .67, Alpha=.74 BTS=.0000	

Autonomy norms	Factor loadings
(1) Employees meet with disapproval if people do not try to use their own judgement in interpreting rules and regulations.	.8552
(2) Employees meet with disapproval if they are not confident about working on their own.	.8552
Eigenvalue = 1.46, Variance = .73, N=228, KMO= .50, Alpha=.63 BTS=.0000	

Innovation norms	Factor loadings
(1) Employees meet with disapproval if members do not approach work in original ways.	.7920
(2) Employees meet with disapproval if they always follow the same methods when they do their own work.	.6971
(3) Employees meet with disapproval if they do not show new ideas and make suggestions on work.	.7758
Eigenvalue 1.72, Variance .57, N=228, KMO= .63, Alpha=.62 BTS=.0000	

Respect norms	Factor loadings
(1) Employees meet with disapproval if members do not show respect for their supervisors at work.	.7440
(2) Employees meet with disapproval if they do not show respect for their colleagues at work.	.8131
(3) Employees meet with disapproval if they do not behave friendly and politely to their colleagues.	.8579
Eigenvalue 1.95, Variance=65.1, N=228, KMO= .65, Alpha=.73, BTS=.0000	

Openness norms	Factor loadings
(1) Employees meet with disapproval if they do not express their thoughts and opinions on their tasks at work.	.7305
(2) Employees meet with disapproval if they do not share information that would help to improve the performance of the branch.	.7466
(3) Employees meet with disapproval if they do not listen to and ignore their colleagues' opinion.	.7044

Eigenvalue= 1.59, Variance=.53 , N=228, KMO=.62 , Alpha=.55 BTS=.0000

Trust norms	Factor loadings
(1) Superiors meet with disapproval if they exert much control over how subordinates do their work.	.7170
(2) Employees meet with disapproval if they do not discuss the problems they have with their work with their superiors.	.7487
(3) Subordinates meet with disapproval if they make mistakes at work and do not consult with their superior.	.7170

Eigenvalue =1.60, Variance =.53, N=228, KMO= .63, Alpha=.56 BTS=.0000

7.3 Statistical Methods and Results

The specific statistical techniques which will be used in this analysis follow those mentioned in the previous section, Chapter 6.

7.3.1 Differences and Similarities between the Specific Group Norms

Factor analysis is conducted to examine whether each of the eight specific group norms is an independent mechanism or if there exists an underlying common factor. 22 items of norms measurement are entered into a factor analysis model. These are divided into the three factors as shown in Table 7-3. This Table demonstrates that the eight specific group norms are strongly interlinked, appearing as three factors: the first refers to an underlying common factor among

competence norms, respect norms, and trust norms; the second among **autonomy norms, co-operation norms and innovation norms**, and the final factor refers to achievement norms, openness norms, trust norms and innovation norms.

Even though there are interrelations between these three factors, one can infer differences in underlying meanings between them: the first factor seems to refer to discretionary effort-promoting norms which are based on individual characteristics in terms of their ability and personal disposition. These norms are interrelated in that competent employees will tend to be respected and trusted within an organisation. Additionally, some other norms items appear as the common cluster with the first factor (e.g. “listen to peers’ opinion” - openness norms, and “the improvement of performance”- achievement norms). One possible explanation for these overlaps is as follows: openness norms which are measured by the item, “Employees meet with disapproval if they do not listen to their colleagues’ opinion” seems to be related to respect norms because people tend to listen to peers’ opinion if they respect their peers. The item measuring achievement norms, “Employees meet with disapproval if they do not try hard to improve the past performance at work” is related to competence norms in the sense that the existence of achievement norms may also encourage employees to improve their competence.

The second factor seems to refer to discretionary effort-promoting norms which are pertinent to the process of dealing with tasks. They are interrelated in a theoretical sense in that employees enjoying autonomy at work tend to help and co-operate with colleagues (co-operation norms) and also try to work in original ways (innovation norms). Since employees enjoying autonomy at work tend to work alone without the control of supervisor, they feel more responsible for their own work and thus may need co-operation with their peers for better performance. One of the items measuring openness norms, “Employees meet with disapproval if they do not share information that would help to improve the performance”, has loaded on the second factor. One possible explanation may be

the interrelation between co-operation norms and openness norms in that sharing information is one of ways of co-operation.

Finally, it is not clear whether the third factor has any underlying meaning and why these items appear as one factor. One possible reason may be due to employee's different responses deriving from the measurement problems rather than to theoretical similarities. As the correlation coefficient (.27) between the items of achievement norms shows, two items are not homogeneous ("take on challenging tasks" and "try hard to improve on their past performance at work"). This weak correlation may be due to the wrong measurement of "take on challenging tasks". Achievement norms seem better captured by the item, "try hard to improve on their past performance at work" than by "taking on challenging tasks" because the latter may not be appropriate in the Korean bank in that most of the tasks within bank branches are simple and routine, and thus employees may not feel challenged by their work. This may have affected the result of factor analysis. Openness norms measured by the item, "Employees meet with disapproval if they do not express their thoughts and opinions on their tasks at work", may be problematic. Respondents may also have perceived this as carrying negative connotations (e.g. the expression of strong individual opinions or thoughts on their tasks may harm co-operative relationships, which might imply a criticism of non-conformity with company policies). One item measuring trust norms may not be appropriate in that most employees tend not to reveal their mistakes or faults to their superior unless they a great deal trust him (her). Rather they are likely to hide their mistakes so as not to be criticised for their incompetence. The item measuring innovation norms ("follow the same work methods) may be problematic since it does not seem appropriate in a banking context where most tasks within bank branches are simple and routine and thus may require the same methods.'

Some norms items such as openness norms are loaded on separate clusters. This may be due to the theoretical interaction between norms dimensions or the measurement problems mentioned above. For example, openness norms are strongly inter-linked with trust norms, respect norms, and co-operation norms and

consequently this makes extremely difficult to measure pure openness norms without the contamination of respect, trust norms and co-operation norms. For this reason, one item measuring openness norms ("listen to peers' opinions") goes together with respect and trust norms, and the other item ("sharing information") goes together with co-operation norms. As a result of these potential problems, it is suggested that better measures concerning some items of achievement norms, openness norms, trust norms and innovation norms are needed in order to examine the better relationship between specific norms.

With regard to the distinction between the eight norms, despite the fact that there is clear theoretical independence as discussed in Chapter 5, the results of factor analysis do not show such distinctions. To ensure the construct validity among norms dimensions, factor based-variables will be used for subsequent analysis such as correlation analysis and multiple-regression analysis.

Table 7-3 Factor analysis of group norms

	Factor 1	Factor 2	Factor 3
Respect norm (friendly and politely)	.75768	-.13901	-.04525
Competence norm (do perfect jobs)	.72753	-.20791	-.24996
Respect norm (respect for colleagues)	.71589	.17661	.20365
Trust norms (consult with their supervisor)	.70601	-.14285	-.21057
Openness norm (<i>listen to colleagues opinion</i>)	.69710	.15155	.28439
Competence norm (enough skill)	.59476	.14321	.34167
Achievement norm (<i>improve the past performance</i>)	.57456	-.18910	.05859
Respect norm (respect for supervisor)	.47418	-.20699	.12784
Trust norm (not too much control)	.45758	.08440	.34704
Competence norm (learn all the work skill)	.44127	-.37884	-.05542
Autonomy norm (use their own judgement)	-.14747	-.77036	.08437
Autonomy norm (confident about their own work)	.11636	-.74523	-.09904
Co-operation norm (share the work with colleagues)	.04670	-.70880	.10984
Co-operation norm (give advise colleagues)	.08989	-.69478	.02379
Innovation norm (show new idea)	.03499	-.64422	.16292
Openness norm (<i>share information</i>)	.23051	-.63344	-.09392
Innovation norm (approach works in original way)	-.04039	-.47992	.41241
Co-operation norm (care about others work)	.33206	-.35508	.18072
Achievement norm (challenging tasks)	.06914	.01957	.71907
Openness norm (express their own opinion)	-.03723	-.31706	.57021
Trust norm (discuss problems with superior)	.11211	-.29920	.56857
Innovation norm (not follow the same method)	.13273	-.09964	.55210

7.3.2 Difference between Group Motivation and Benkhoff's individual Motivation Mechanisms

Factor analysis is conducted in order to test whether the two additional variables (organisational identification and group norms) can be seen as independent mechanisms which differ from the individual motivation mechanisms identified by Benkhoff (1994). Since there are too many items of norms, the factor (mean) of

each of the eight norms is put into the factor analysis model. Additionally, another method of factor analysis is conducted on the basis of individual items of norms because aggregated data may cause statistical problems (see Appendix 8). As hypothesised, the results of the factor analysis (Table 7-4 and Appendix 8) show, first of all, that group norms appear as independent clusters of the five individual motivation mechanisms and organisational identification. The results of factor analysis (Table 7-4) also confirm the findings in Table 6-6, according to which Benkhoff's individual motivation mechanisms appeared as four individual clusters, with one cluster including both a intrinsic motivation and disposition.

The results of factor analysis with reference to group norms are as expected: all the different group norms appeared as independent clusters from the Benkhoff's motivation mechanisms and were also not common factors to organisational identification. This implies that group norms are different from the individual motivation mechanisms identified Benkhoff and organisational identification. These findings support the previous argument (in Chapter 5), which hypothesised that although group norms share some similarities with other motivation mechanisms (e.g. the need for achievement, social exchange theory etc.), they are in other respects different. With regard to organisational identification, Table 7-4 also show clearly that it is independent of group norms and the five motivation mechanisms.

In conclusion, according to the results of factor analysis (Table 7-4), it can be said that this research model, which is composed of Benkhoff's five individual motivation mechanisms, group norms and organisational identification, is on the whole appropriate and convincing. It can be argued that the discrepancies identified above are due to either the inter-links between theories or measurement problems (especially, the overlap in the measurement of variables).

Table 7-4 Factor analysis of Benkhoff's individual motivation mechanisms, identification and group norms

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
1) Behavioural commitment/						
<i>Need for esteem</i>						
-Hardworking person	.78	.08	-.00	.00	.01	-.02
-Others' expectation	.77	-.04	-.00	-.07	.05	.04
-Working conditions	.66	.02	.08	.01	-.03	.15
-Personal approval	.55	.09	.07	-.16	.40	.00
-Feel needed	.54	.04	.16	-.08	.29	.10
-Recognition at work	.36	.05	.09	-.12	.32	.30
2) Group norms						
-Openness norms	.12	.83	-.02	-.05	-.00	-.12
-Trust norms	.06	.78	-.02	-.07	-.03	.04
-Innovation norms	-.18	.78	-.04	.02	.15	.05
-Co-operation norms	-.10	.76	.18	-.01	.09	-.08
-Respect norms	.21	.76	.02	-.04	-.16	-.03
-Competence norms	.16	.74	.03	.06	-.20	.17
-Achievement norms	.03	.70	-.06	-.13	-.09	.03
-Autonomy norms	-.28	.69	.08	.15	.32	-.00
3) Social exchange theory						
-Satisfaction with promotion	-.11	.06	.80	.03	.07	-.06
-Satisfaction with pay	.15	.09	.76	.14	-.19	.05
-Satisfaction with position	.10	-.00	.71	-.08	-.04	.13
-Satisfaction with task area	.06	-.02	.70	-.09	-.08	.16
-Satisfaction with training	-.07	-.06	.63	-.10	.23	-.15
-Initial expectation	-.02	-.00	.52	-.17	.32	-.17
4) Identification						
-Good co-operation	-.03	-.06	.10	-.79	-.03	-.00
-Good prospects	.04	.04	-.02	-.77	-.02	-.07
-Interesting products	-.12	.07	.00	-.70	.04	.00
-Competent top manager	.17	.08	-.13	-.69	-.00	-.04
-Pride in membership	.03	.01	.08	-.60	.09	.16
-Trust top management	-.15	.02	-.17	.55	.22	-.00
-Shared values	-.13	-.01	-.02	-.53	.15	-.04
5) Disposition/intrinsic motivation						
-Intrinsic motivation	.20	-.01	.07	.01	.75	.01
-Work disposition	.20	.05	.04	-.06	.47	.37
6) The need for achievement						
-Self-development	-.07	.03	.01	-.06	-.00	.86
-Challenging jobs	.16	-.01	.02	.03	-.00	.76

7.4 The Correlates of Discretionary Effort

Table 7-5 shows that there are clear relationships between organisational identification, group norms and discretionary effort at the individual level.

Organisational identification is significant at the 1 per cent level for discretionary behaviour and extra work effort. Regarding group norms, it is seen that factor 1 norms (achievement norms, competence norms, respect norms, and trust norms) are significantly correlated with both discretionary behaviour and extra work effort.

Table 7-5 Correlates of discretionary effort

(Spearman correlation coefficient, n=228, one tailed test, *= probability values < .05
**probability values < .01, the analysis unit is at the individual level)

	Means	Standard Deviation	Discretionary behaviour	Extra Work effort
1) Identification	3.15	.47	.25**	.36**
2) Group norms: factor based				
Factor 1	3.03	.67	.33**	.18**
Factor 2	2.43	.63	.01	.12
Factor 3	2.57	.65	.01	.05

Since group norms exist at a group level, it is thought to be useful to examine the relationship between group norms and discretionary effort at the bank branch level. For this purpose, it is necessary to aggregate individual perceptions of group norms to the branch level. A variety of individuals' responses concerning discretionary effort or motivation mechanisms in bank branches were averaged to

determine the means at the group level. Two criteria must be met when using aggregated data to characterise unit-level (group level) constructs (group norms): (1) a significance in between-unit differences in members' perceptions of group norms must be proved (2) a within-unit consensus regarding the group norms must be ensured (Cooke and Rousseau, 1988, p.254).

To test for the first criterion of aggregation, Analysis of Variance (ANOVA), which contrasts group norms across groups, was used. The computed results indicated significant ($p < .05$) differences in the means of all the different kinds of group norms across the 51 bank branch units.

To test the second criterion for aggregation, Eta squared, a measure of within-unit (group) agreement, was computed. It can be interpreted as the proportion in the dependent variable explained by differences among groups. The results indicate a high degree of agreement regarding each unit's group norms (ranging from .27 to .47). Because within-unit agreement on perceptual variables averaged .12 in other research (Glick, 1985) and ranged from .13 to .37 in Rousseau's (1990) research, results here suggest relatively strong within-unit agreement and therefore support the appropriateness of aggregation to the unit level.

Table 7-6 shows that all the norms exhibit a variation (mean differences) across bank branches and agreement within a certain group. Table 7-7 shows the correlation between discretionary effort and its correlates assumed at the group level. The results of the analysis appeared as expected: both factor 1 norms and factor 2 norms are significant for discretionary effort.

Table 7-6 Analysis of variance for group norms scale by branches

	Eta-squared	F
1)Identification	.35	1.90**
2) Factor 1 norms	.65	2.59**
3) Factor 2 norms	.54	1.48**
4) Factor 3 norms	.59	1.89**
5) Need for achievement	.56	1.65**
6) Behavioural commitment/ Need for achievement	.62	2.31**
7) Work disposition/ intrinsic motivation	.59	1.99**
8) Social exchange theory	.52	1.33

Table 7-7 Relationships between group norms and discretionary effort

(Pearson's Correlation, *=probability values<.05, ** probability values <.01, analysis unit is at group, n= 51)						
Discretionary effort	Mean	Std. Deviation	Self	Colleagues'	Superiors'	Extra work effort
a) Identification	3.14	.37	.57**	.28*	.25*	.62**
b) Group norms						
Factor 1	2.98	.50	.57**	.62**	.40**	.13
Factor 2	3.22	.54	.42**	.55**	.50**	.48**
Factor 3	2.55	.50	.19	.40**	.20	.09

7.5 “Tournament” of the Variables

Multiple-regression analysis (Linear, logistic) is conducted to examine the variables representing group motivation mechanisms make a contribution to discretionary effort when the effect of other variables (the five motivation theories) is held constant. Tables 7-8 (a) and (b) indicate that some hypothesised variables among motivation mechanisms appeared as significant for discretionary effort. The following variables are found to be significant for discretionary behaviour (self): factor 1 norms (competence norms, respect norms, trust norms) and organisational identification (Table 7-8 (a)). Among Benkhoff's five individual motivation mechanisms, only one factor (behavioural commitment/need for self-esteem) is seen to be significant for discretionary behaviour. By contrast, the results of logistic regression (Table 7-8 (b)), which focuses on the relationship between motivation mechanisms and Discretionary effort as extra work effort, are slightly different from those in Table 7-8 (a). The relationship between extra work effort and each of the following variables appeared as significant: behavioural commitment/need for esteem, and organisational identification. However, any group norms do not appear significant for extra work effort at the 5 per cent level.

Table 7-8 Antecedents of discretionary effort: group motivation

(Multiple-regression analysis, Beta coefficient, *= $p < .05$
 $** < .01$ analysis level is an individual, $n=228$)

(a) Discretionary behaviour (self: linear)

Adjusted R Square .38
 $F = 10.41$ Signif $F = .00$

(b) Extra work effort (logistic)

Model Chi- Square 51.97
Signifi $F = .00$

Beta Wald

1) Need for achievement	.05	.36
2 Need for self-esteem/ Behavioural commitment	.37**	1.34**
3) Disposition/ Intrinsic motivation	.05	.02
4) Social exchange theory	-.09	-.40
5) Identification	.19*	1.29**
6) Factor 1 norms	.37**	.10
7) Factor 2 norms	.05	.52
8) Factor 3 norms	-.09	-.43

Table 7-9 shows the relationship between group motivation mechanisms and discretionary effort resulting from multiple-regression at the group level. Factor 1 norms (competence norms, respect norms and trust norms) are significant for employees' own discretionary behaviour, colleagues' discretionary behaviour, and superior's discretionary behaviour. Organisational identification also appears to be significant for all discretionary behaviour (self, colleagues, superior). However, at the group level, like the individual level, factor 1 norms are not significantly related to extra work effort, but factor 2 norms are significantly related to extra work effort.

Table 7-9 Relationship between group norms and discretionary effort

(Multiple-regression analysis, Beta coefficients, *= $p<.05$ **= $p<.01$ analysis level is an group).				
1) Discretionary behaviour: Self Colleagues Superiors. 2) Extra work effort				
Adjusted R Square	.99	.99	.98	
	F = 1684 S = .00	F=1427 S=.00	F = 4917 S=.00	Wald
Factor 1 norms	.65**	.54**	.48**	.77
Factor 2 norms	.09	.26*	.41*	7.45**
Factor 3 norms	-.18	-.04	-.21	.11
Identification	.43**	.23*	.31*	3.11(s=.07)

7.5.5 Group Norms and Group Productivity

The concept of performance used in this research refers to productivity, which expresses the relationship between output and the inputs required for its production. When applied to the group level of analysis, productivity is an index of the output of the group's relative to inputs (efficiency) relative to goals (effectiveness) or relative to both. In other words, a clear conceptualisation of group productivity includes the use of group-based measures of both efficiency and effectiveness. In addition, the concept of group productivity more explicitly acknowledges that the functioning of a group requires interdependence between individuals if objectives are to be achieved. Because of this interdependence, the productivity of the group is not simply the sum of the performances of the individuals involved. Productivity also includes factors such as how well individuals co-operate with each other, and how the personnel are co-ordinated and managed. Although much of this research focuses on individuals, there is considerable interest in group performance and productivity as well. This is certainly appropriate because so much of the work done in an organisation is done

by groups. Hence, it can be assumed that group productivity may result from the interaction between members. Since this interaction among members may be represented in the form of group norms, it is interesting to link group norms and group productivity at the group level

7.5.5.1 The Results

The results of logistic regression analysis (Table 7-10) show that there are also significant relationships between group norms and branch performance, particularly factor 1 norms (competence norms, respect norms and trust norms). This analysis shows whether group norms mechanisms contribute to the branch performance when the effects of other variables are held constant.

Table 7-10 Relationships between group norms and branch performance

(Logistic regression, n=36, Wald, * p<.05, **p<.01)

Model Chi- Square .14 Significance = 0.05

Variable	Wald
Factor 1 norms	4.70*
Factor 2 norms	.03
Factor 3 norms	.69
Identification	.19
Active sales policy	.35
Directing	.01
Good premises	1.44
Managers' competence	.84

7.6 Research Findings and Discussion

This Chapter has aimed to test the links between group motivation and discretionary effort and these relationships are confirmed by some statistical analysis:

Firstly, we have sought to test whether identification and group norms as group motivation mechanisms are separate mechanisms from those revealed in individual motivation mechanisms identified by Benkhoff (1994) (this is demonstrated by factor analysis) and whether both mechanisms provide further explanatory power in relation to employees' discretionary effort. The results of factor analysis confirm that group norms and identification are perceived as different motivation mechanisms by respondents.

Secondly, the aim is test whether or not group motivation mechanisms such as organisational identification and group norms are responsible for discretionary effort in Korean bank branches. With regard to these relationships, Spearman correlation and multiple-regression analyses demonstrate that there are indeed strong links in the Korean context. Group motivation mechanisms such as organisational identification and group norms are proven to provide additional explanation for employees' discretionary effort in Korean context to the five motivation mechanisms.

Specifically, this research demonstrates the following results:

- (1) Among group motivation mechanisms, organisational identification is seen as an independent mechanism from group norms. Organisational identification has considerable impact on employees' discretionary effort in Korean context.
- (2) With particular respect to the specific group norms, factor analysis illustrates that there are underlying common elements which derive from theoretical interrelations: between autonomy, co-operation and innovation norms as performance-enhancing norms for the process of dealing with tasks; and between

respect, trust and competence norms as performance-enhancing norms based on individual characteristics, in terms of ability and personal disposition.

(3) Statistical analyses (correlation analysis, and multivariate analysis) confirm that there are obvious links between specific types of norms and discretionary effort. In particular, discretionary effort-promoting norms based on individual attributes have an effect on employees' discretionary effort, and lead to high branch performance. Even though these results are slightly different according to the statistical techniques, mode of measurement and analysis unit used, there are common norms, such as competence norms and respect norms, which strongly affect the discretionary effort of employees. This may imply that employees are more likely to exert discretionary effort under the pressure norms that stress individual attributes (such as ability or disposition) than those that stress task processes (such as co-operation or innovation).

Hence, the results of this research clearly suggest that, in the Korean context, individual work behaviour is strongly affected by group motivation mechanisms as well as by factors identified in Benkhoff's individual motivation mechanisms (1994). This implies that motivation mechanisms, at least those identified in this research, function in the Korean bank branches.

There has been no research so far which considers individual motivation mechanisms and group motivation mechanisms at the same time, taking an integrative approach. According to the results of multiple-regression analysis, into which all the motivation mechanisms were entered, individual work behaviour (e.g. discretionary effort) is strongly affected not only by individual values and needs, but also by group motivation mechanisms such as work group norms and organisational identification. An important point here is whether these results apply only to the Korean context or to other countries such as Britain or America. Some authors argue that some Asian countries such as Korea or Japan are culturally "group-oriented societies" while western countries such as America or Britain are more likely to be "individualistic" (e.g. Hampden-Turner, 1993; and

Hofstede, 1993). For this reason, they suggest that individual behaviour in some Asian countries is more likely to be influenced by group expectations rather than individual values or motives. However, this argument does not seem to be convincing in the sense that work group norms which are based on group expectations can exist even in western countries where "individualism" dominates. Even though this model, which consists of individual motivation mechanisms and group motivation mechanisms, has not been tested in western countries such as Britain or America, much research about group norms suggests that group motivation mechanisms have a strong impact on individual behaviour in western countries.

Chapter 8 The Outcomes of Discretionary Effort

8.1 Theoretical Link between discretionary effort and Financial Performance

In a service context like that of bank branches, discretionary effort may be expressed in various ways such as active customer-service behaviour or helpful behaviour directed at customers which is beyond the in-role job description. This form of discretionary effort performed at the level of groups is positively related to branch performance. Group members generally tend to be helpful, courteous, and knowledgeable in their interactions with customers. At the initial point of contact, discretionary effort may result in higher sales because sales personnel provide customers with information and knowledgeable advice and help them locate items that will suit their needs. Customers who are the recipients of discretionary behaviours (e.g. that which is favourable and polite) are more likely to enjoy their experience and to develop a positive opinion of the branch; in general the branch may come to be viewed as a nice place in which courteous assistance is provided. This can in turn result in more repeat visits to the branch, generating subsequent sales and advertising whereby satisfied customers share their experiences with family and friends. In the end, bank branch may develop a positive image in the community. All of these potential outcomes of the level of discretionary effort directed at customers should ultimately affect overall branch performance.

This assumption is consistent with traditional ideas in the organisation and marketing literatures which stress the importance of providing good customer service (e.g., Buzzell and Gale, 1987; Parasuraman, Zeithaml, and Berry, 1985). The group level of analysis is somewhat advantageous for investigating relationships between service and sales. Relationships between service and sales may be weaker at the individual level of analysis because many of the benefits of discretionary effort in the service context are regained over time and across employees. For example, if a salesperson is very helpful, a customer may or may not make a purchases for a variety reasons but will be more inclined to return and make future purchases. Such

future sales may not be reflected in the original salesperson's performance because other salespeople may help the customer on subsequent visits.

8.1.1 Discretionary Effort as Group Phenomenon

Attempts to understand the correlates and causes of important organisational behaviours have frequently been focused on the individual level of analysis. For example, the job-satisfaction-job-performance literature (recently reviewed by Iaffaldano and Muchinsky, 1985), and growing bodies of literature on pro-social or citizenship behaviour (e.g., Bateman and Organ, 1983; Brief and Motowidlo, 1986; O'Reilly and Chatman, 1986; Organ and Konovsky, 1989; Puffer, 1987; Smith, Organ and Near, 1983) have all tended to focus on behaviour at the individual level of analysis.

However, some of these behaviours may be further understood by investigating their occurrence at higher levels of analysis, such as the work group, department or organisation. For example, discretionary effort may occur more often in some groups than in other groups: this variation in group behaviour may be partially explained by characteristics of the groups themselves. In this present research, we seek to increase our understanding of discretionary effort as a group-level phenomenon. A major aim is to determine the key work-group characteristics or properties associated with the incidence of discretionary effort at the group level of analysis and, hence, to help explain their occurrence. In addition, this research has focused on a potential outcome of discretionary behaviour in a service context, namely, bank branch performance.

Much research into discretionary effort has been focused on pro-social behaviour at the individual level of analysis, with very few exceptions (e.g. George, 1990). Because discretionary effort is performed by individuals, it is appropriate to seek to understand it in terms of individually manifested acts. However, discretionary effort may also occur at higher levels of analysis, such as the work group. Put simply,

work groups may vary in terms of the extent to which discretionary effort is displayed by group members, and the incidence of these behaviours in groups may be meaningfully associated with group characteristics. In other words, it may ultimately be possible to characterise work groups in terms of discretionary effort orientation. Such a characterisation would ultimately define a group norms or culture that promotes discretionary effort. First, theoretical justification is provided for considering discretionary effort over group-level, followed by a discussion of the hypothesised group-level antecedents of these behaviours. The proposed relationship between the form of discretionary effort investigated and bank branch performance is then discussed.

Discretionary effort is behaviour that is performed by organisational members with the intention or expectation that the behaviour will benefit the group at which it is directed (e.g. pro-social behaviour; see Brief and Motowidlo, 1986). Hence, discretionary effort can be thought of as helpful behaviours expressed in extra role or extra work effort. Discretionary effort may not be rewarded or reinforced by others in the organisation. Examples of discretionary effort include helpful behaviours directed at co-workers, supervisors, subordinates, and customers or clients, and helpful behaviour directed at the organisation at large, such as suggesting improvements in procedures or talking favourably about the organisation to outside.

Theoretical justification for considering discretionary effort as a group-level phenomenon can be found in a diverse set of literature. That is, the complementary perspective of (1) the social-psychological literature on pro-social behaviour, (2) the group-norms and social-influence literature support the notion of discretionary effort as a group-level phenomenon.

The pro-social literature in social psychology has tended to focus on the individual level of analysis (e.g. Rushton and Sorrentino, 1981). However, some of the explanations offered for the occurrence of pro-social behaviour imply that it should also be viewed at the group level. It has been suggested that norms of reciprocity (e.g. Berkowitz and Daniels, 1963; Blau, 1968; Goulder, 1960) and norms for fairness in

social exchange (e.g. Blau, 1964; Organ, 1988) drive pro-social behaviour. In organisations, work groups are powerful suppliers of norms to their members, and exchange relationships that form within groups may determine, in part, the level of pro-social behaviour characteristic of group. By their very definition, pro-social behaviours is social in nature; it is directed at other individuals. The most immediate social groupings within organisations are primary work groups; hence, the display of such social behaviour may take place at this level of analysis. This is not meant to preclude the meaningful occurrence of pro-social behaviours at lower levels of analysis, however. Pro-social behaviour has been widely viewed at the individual level (e.g. Smith et al., 1983), and it probably occurs at the dyadic level as well. For example, the role-making process posited to occur at the level of the supervisor-subordinate dyad (Graen, Orris, and Johnson, 1973) suggests that an individual's pro-social behaviour may be partially determined by dyadic properties.

Another support for analysing pro-social behaviour at the group level comes from the social influence literature. It is widely acknowledged that groups are powerful instruments of social influence (e.g. Salancik and Pfeffer, 1978) and have substantial effects on the behaviour of individuals in organisations. Groups control a large portion of the stimuli that organisational members are exposed to. According to Hackman (1976), these stimuli are divided into two categories: (1) ambient stimuli, which are available to all group members and pervade the group, and (2) discretionary stimuli, which are transmitted on a selective basis at the discretion of the other group members. Both group-controlled stimuli have powerful effects on group members' informational states, their affective states, and their behaviour (Hackman, 1976), resulting in uniformity of behaviour within groups. Thus, ambient and discretionary stimuli may result in employees' performing similar levels of discretionary effort. Furthermore, some of the influence groups have are the results of the enforcement of group norms, which also serve to control group members' behaviour to achieve uniformity of behaviour (Feldman, 1984).

Group norms may vary in the extent to which they are positively reinforcing or punishing. Hence, because of the operation of social influence and normative control in groups, some degree of uniformity in the display of discretionary effort within

groups is to be expected. For example, in some bank branches there may be high levels of informal reward for discretionary effort, whereas in other groups members may discourage discretionary effort through low rewards.

At bank branches in Korea, the work of employees, is divided into two tasks: one is to deal with customers who wish to deposit and withdraw their money and open accounts; and another is to canvass new customers and to persuade existing customers to use new financial products. The friendly and helpful behaviour of employees towards customers and their quick and efficient work process in relation to customers' needs may result from discretionary efforts, and these consequently may affect high branch performance since these employees' behaviours influence the customers' attitudes and behaviour. The second one is not a necessary responsibility of all employees, except during a special sales drive period when the bank branches set individual sales targets to improve the branch's performance. This happens three or four times per year. On these occasions, the employees try to work hard to achieve the sales targets. Employees with high levels of discretionary effort are likely to canvass new customers actively and offer existing customers financial products. The behaviour of these employees will consequently affect the overall branch performance.

In summary, employees' discretionary effort in a bank branch may be expressed in the following ways: (1) in more friendly and helpful behaviour to customers; (2) in quicker and more efficient work behaviours in response to the customers' needs; (3) in the active suggestion of financial products to existing customers; and (4) in canvassing new customers. These forms of behaviour may represent employees' extra effort above that required to maintain their jobs. In particular, managers who work at the bank branches are assigned individual sales targets. Usually, managers tend not to contact customers directly at the branch offices. In order to achieve the assigned individual sales targets, managers try to canvass new customers outside by telephoning or visiting local people or local organisations. This may have a significant impact on branch performance. Some managers with a high level of discretionary effort work harder to try to exceed the assigned sales targets.

However, the following problems remain: discretionary effort may be difficult to isolate from effort deriving from other factors such as pressure from the branch manager (i.e. through the active sales policy) or the expectation of high rewards (promotion). Hence, in order to establish the pure link between discretionary effort and performance, it may be necessary to control for any extra effort caused by other factors. Furthermore, discretionary efforts in itself may not lead to consistently high performance. These reasons are as follows: Firstly, the relationship between employees effort (especially in terms of extra work effort) and performance depends very much on the characteristics of the task. The more routine and simple the tasks are, the more likely it is that their performance will depend on the level of employees' effort. The more difficult the jobs are, the more likely it is that the performance will depend on the job-relevant knowledge and skills of individuals rather than the level of effort (e.g. the success of a complicated brain operation is less likely to depend upon effort expended than it is upon the strategies used and the job-relevant knowledge and skills of surgeon).

Secondly, however kind and polite employees are to customers, the customers are still free to choose the particular branch they want to use. Their decision will depend on a variety of other factors beyond the control of branch staffs, such as credibility, location, etc. Nevertheless, it may be reasonable to assume that customers are more likely to use branches where they find that employees are more polite and kind.

8.1.2 Research Hypotheses

The research hypotheses are based on the argument that employees' performance may be directly affected by their commitment. More specifically, branch performance will be high when:

- (1) employees themselves exert discretionary effort;
- (2) employees' colleagues exert discretionary effort;
- (3) employees' superiors exert discretionary effort.
- (4) employees' exert extra work effort.

8.2 Methodology: Discretionary Effort and Financial Performance

The sample of “K-bank branches” mentioned Chapter 6 is used in this section which attempts to test the links between discretionary effort and performance.

8.2.1 The Measurement of Discretionary Effort at the Bank Branches

This research adopts Benkhoff's (1997) measures of discretionary effort which is measured in terms of discretionary behaviour. Discretionary behaviour is measured from two perspectives: in terms of self-reports and by employees describing the behaviour of their superiors and colleagues. Superiors' discretionary behaviour is assessed separately because the head office of the bank attributes great importance to branch managers. Colleagues' discretionary behaviour is assessed by asking for the respondents' opinions of their colleagues in order to avoid the bias resulting from respondents' subjective judgement of their own behaviour. Hence, the five specific questions in this research are adopted: (e.g. *“My superior tries to contribute to the performance of the bank by suggesting improvements to his boss and colleagues”*). To ensure the homogeneity of scale, factor analysis is conducted. The results (Tables 8-1, 8-2) show that these items are homogeneous.

Table 8-1 Discretionary behaviour (Colleagues) Factor loadings

(1) My colleagues try to contribute the performance of the bank by suggesting improvements to my boss and colleagues.	.7522
(2) Even if my colleagues do not like a certain changes which are to be introduced, they go along with them if they will help to hold our market share.	.8441
(3) My colleagues are always friendly and helpful to customers, even if they do not like them particularly.	.7383
(4) My colleagues works harder than most others in my type of job or position.	.8266
(5) My colleagues try to not to let customers wait. In situations where this is unavoidable, they apologise to them.	.8441

Eigenvalue 3.04, Variance .61, N=228, KMO= .79., Alpha= .84, BTS=.0000

Table 8-2 Discretionary behaviour (Superior)

Factor loadings

(1) My superior tries to contribute to the performance of the bank by suggesting improvements to his boss and colleagues. .5891

(2) Even if my superior does not like certain changes which are to be introduced, he goes along with them if they will help to hold our market share. .8261

(3) My superior is always friendly and helpful to customers, even if he does not like them particularly. .8044

(4) My superior works harder than most others in his type of job or position. .8164

(5) My superior tries not to let customers wait. In situations where this is unavoidable, he apologises to them. .8355

8.2.2 The Measure of Performance

The performance measures used in this research are based on factual data. But the use of such data inevitably implies that the contribution of one person to performance is extremely difficult to separate from that of another person. Branch performance measured at the group level can solve this problem because many factors affecting performance are then shared by all employees and are automatically held constant. Combining two levels of analysis, the measurement of commitment at the individual level and of performance at the branch level, leads to statistical problems which may be caused by aggregating the individual data at the group level.

The factual performance data used here are based on ranking among bank branches, which will be discussed in detail in the following section. This measure is different from the ones used by Benkhoff (1994), such as sales targets and change in profit, because Korean banks have a different system for goals setting and performance measures.

8.2.2.1 Branch Performance:

The performance data used in this research were collected from “K-Bank” by the Department of Performance Evaluation at the Headquarters and show the ranking order among bank branches in the period from July to December 1995.

Branch performance in “ K- Bank” is evaluated by various criteria (according to “*guidance on branch performance evaluation*”, 1990).

(1) The key point in evaluating branch performance is that this performance only takes into account that part of performance attributable to employees’ effort and ability rather than to other factors (e.g. location, the size of bank branch, the number of staff, market situation, previous performance, etc.)

(2) To control these external variables, all the bank branches are divided into 20 groups where each group has approximately 15 bank branches. The branches within each group have similar attributes or factors, such as the size of branch, the number of staff and external market conditions. Using this method to control internal and macro-economic variables means that comparisons of performance across branches is only possible within the comparison group of branches.

(3) Performance is evaluated by the following criteria:

(a) the profit in relation to planned profit; (b) the increase in profit; (c) improvement in net profits as related to total assets; (d) cost-profit ratio; (e) the increased rate of total deposits per head; (f) the increased rate of the number of customers; and (g) the increased rate of deposit. These items have weighted scores. The evaluation is conducted by giving scores when branches achieve their goals or when they perform efficiently. The total possible score that a branch can achieve is 2,000. The branch with the highest total score across all items is ranked first and the ranking continues correspondingly. The evaluation of branch performance, according to the above- mentioned items, is conducted with both *an absolute evaluation* and *a relative evaluation*. An absolute evaluation means

how far they achieve their sales target planned by Headquarters, and a relative evaluation refers to how well a branch performs, compared to other branches.

The method of absolute evaluation is as follows: (a) if a branch achieves 100 per cent of planned profit, it gets 0.7Y (a value of 0.7 derives from the assumption that there can be a difference of 30 percent between an optimum performance that branches can achieve and average branch performance, Y = weighted score); (b) if the achievement rate of profit is between 100 percent and 130 percent, they have $0.7 Y + \text{extra achievement rate}(\%) \times 0.01Y$; (c) if the branch achieves the plan by more than 130 percent, it has a Y , which is the highest weighted value; and (d) if a branch achieves less than 100 percent, it gets $0.7Y - \text{unaccomplishment rate}(\%) \times 0.007Y$.

A relative evaluation, referring to the increased rate or improvement rate comparatively is conducted in the following way: (a) if the branch's profit achievement is the same as the average value of all branch profit achievements, it gets 0.7; (b) if its profit achievement is more than the average value of the total branch profit, it receives $0.7Y + (\text{their branch achieved profit} - \text{averaged profit}) / (\text{highest profit among branches} - \text{average profit}) \times 0.3Y$; and (c) if its achievement is less than the average profit of branches, it gets $0.7Y - (\text{average achieved profit} - \text{their achieved profit}) / (\text{highest profit among branches} - \text{lowest profit among branches}) \times 0.3Y$.

On the basis of the absolute evaluation and the relative evaluation, the measurement of branch performance is based on the ranking order among the bank branches evaluated by the Department of Performance Evaluation at headquarters.

The method of measuring branch performance used by "K-bank" seems to be convincing for the purpose of this research because it controls the many external variables which can affect branch performance (bank size or location). Most employees in the bank branches who were interviewed seemed to be satisfied with this method of branch performance evaluation. From this, it can be inferred that most

employees feel that the system of evaluating branch performance is fair and reasonable. Branch managers' promotion prospects and employees' bonuses are closely linked to the outcome of these evaluations.

8.2.3 Control Variables

This research uses control variables which may have a potential influence on branch performance. This may help to isolate the impact of employees' discretionary effort on branch performance from sales strategies etc. Otherwise, it is not possible to say whether it is employees' discretionary effort or something else that makes a difference to the level of performance. The logic for using control variables is as follow: In order to identify the pure effect of discretionary effort on branch performance, all other possible factors which may affect branch performance will be taken into account at first. As there is no other plausible model so far to which one can attribute the remaining effect, it will be attributed to the discretionary effort factor.

The control variables adopted in this research are as follows: (1) active sales policy; (2) directing (3) superior' sales ability; and (4) good premises. These control variables are taken from Benkhoff's (1994) framework. They are appropriate to apply in the Korean bank because the factors affecting branch performance are shown to be similar to those suggested by Benkhoff according to the results of interviews with managers. However, some control variables (sufficient staff, reliable computers, opening hours, politeness, targeting customers) used by Benkhoff are not adopted in this research because (1) they are not appropriate for this research context (e.g., sufficient staff is already considered as an external control variable when branch performance is measured in Korean bank branches. (2) some control variables may be results deriving from discretionary efforts (e.g. politeness, targeting customer). By contrast, one control variable such as managers' sales competence is added in this research because this has a large impact on Korean bank branches (according to the results of interviews with bank managers).

An active sales policy may be realised through a supervisor putting more pressure on employees or through bonus incentives. Directing may be a significant part of the supervisor's control. High performance is not only a function of employees' effort, but is also related to physical conditions, such as good premises, which are not taken into account by the system of performance indicators. Finally, top branch manager' sales competence through personal connection may affect branch performance.

8.2.3.1 The measurement of control variables

The measures of control variables are taken from Benkhoff's (1994) proposed approach.

(1) Active sales policy

An active sales policy that involves approaching new customers is adopted by some branches, but not all. This method is encouraged by head office.

The item for measurement is "*Our branch pursues an active sales policy, including canvassing of new customers.*" Responses scales are (1) Yes (2) No.

(2) Directing

Directing employees towards business goals by giving advice and feedback will contribute to both the efficiency and quality of service. Three items for measurement are adopted here :

- (a) "*My superior checks and asks how far the agreed performance improvements have been realised.*"
- (b) "*My superior gives me good practical advice on how I can improve my performance.*"
- (c) "*When our branch has not done well in terms of certain products, my superior encourages us to do something about it.*"

To ensure the homogeneity of scale, factor analysis and reliability are conducted and the results are shown in Table 8-3.

Table 8-3 Factor analysis of directing**Factor loadings**

(a) "My superior checks and asks how far the agreed performance improvements have been realised."	.56109
(b) "My superior gives me good practical advice on how I can improve my performance."	.90143
(c) "When our branch has not done well in terms of certain products, my superior encourages us to do something about it."	.88055

Eigenvalue 1.90, Variance .63, N=228, KMO= .56, Alpha=.67 BTS=.0000

(3) Premises

This is captured by the following item: "*What changes would allow you to perform better?: a more attractive building.*" Response scales are (1) Yes (2) No.

Response categories are on a five-point scale ranging from "fully disagree", "do not agree", "neither disagree or agree", "partly agree", to "fully agree."

(4) Managers' sales competence

"In our branch, the branch manager has excellent sales competence in canvassing customers".

Response categories are on a five-scale ranging from "fully disagree", "do not agree", "neither disagree or agree", "partly agree", to "fully agree."

8.2.4 Statistical Methods and Results

8.2.4.1 Methods

The level of analysis is followed at the group level (bank branches). Apart from performance indicators (branch performance), all the data were collected at the individual level through questions relating to individual perception. Therefore, in order to analyse the data at the group level, the individual data had to be aggregated at the group level (branch). A variety of individuals' responses

concerning discretionary effort in bank branches were averaged to determine the means at the group level.

Two criteria must be met when using aggregated data to characterise unit-level constructs: (1) a significance in between-unit differences in members' responses in terms of discretionary effort must be proved (2) a within-unit consensus regarding the discretionary effort must be ensured (Cooke and Rousseau, 1988, p.254).

To test for the first criterion of aggregation, Analysis of Variance (ANOVA), which contrasts discretionary effort across groups, was used. The computed results indicate significant ($p < .05$) differences in the means of all the different kinds of discretionary effort across the 51 bank branch units.

To test the second criterion for aggregation, Eta squared, a measure of within-unit agreement, was computed. It can be interpreted as the proportion in the dependent variable explained by differences among groups. The results indicate a high degree of agreement regarding each unit's discretionary effort (ranging from .39 to .47). Because within-unit agreement on perceptual variables averaged .12 in other research (Glick, 1985) and ranged from .13 to .37 in Rousseau's (1990) research, results here suggest relatively strong within-unit agreement and therefore support the appropriateness of aggregation to the unit level. Table 9-4 shows that discretionary effort exhibit a variation (mean differences) across bank branches and agreement within a certain group.

Table 8-4 Analysis of variance for discretionary effort scales by branches

	Eta-squared	F
(1) Discretionary behaviour (self)	.47	3.10**
(2) Discretionary behaviour (superior)	.43	2.67**
(3) Discretionary behaviour (colleagues)	.40	2.40**
(4) Extra work effort	.39	2.30**

Logistic regression analysis is used to examine the factors hypothesised to affect branch performance. It provides significant tests for the similarity of group means of discretionary behaviour for high and low performance. In this research, the values of branch performance are re-coded into two groups in order to use logistic regression analysis. Branch performance is categorised according to their ranking within individual groups where approximately 400 branches of "K-bank" were divided into 20 groups on the basis of external market variables (e.g. the previous sales, size and location etc.). 51 different branches from 9 groups are examined and then categorised into two groups: high performers (the top five ranked branches of 15 within the group) and poor performers (the bottom five branches in a ranking of the 15 branches). The middle range of rankers (ranks 6-10 inclusive) were excluded in order to divide all the branches into two groups: high performers and poor performers. This is because it is only possible to compare performance within one group which has 15 branches through the ranking, but it is not possible to compare performance with other groups. In sum, only 36 of the 51 branches were selected as a part of the sample and these 36 were divided into 2 groups: high performers and low performers.

The reason for dividing bank branches into two groups (high performers and poor performers, excluding the middle range of rankers), was that, first of all, it was thought that this might yield a better comparison since the focus would be on the extremes. Secondly, it was accordingly too difficult to judge whether the middle rankers belonged to the high or poor performer groups.

Logistic regression shows whether the variables contribute to the branch performance when other effects are held constant. In this multivariate statistical procedures, the emphasis is on analysing the variables together, not one at a time. By considering the variables simultaneously, we are able to incorporate important information about their relationships.

8.2.4.2 The Results:

Table 8-5 (logistic regression analysis) shows that, as hypothesised, there is a difference in the group mean of discretionary effort between the performance of bank branches. Both discretionary behaviour (colleagues' discretionary behaviour) and extra effort are significant for branch performance. All the control variables hypothesised to affect branch performance are not actually significant for branch performance. This may mean that branch performance is more likely to be affected by employees' discretionary effort rather than others such as control variables.

Table 8-5 Difference between high and low performing branches

(Logistic regression, wald * p<.05, **p<.01)

(a) Discretionary behaviour (self) and performance

Variables	Wald
Discretionary behaviour: self	.43
Active sales policy	.13
Good premises	.36
Managers' competence	2.43
Directing	.23

(b) Colleagues' discretionary behaviour

Variables	Wald
Colleagues' discretionary behaviour	4.06*
Active sales policy	.14
Good premises	.90
Manager's competence	2.44
Directing	.13

(c) Superior' discretionary behaviour

Variable	Wald
Superior's discretionary behaviour	.38
Active sales policy	1.36
Good premises	.26
Manager's competence	.34
Directing	1.43

(d) Extra effort (self)

Variables	Wald
Extra Effort	5.08*
Active sales policy	.17
Good premises	.17
Manager's competence	.15
Directing	.29

8.2.5 Research Findings and Discussion

The results of this study generally support the notion that discretionary effort can be analysed at the group level. The occurrence of these behaviours within groups is significantly related to branch performance in a Korean bank. Since this research was conducted in a service context, the form of discretionary effort was considerably related to customer-service behaviour, or helpful behaviour directed at customers. The form of discretionary effort performed by groups would be positively related to group (branch) performance. This confirms some implicit assumptions in academic and popular writings about the importance of customer-service behaviour as a form of discretionary effort. This result supports the assumption that discretionary effort (e.g. pro-social organisational behaviour or organisational citizenship behaviour) are related to organisational effectiveness (e.g., Brief & Motowidlo, 1986; Organ, 1988).

Chapter 9 Discussion and Conclusion

9.1 Discretionary Effort at Korean Bank Branches

Discretionary effort in this research is regarded as discretionary behaviour as extra role or extra work effort. This definition requires that the behaviour must be voluntary. It is not role-prescribed nor part of formal job duties. It is not formally rewarded, and failure to engage in the behaviour can not be formally punished. Many authors have recognised the importance of discretionary behaviours which go beyond delineated role expectations and also benefit the organisation (e.g. Barnard, 1938; Katz, 1964; Katz and Kahn, 1978). It is only recently, however, that discretionary behaviour has been the focus of concerted empirical effort under the domain of extra role behaviour (e.g., Brief and Motowildo, 1986; O'Reilly and Chatman, 1986; Organ, 1988; Organ and Konovsky, 1989; Van Dyne et al., 1995).

Although there is some disagreement in the literature concerning whether extra role behaviour can be differentiated from in-role behaviour, it is argued that extra-role behaviour is conceptually distinct from in-role behaviour. As Van Dyne et al., (1995) argue, although classifying a specific behaviour as in role and extra role can, at times, be difficult, acknowledging the theoretical differences in the constructs adds value to research even when application of the distinction is problematic. Discretionary effort as extra role behaviour focuses on behaviour that is of benefit to the organisation from the organisation's perspective.

Unlike such extra-role behaviour, there is another important aspect of discretionary effort as extra work effort. Some employees exert more extra work effort than required through simple hard work. Since this effort may have a direct impact on performance, it is important to consider it in this research. However, these two aspects are not completely different constructs in the sense that employees with discretionary behaviour are more likely to exert extra work effort in the work context.

There is a growing interest in substantive research on the subject. This is not surprising because behaviours which go beyond delineated role expectations can be important and even crucial to the survival of an organisation. As demonstrated in this research, this mechanism has considerable impact on financial performance. Many authors have attempted to investigate what sorts of mechanisms explain such discretionary behaviour and extra work effort in work context (e.g. job satisfaction and extra role behaviour, Bateman and Organ, 1983; organisational commitment, O'Reilly and Chatman, 1986; perception of fairness, Farh, Podsakoff, and Organ, 1990). However, there is no research concerning these relationships in the Korean context, since discretionary effort as extra work effort and extra role behaviour has not attracted much interest by academics or practitioners in Korea. This is because there may be a common assumption that most employees' work behaviour is greatly controlled by formal rules or contracts based on a reward system. As Katz (1964) argues, however, dependable performance of one's prescribed role is no guarantee of organisational success. It must be supplemented by the discretionary effort initiated by members in unanticipated environments.

The motivational basis for discretionary effort is likely to require more than simple compliance. A failure to develop this psychological attachment among members may require the organisation to bear the increased costs associated with more detailed and sophisticated control systems. This concept promises considerable benefits for organisations in terms of competitiveness, for their employees in terms of achievement and satisfaction, and for the economy as a whole in terms of wealth and social harmony. In particular, understanding employees' discretionary effort in different cultural context in terms of its antecedents may provide fruitful results in understanding and managing culturally different employees in multinational enterprises. Hence, an investigation into the mechanisms that affect the discretionary effort of Korean employees is very interesting and useful for western managers.

Two approaches are used to investigate the phenomenon of discretionary effort in Korean banks: The first is to replicate previous research done by Benkhoff (1994), who tested the relationships between the five less calculative motivation mechanisms (need theories, work disposition, intrinsic motivation, behavioural commitment and social exchange theory) and discretionary effort (in terms of extra work effort). Since discretionary effort implies less instrumental action towards rewards, Benkhoff has identified less-instrumental motivation mechanisms to explain it.

The second method is to test the relationships between group motivation (organisational identification and group norms) and discretionary effort. This is because the concept of group has strong motivational impacts on individual work behaviour. The framework of this research provides a basis for accounting for individual work efforts that are collectively oriented and cannot be accounted for by an individual's calculative logic. The framework posits social identities as major components of the self-concept that the individual seeks to validate in his/her work behaviour. Perhaps the main managerial implication of our framework is that of modesty. This research proposition implies that, in contrast with expectancy theory and goal setting theory, a great deal of employee motivation may not be under managers' control.

9.1.1 Motivation Mechanisms and Cross-cultural Issues

In order to investigate the antecedents of discretionary effort in the Korean context, this research has adopted Benkhoff's model, which was originally tested in the German context. The application of this model in a different cultural context (a Korean bank) raises the issue of the universality of motivation mechanisms across cultures. This has been an important issue in cross-cultural psychology. Social behaviour is often thought to be the most likely area in which to find substantial influence on human characteristics from cultural factors. However, there is evidence for widespread cross-cultural similarity as well as differences in social behaviours. While conformity and sex-role ideology are

clearly patterned according to cultural factors, others (some shared values) are not. Both social and biological factors have pan-human features and can contribute to cross-cultural similarity. These factors, along with some basic psychological processes (such as perception), clearly attenuate the possibility of cultural variation in social behaviour. The cross-cultural co-ordination of social relationships may be possible only when such shared characteristics are present. Nevertheless, cultural factors do produce variations on these common underlying processes, thus suggesting some support for the assumption of many observers that social behaviour is where cultural variation is most widespread.

Supporting the perspective of the universality of motivation theories, this present research has shown that some motivation mechanisms identified in Benkhoff's model account for discretionary effort in Korean bank branches such as the need for achievement and the need for esteem and behavioural commitment. However, work disposition, intrinsic motivation, and social exchange theory are not significantly related to discretionary effort in a Korean bank. These results imply that although basic psychological processes are likely to be a common features of human life across culture/nation, there is a difference in the level of importance that employees attach to different needs, values, attitude or motives and how well these are met through work.

Employees in Korean bank branches exert discretionary effort when they have a need for achievement, a need for esteem and behavioural commitment. The need for achievement is seen as an important motive for individual work behaviour in the Korean context, unlike Hofstede's assumption that the need for achievement may not work in strong uncertainty avoidance societies like Korea. It can be disputed that the need for achievement functions cross-culturally as a firm mechanism to account for discretionary effort.

Both the needs for esteem and behavioural commitment are responsible for discretionary effort in the Korean context. Employees do not perceive these two mechanisms as different in Korea because of the strong theoretical similarities

between them. Two mechanisms commonly emphasise the confidence in work and the hard work accompanying it. The need for esteem may be one of the fundamental motives which are related to other motivational mechanisms (e.g. behavioural commitment, organisational identification). Since a generalised efficacy aspect of self-esteem, employees with a high need for esteem view a discretionary behaviours as a deserved opportunity and consequently it has an impact on discretionary effort.

Behavioural commitment is demonstrated to be a strong mechanism to affect discretionary effort in Korea. As discussed in the theoretical part of this analysis, behavioural commitment involves the individual need for self esteem and the needs to maintain one's positive self-image, lead to behavioural consistency in terms of discretionary effort. Also, this behavioural consistency is related to the expectations of others, which affect the need for self-esteem in terms of the desire for reputation, prestige or recognition. Hence, employees with high behavioural commitment are more likely to meet others' expectations as hard-working persons by exhibiting discretionary effort in order to maintain their image as competent. In particular in the Korean context, discretionary effort seems to be greatly affected by others' expectations in which behavioural commitment is operationalised. This argument is in line with Berry et al.'s (1992) assumption that persons from the Far East are more externally attributed than those in Western countries.

However, work disposition and intrinsic motivation are not responsible for employees' discretionary effort in the Korean context. The common characteristics of these variables are operationalised in terms of positive values or emotional aspects towards work. Hence it can be argued that these emotional aspects towards work have less impact on employees' work behaviour, at least in the Korean context.

With regards to social exchange theory, this research shows that Korean employees' job satisfaction is very low. This may be due to cultural influences, as Hui (1990) argues when he states that the degree of dissatisfaction with work

derives from a perceived discrepancy between actual outcomes of the job and the job holder's expectations. In Korea, where employees' expectations are very high and the outcomes are not the desired, ones' job satisfaction may be low (as in Japan and France according to DeBoer, 1978). One of the items measuring social exchange theory ("My initial expectations from your company before entering the company were met") shows that the expectations of most of employees in bank branches are not met. Such dissatisfaction with their job might also derive from employees' perception of the unfairness of organisational practices or policies.

9.1.2 The Analysis of Group Motivation

Group motivation is a complex and pervasive part of any working environment and is a crucial mechanism in any explanation of individual behaviour. While there does not seem to be agreement as to what exactly a group is or how important a group is in an organisation, there is a general consensus that it is a major component affecting individual behaviour. Some of the most important decisions in our society are made in-groups. Organisations are also increasingly structured around groups. For example, the quality circle has been introduced in many work settings to improve productivity. Despite the fact that group motivation is an apparently important part of organisational life, it is somewhat ignored and misused by researchers. This is because group motivation is more easily confounded than individual motivation in research because of the uncontrollable interaction among members in the group setting. Although recent trends towards increasing precision and control have conspired to make group research more difficult to conduct, group motivation still remains an elusive concept that seems to defy concrete treatment in research and application.

There have been heated debates in the social sciences not just about what groups are but whether, indeed, groups exist at all. These debates have turned to the question of the relationship between the individual and the group: is the latter reducible to the former, or can they both be considered as real and inter-related entities? Regardless of this debate, some organisational psychologists have

emphasised the importance of group motivation, for example through organisational identification and group norms, because these mechanisms may have a significant effect on individual behaviour or organisational effectiveness. Along the same lines, this research has attempted to test whether these two mechanisms provide an independent explanation for an individual's effort or performance within an industrial organisation which is distinct from other individual motivation theories.

The concept of a group, in this research, encompasses two elements: (1) "the existence of some formal or implicit social structure, usually in the form of status and role relationships. (Sherif, 1969, p.8), and (2) the situation in which "two or more individuals ... perceive themselves to be members of the same social category" (Tajfel, 1981, p.15; see also Turner, 1982; Turner et al., 1987). On the basis of this concept of a group, it can be said that there are two principal group motivation mechanisms which may affect employee's behaviour within a work organisation: organisational identification and group norms. First, organisational identification refers to "the individual's knowledge that he belongs to certain social groups together with some emotion and value significant to him of the group membership" (Tajfel, 1972, p.31). According to social identity theory, individuals seek to belong to organisations with a high status or reputation because individuals' group categorisation affects their social identity. Tajfel and his colleagues (Tajfel and Turner, 1986; Turner, 1987) argue cogently that a significant part of one's individual identity (social identity) is derived from group membership.

Organisational identification can be explained by social identity theory because people like to belong to organisations which have a high reputation in order to enhance their own self-esteem. For this reason, organisational identification is inter-linked with the need for esteem. Organisational identification can also be explained by social exchange theory in that if employees are satisfied with the rewards offered by the organisation, they are more likely to identify with that organisation. Nevertheless, organisational identification is treated as a different and independent mechanism from the need for esteem and from social exchange

theory because the need for esteem can be satisfied in various ways apart from identification, and employees who are satisfied with high pay do not always identify with the organisation.

The second group motivation mechanism consists of group norms, which may have a strong impact on individual behaviour. In work groups, norms are those interpersonal behavioural rules which are commonly understood. In sociology, norms are seen as the basis of human association. They are Durkheim's "social facts" and provide the data of social anthropological descriptions of culture (e.g. Radcliffe-Brown, 1952). Norms are sets of expectations concerning the appropriate and accepted playing out of roles in society (Goffman 1959), where the contents of roles are themselves norms. Norms also embody the socially acceptable models of action designed to achieve society's goals.

Norms can be concretised through legislation, as in the laws and rules of society, or, as is more often the case, they are so pervasive and so saturated in society that they are taken for granted and are invisible. They are the hidden agenda of everyday interaction, the background to our behaviour, the context within which things happen (Garfinkel, 1967). A norm refers to acceptable (and unacceptable) behaviour for members of a group. Norms specify, more or less precisely, certain rules for how group members should behave and are thus the basis for mutual expectations amongst group members. The norms of a work group are the invisible force that guides behaviour. They are not the same as what the formal policies, rules, procedures and job descriptions provide. Rather, norms are the unwritten, often unconscious, message that fills in the gaps between what is formally decreed and what actually takes place.

Norms may affect the quality of decision-making and action-taking, which in turn affect individuals' discretionary effort and performance. Despite the fact that group norms may affect effort or performance, most existing studies of norms have not demonstrated why certain types of group norms actually lead to high effort or performance. This research attempts to introduce certain types of group norms which are clearly linked to employees' high effort and performance. These

are: achievement norms, competence norms, innovation norms, openness norms, respect norms, trust norms, co-operation norms and autonomy norms. These norms are, in some ways, interrelated with other norms, but they have an independent explanatory power for individual effort or performance (e.g. through achievement norms and competence norms).

Group norms can be explained by social exchange theory in that one reason why individuals may comply with their group norms is because of the benefit derived from their working conditions. However, group norms diverge from social exchange theory in the sense that they explain and suggest proper, desirable behavioural patterns while social exchange theory simply emphasises the exchange relationships in rather vague terms. Group norms are also inter-linked with individuals' needs in that norms can reinforce or change those needs. In some situations where individuals have satisfactory feelings about their norms, norms and individuals' values are the same. Moreover, norms are different from individuals' needs in those circumstances where norms and individuals' needs are contradictory. In this case, individuals do not conform to their norms because individuals' needs are so strong and norms are not beneficial to individuals.

Two group motivation mechanisms mentioned above are tested in relation to discretionary effort in the Korean context, where the concept of group is a relatively strong motivator for individual work behaviour. Statistical results show that there is an obvious relationship between organisational identification based on social identity and employees' discretionary effort. This is because social identity based on the work organisation in which individual employees work strongly affects personal identity, and this consequently leads to discretionary effort for the success of organisation, which may in turn contribute to the fulfilment of their own interests. This results suggest important implications for understanding the motives of Korean employees in the sense that social identity based on work organisation has a considerable impact on individual work behaviour.

Organisational identification or commitment has been approached in various ways and the concepts used vary according to the authors' foci. However, these

concepts have not been researched in terms of social identity theory, which originally attempted to explain inter-group relationships. Clearly, organisational identification or commitment can be explained by many aspects such as interpersonal attraction or shared values. In particular, in the Korean context, where work organisation is regarded as important for self-image in terms of social status, a social identity approach is extremely helpful in understanding individual work behaviour. Traditionally, high social status has been regarded as the most important aspect that individuals seek to achieve in Korea. This desire tends to be achieved by having prestigious jobs or belonging to promising work organisations. Belonging to a certain group in terms of job categories tends to restrict individuals' social lives and consequently affect their work behaviour.

With regards to group norms, this research has found that employees' discretionary effort in Korea is affected by group norms which promote discretionary effort. The results of factor analysis demonstrates that, with particular respect to the eight specific group norms, there are two kinds of discretionary effort-promoting norms: (1) discretionary effort-promoting norms based on individual characteristics, in terms of ability and personal disposition such as respect, trust and competence norms; (2) discretionary effort-promoting norms for the process of dealing with tasks such as autonomy, co-operation and innovation norms. Statistical analyses (correlation analysis, and multivariate analysis) confirm that there are clear links between discretionary effort-promoting norms based on individual attributes and employees' discretionary behaviour, and high branch performance both at the individual and group level. However, there is no relationship between these norms such as competence, respect and trust norms, and extra work effort at either the individual or group level. Rather, discretionary effort-promoting norms for the process of dealing with tasks such as autonomy, co-operation and innovation norms are significantly related to discretionary behaviour at the group level.

Even though these results are slightly different according to the unit of analysis, there are common norms, such as competence norms, trust norms and respect norms, which strongly affect the discretionary behaviour of employees. This may

imply that employees are more likely to exert discretionary effort under the pressure norms that stress individual attributes (such as ability or disposition) than those that stress task processes (such as co-operation or innovation).

The results of this research clearly demonstrate that, in the Korean context, individual work behaviour is strongly affected by group motivation mechanisms such as organisational identification and group norms as well as the five individual motivation mechanisms identified by Benkhoff (1994). These results suggest that work group norms, as unwritten interpersonal rules, have considerable impacts on individual discretionary effort and branch performance in the Korean context. Since Korean society is more likely to be dominated by unwritten rules rather than formal contractual rules or laws, work group norms seems to have a crucial role in individual work behaviour. Conformity to these norms may not be based on short-term or immediate calculation about formal rewards systems, as in the expectation of promotion, but is more likely to be based on long-term relationships or rewards for the formation of long-term social networks.

9.1.3 An Integrative Approach to Motivation Mechanisms

Motivation has consistently been one of the most confusing of all the subject areas in industrial organisational psychology. This is because, apart from the fact that some of the theories are simply wrong, the various theories involve different levels of analysis and thus deal with different stages of the motivation process. It is important to stress again the definition of motivation: that which energises, directs and sustains behaviour. Following such a definition, it becomes apparent just how many divergent factors can affect the level of individual motivation. Several conceptual frameworks have been proposed for bringing these factors together for detailed analysis (e.g. Locke and Henne's model: needs, values, goals, emotions, 1986; and Porter and Miles's model: individual characteristics, job characteristics and work environment characteristics, 1974).

According to Porter and Miles' (1974) model, which is frequently used in the literature, work motivation theories would ideally account for variables from three major areas (individual attributes, job characteristics and work environment). Some individual characteristics (e.g. need theories) can represent a significant influence on employee's effort or performance. For instance, there is consistent evidence that individuals who have higher needs for achievement generally perform better than those who have lower needs. A similar pattern emerges when job-related characteristics are considered. A great deal of research (e.g. on intrinsic motivation) indicates that variations in the nature of the task itself can influence performance and satisfaction. Some studies show that "enriching an employee's job" by allowing him/her more variety, autonomy, and responsibility can result in somewhat high effort and performance. However, many of these findings are not conclusive. Stronger evidence concerning the impact of job-related variables emerges when we simultaneously consider the role of individual differences in such a relationship. When variations between individuals are also taken into account, evidence indicates that certain task attributes are more strongly related to performance only for specific "types" of individuals, such as those with a high need for achievement. In other words, it appears that not everyone desires an enriched job to the same degree, nor does everyone necessarily perform better when assigned to one job. Therefore, recognition should be given to the background characteristics of individual employees when considering job design changes.

Another significant aspect of Porter and Miles' (1974) model is the emphasis on the work environment as expressed in group influences, leadership styles, and organisational climate. For example, group pressure can significantly influence an employees' effort and performance (Roethlisberger and Dickson, 1939). Such influence can occur in the two major dimensions of productivity: groups can exert pressure on "laggards" to contribute their fair share of output, or they can act to curb the high productivity of the "rate-buster." Furthermore, it is possible that high group cohesion (a work environment characteristic) may be a much more potent influence on behaviour for a person with a high need for affiliation (an individual attribute) than for a person with a low need for affiliation. People with

high needs for achievement may be less influenced by the degree of group cohesion and more interested in potential economic rewards. A job that lacks enrichment (intrinsic motivation) may be eased somewhat by a supervisor who shows a good deal of consideration toward his or her subordinates (respect norms).

Although motivation theories are divided into various categories according to authors' viewpoints, it is necessary to consider these theories in terms of the interactive dynamics between them (e.g. the interaction between individual's attributes and job-related factors or work environment) in order to understand motivation mechanisms better. All-encompassing theories of motivation based on such concepts as instinct, need drive, and conditioning have not succeeded in explaining human action. Such theories have been gradually replaced by more modest and limited approaches to motivation. These approaches do not presume to explain all motivational phenomena; their domains are more restricted.

The important point here is that when one considers the variables involved in work motivation, one must take a strong, integrative approach. Unfortunately, such a totally unifying theory does not appear to exist at this time. What does exist is a set of different theories that address themselves to one or more of these sets of variables, none of which, however, is completely and thoroughly comprehensive (in terms of both hypothesised interaction effects among variables and accounting for a diverse array of evidence).

From the viewpoint of an integrative approach to motivation theories, it may be useful and meaningful to study the interrelationships (e.g. the need for achievement and intrinsic motivation) between theories rather than focus on one specific theory. Only then can one achieve a greater understanding of the complexities of the motivational process. In the absence of a "master theory", this present research explores several major theories, particularly less-calculative motivation mechanisms, in explaining discretionary effort. The theoretical framework of this research, which consists of seven motivation theories, is based on an integrative approach to examine whether they are independent or

interrelated with each other. Many of the theoretical approaches are complementary rather than contradictory. Thus, it is often not just a matter of choosing which is the “best” theory, but rather one of deciding which approaches are, relatively speaking, the most helpful for understanding particular aspects of employee work behaviour (e.g. discretionary effort).

Motivational theories tend to be examined separately, one at a time. Only occasionally do two or more theories enter into the same model (e.g. Lincoln and Kalleberg: social norms and intrinsic motivation, 1990). Correlation analysis has shown that some of the motivational mechanisms (e.g. the satisfaction of esteem needs, the challenge provided by the job, and trust in the organisation) are inter-linked (Buchanan, 1974). Therefore, one can not rule out the possibility that the various motivation theories researched by proponents who treat their own approach as distinct actually pursue similar motivational phenomena from different perspectives: from the point of view of the individual (needs and dispositions), the individual-task fit (intrinsic motivation, satisfaction) or social attribution processes (behavioural commitment).

Research tends not to see these theories as potential competitors. Comprehensive reviews of the literature on motivation, like that by Locke and Henne (1986), treat each approach separately, but do not discuss the relationships between them. Since the theories overlap and in most respects do not contradict each other, each measure may be expected to act as a proxy for others when analysed separately. This will normally mean that the effect of the theoretical mechanism will tend to be exaggerated because the predictions made by the theories usually go in similar directions. These considerations lead to the following suggestion.

Each motivation theory that might explain less-calculative and less-instrumental behaviour at work should first be subject to a factor analysis to ensure that it constitutes a separate mechanism that deserves to be represented in the analysis. After this, one has to find out whether the various mechanisms have different impacts on employee’s discretionary effort. Using the existing set of theories allows one to consider the likely sources of motivation and to enter all of them

into the model so that the multivariate statistical analysis does not suffer severely from omitted variables bias, leaving aside the fact that certain motivational aspects may be either not yet known or sufficiently publicised, and that the emerging model is hence still not fully specified.

Benkhoff's (1994) model seems to take an integrative approach in the sense that the five individual motivation theories are considered in explaining discretionary effort through a multiple-regression model. However, the author did not consider why some motivation theories are theoretically inter-linked and independent. The approach used in this present research attempts to examine the similarities and distinctions between the various theories to establish whether each of them provides different explanatory power for discretionary effort. This method requires multivariate analysis that allows us to hold the influence of related theories constant.

Factor analysis, in this research, has made contributions to identifying the similarities and differences between motivation mechanisms. On the basis of the results of statistical analysis, it is possible to make the following suggestions about the relationships hypothesised at the beginning of the chapter:

- (1) A need for achievement has its own independent explanatory power, apart from a need for esteem, intrinsic motivation or achievement group norms.
- (2) Social exchange theory has its own independence, and does not overlap with identification or group norms.
- (3) Group motivation (organisational identification and group norms) is seen as different motivation mechanisms from the five individual motivation mechanisms.
- (4) Among group motivation mechanisms, work group norms are perceived as a different mechanism from organisational identification.
- (5) The need for esteem is not seen as a mechanism which is independent from behavioural commitment.
- (6) Work disposition is not proven to be a significantly different mechanism from intrinsic motivation.

In summary, although there are some similarities among the seven less instrumental motivation mechanisms identified in this research, most of them are seen to have their own independent explanatory power. However, since some overlap because of similar measures resulting from theoretical similarities (work disposition and intrinsic motivation; the needs for esteem and behavioural commitment), these can not be regarded as independent mechanisms. Apart from the relationships of motivation mechanisms identified in this research, many other motivation mechanisms which are frequently cited in the literature have similarities between them and are partly overlapping (e.g., job satisfaction and organisational commitment; organisational justice and job satisfaction). Since one mechanism can be the proxy of another mechanism (e.g. job satisfaction can be the proxy of organisational justice), it is essential to determine whether each has its own explanatory power.

Each of these mechanisms has something to offer in the attempt to explain motivation in the work situation. Also, as already emphasised, various parts of the theories are, in many ways, complementary. For example, individuals who have particularly strong needs (e.g. for achievement) may also be inclined to make equity comparisons with regard to how their peers are being rewarded in relation to the types and amounts of rewards that they themselves are receiving (e.g. social exchange theory). It seems clear that each of the major approaches to motivation provides an important perspective from which to view motivation, and crucially these perspectives are not necessarily contradictory but rather provide a comprehensive viewpoint that permits an increased and sophisticated understanding. If there is an utility in studying motivation theories, it is exactly this fact: One can obtain more meaning about the events and situations that one observes or takes part in if one knows something about the theories than if one is not familiar with them. In this sense, improved knowledge about motivational processes is required not only for management, but also for the employees themselves if all members are to contribute more effectively to the goals of the organisation and simultaneously receive greater personal satisfaction.

9.2 Measures of Group Norms

Since norms are the rules underpinning employees' actual behaviour and tend to restrict or guide their behaviours and can predict what sort of behaviour is appropriate, they are seen as behavioural patterns that are expected of an organisation or group. For this reason, several authors (e.g. Cooke and Rousseau, 1988) have used the idea of "other people's expectations" to measure group norms through questionnaires (e.g. in phrases such as: "meet expectations in the organisation", Cooke and Rousseau, 1988; and "expected and usual ways", Allen and Dyer, 1980). However, this approach is problematic because expectations in an organisation or group may not be based purely on group norms, but may be contaminated by social desirability. It is likely that any desirable values would be expected from anyone. Therefore, the idea of using the "expectations of others" to measure behavioural norms is of questionable value.

In order to measure norms as a collective concept by means of a questionnaire, I propose to use the idea of people "meeting disapproval". Since group norms are behavioural rules which are "desirable and admirable", employees meet with "disapproval" when they violate these rules. Hence, group members may recognise their group norms by receiving certain kinds of "punishment" (criticisms, censure, public humiliation, and even rejection by the group) when they violate their own group norms. Accordingly, the phrase "meeting with disapproval" has been used to measure norms in this research. In addition, the strength of group norms has been measured by the degree of "disapproval" since group norms become stronger when punishments are more severe.

This present research has attempted to measure group norms through people's beliefs about the consequences of norms violation, using the phrase "meet disapproval" from group members, including managers. The approach also includes managerial expectations which refer to the expectations of group leaders as part of group norms. Without some other members' consensus, manager's expectations about managerial rules by themselves cannot be group norms.

However, there is no general agreement about how many members must share managerial rules if they are to be group norms. At least, to become group norms, there should be some agreement by group some members surrounding group leaders. It is extremely difficult to make a clear-cut distinction between group norms and managerial expectations. Basically, group norms may emphasise the consensus among members while managerial expectations can imply an expectation from managers without members' consensus. In order to understand these differences and similarities, it may be helpful to examine how norms originate.

Norms basically spring from three sources; (1) the values or norms set by the manager; (2) the learning experiences of group members as they evolve; and (3) values or norms brought in by new strong members and leaders. Though each of these mechanisms plays a crucial role, the most important factor for the formation of norms may be the impact of the manager. The manager not only chooses the basic mission and the environmental context in which the new group will operate, but he/she also chooses the group members and influences the original responses that the group makes in its efforts to succeed in its environment and integrate itself. Group norms do not form with a specific purpose, and are created because one or more individuals perceive that the co-ordinated and concerted action of a number of people can accomplish something that individual action cannot.

The process of norms formation is, in each case, first a process of creating a small group. This process will usually involve some version of the following steps:

- (1) The top branch manager has ideas or values for the new bank branch.
- (2) The manager brings in one or more other members and creates a core group that shares a common goal and vision with him. That is, all members believe that the idea is a good one, is workable, is worth running some risks for, and is worth the investment of time, money and energy that will be required.
- (3) The bank branch begins to emphasise these values or ideas through meetings with members.
- (4) A common critical event begins to be built. If the group remains fairly stable and has significant shared learning experiences, it will gradually develop

assumptions about itself, its environment, and how to do things to survive and grow.

Managers have a major impact on how a group initially defines and solves its external adaptation and internal integration problems. Because managers have the original ideas, they will typically have their own notions, based on their own cultural history and personality. How do managers embed the values that they hold and thereby create group norms? The norms embedded in a younger group are transmitted through a socialisation process, but one in which most of the socialisation mechanisms are in the hands of the leader. In more mature organisations, the socialisation process takes on a different shape, but in young organisations one must focus primarily on leadership behaviour to understand norms growth.

The following mechanisms may be powerful means by which managers are able to embed their own values in the ongoing daily life of his group: (1) through what he pays attention to and rewards, (2) through the ways he allocates resources; (3) through the role-modelling he carries out, (4) through the ways in which he deals with critical incidents, and (5) through the criteria he uses for promotion.

Through these processes of the creation and formulation of group norms, a manager's expectations, as managerial rules, tend to be expressed as group norms. Particularly, on the practical level, in small groups like small bank branches (where this research has been conducted), the manager's or leader's expectation is likely to be the basis of group norms. Probably, in large organisations, where many different or heterogeneous interests exist according to various groups or departments, there tend to be differences between managerial rules and members' group norms. For these reasons, managerial expectations and members' expectations are both regarded as part of group norms.

This approach, however, makes some strong assumptions (about the clarity of norms and the consequences of violation) whose validity is open to question. Hence, in order to enhance the validity of these measures, in-depth interviews have also been conducted.

9.3 Limitations of the Statistical Results

There are several problems that one should bear in mind when drawing conclusions from statistical results: (1) causality between variables; (2) the use of different measuring instruments; and (3) aggregation problems when individual data are used at the group or organisational levels. Each of these problems will be considered in turn.

First, there is the issue of causality between variables. Since we are dealing with cross-sectional data, it is, strictly speaking, not possible to say precisely what causes employees to exert discretionary effort. Causation may be *suggested* by the theories, but one cannot really determine what is cause and effect. Instead of arguing that employees with a high need for esteem, a positive work position, an interesting or a high profile job, or a high level of satisfaction with working conditions, will work particularly hard, it is just as reasonable to assume a reverse process of causation: that hard working employees tend to be treated better and get more recognition. Three of the theories support a two-way process: social exchange theory by implication, and intrinsic motivation and behavioural commitment because they assume that behaviour may lead to particular attributions and to further behaviour of a similar kind. Also, one can assume that employees with high commitment tend to identify more with their organisation and conform to group norms.

The causal influence surrounding work effort may be almost impossible to disentangle except by using laboratory studies whose results may not be valid in the actual work environment. An indirect suggestion about the causes of discretionary effort could be derived from the stability of work behaviour. If work disposition and needs are of great importance, measures of discretionary effort should remain almost constant over time. The role of intrinsic motivation, behavioural commitment or social exchange should become obvious with greater fluctuation. It may be that the factors most critical for employee motivation vary

across different career stages. This would be expressed in systematic changes in the relevant coefficients across the whole population.

Secondly, if one wants to be very confident about the results of discretionary effort research, it is necessary to have more accurate measures. The somewhat different patterns revealed in the statistical results for the extra effort and discretionary behaviour suggest that one must be very careful when operationalising the concept of discretionary effort. The two measures of discretionary effort also differ in their patterns of independent variables. While employees who demonstrate committed behaviour are characterised by a need for esteem they do not seem to be motivated by a positive work disposition, work satisfaction and intrinsic motivation. The reason for the discrepancies could be that the discretionary behaviour may be contaminated by non-committed behaviour and that the measure is therefore only partial.

Thirdly, data in this research were analysed both at the individual and group levels. The correlation coefficients showed different results for the relationships between group norms and discretionary effort at the two levels. This is because data may have been lost when it was aggregated. Choosing the appropriate level of analysis is one of the major problems in social science research, but it is seldom recognised (Rousseau, 1985). Even an authoritative and extensive textbook on behavioural research methodology (Kerlinger, 1973) does not mention this important subject at all. In its most general form, the problem can be stated as follows: the subject of the social sciences is the behaviour of individuals and the properties of social systems which are ultimately composed of individuals. The data collected in the social sciences derive from individuals (such as variables describing the characteristics of individual behaviour, or answers by individuals to questionnaires), or they may be directly collected at one of the many levels of the social system (as with accident rates by age category in a particular location, or the presence or absence of trial by jury in a country).

The problem with the level-of-analysis question in behavioural research arises when conclusions applying to one level have to be drawn from data only available

at another level. If the fact that the two levels do not correspond is not recognised and accommodated by the researcher, a cross-level fallacy occurs (Rousseau, 1985). For instance, interpreting data from the social system level as if they were data about individuals is known as “the ecological fallacy” (the term “ecological” indicating something operating at the system level). This was identified by Robinson (1950) whose famous example was the relationship between skin colour and illiteracy in the United States. Using data from 1930, Robinson found that across nine geographical regions of the United States, the ecological correlation between the percentage of Blacks in the population and the percentage of illiterates was 0.95. Across 48 states, it was 0.77. Across 97 million individuals, the individual-level correlation 0.20 was significant, but weak. Data collected at the ecological level are more likely to be regarded with suspicion than data collected from individuals. Choosing the appropriate level of analysis for the problem at hand in social science research is more than a matter of avoiding fallacies. The skilled use of multi-level research allows one to disentangle processes at the individual-and social-system levels, thereby gaining insights which research at one level alone cannot produce. Multi-level research involves a disregard of the traditional boundaries between the various social science disciplines: psychology, sociology, political science, anthropology and economics.

Some authors criticise the aggregation of individual data to the social system level, arguing that a mean score across a number of diverse individuals has no reality value (the “average” human being is half man, half woman and does not exist). This criticism betrays an individualistic bias which tries to imagine the properties of a social system as properties of an individual. An aggregate score no longer describes an individual, but becomes an indicator distinguishing one social system from another. As such, it is basically no different from a lot of information about social systems derived from external sources, such as accident rates or average alcohol consumption. Accident and other rates represent an aggregate measure of a yes/no variable across a number of individuals in a social system. Average consumption quantities are an aggregate measure of individuals’ consumption behaviour.

9.4 Implications for Management

As demonstrated in this research, employees' discretionary effort is explained by the following motivation mechanisms: need theories (a need for achievement and a need for esteem), and behavioural commitment and two group motivation mechanisms such as organisational identification and group norms. In particular, group motivation mechanisms are found to be significant factors which affect individuals' work behaviour in the Korean context.

These results have major implications for managers who deal with their employees:

First managers should consider an integrative approach to understanding employees' work behaviour. This is because many managers tend to deal with their employees on the basis of one particular motivation mechanism. For example, some managers try to adopt job redesign (e.g. "job enrichment") to improve employees' performance, thus emphasising the effect of intrinsic motivation. However, this approach may not guarantee success unless managers consider other factors integratively, such as individual characteristics (individual needs or values, disposition) and work environment (reward systems, work group norms). This is because some employees may not be attracted to job enrichment at all, even though jobs are redesigned.

Secondly, although work group norms have a significant impact on individual behaviour, their importance seems to have been largely ignored in the workplace. Many managers in the workplace have tended to understand employees' motivation mechanisms in terms of individual values or work attributes or rewards systems. For managers to improve a company's performance or to increase employees' effort, it is necessary to look at the group process and at how the group and group norms are formed and at what sorts of norms exist in their groups. In particular, this is extremely important for managers of multinational companies where very different work group norms can exist. Furthermore, managers should recognise the importance of the role of group leader in the

process of the formation or development of norms. For example, since branch managers in organisations like a bank are in a crucial position to affect group norms (in terms of their individual values or beliefs), it is therefore really important for the top management of headquarters to direct and control them.

Thirdly, branch managers may need to recognise the homogeneity of group members within a branch and also their distinctiveness from member of other branches if they are to realise and reinforce their social identities. Furthermore, at the organisational level, a company needs to develop and improve the image of the organisation in order for employees to feel prestigious and proud of their organisation.

Fourthly, this research also confirms that for a company to maximise employee motivation, managers need to concentrate on the selection of employees as well as the adjustment of working conditions. Since personal characteristics seem to contribute to discretionary effort, companies ought to make sure that they can identify applicants with the relevant needs and dispositions. The company would gain further if the job situations were capable of inducing high effort. Intrinsic motivation can best develop where jobs are designed to provide variation and challenges, and employees may be able to meet these if they are also given the necessary training. Managers should also give individuals due acknowledgement and a sense of esteem, which have clearly been shown to influence their level of effort. An internal labour market can be expected to contribute further to employee motivation since it provides the necessary positive prospects for employees who seek promotion. For beneficial social exchange to develop, the theory demands trust and a long-term relationship guaranteed by job security. For behavioural commitment to work, individuals need some control over the way they do the job. The more choice they have, the more they will feel responsible for their performance and the more their performance will affect their self-esteem. If there are no opportunities to transcend strict rules regulating job performance, commitment is stifled and this cannot benefit the company.

The key message from this research is that discretionary effort is a matter of general motivational mechanisms. Managers can foster effort by developing productive group norms and making employees take pride in their membership of the organisation as well as by selecting certain types of employees and providing working conditions that create the required sources of motivation.

9.5 Recommendations for Future Research

The findings on group motivation in this research need confirmation by further research so that one can have confidence in the new approach. In particular, research is needed (1) in culturally different context such as western countries where “individualism” is dominant (e.g. Britain and America); and (2) in terms of the measurement of group norms. More detailed investigation has to be conducted on the conceptualisation and measurement of the strength of group norms. The very concept of group norms is rather difficult to operationalise. The concept adopted in this research is comprehensive and seeks to include both the informal behavioural rules that employees follow. Since, by definition, group norms are behavioural rules agreed by the majority of members, it is open to question as to whether the rules set by managers actually represent norms.

The strength of group norms, in this research, is measured by the degree of “disapproval” encountered if norms are not followed. (This assumes that one conforms to group norms not to meet with disapproval). However, some employees do not really conform to their group norms, but merely pretend to comply with them. So, it may be interesting to measure group norms in terms of conformity by distinguishing between compliance and group norms, although it is extremely difficult to measure conformity. Furthermore, the concept of group norms can be extended to the concepts of organisational culture and teamwork. Since culture can be defined in terms of behavioural norms, research on organisational norms is basically the same as that on organisational culture. Recently, organisational culture has been one of the most popular topics in the management literature. Thus, at the organisational level, it may be interesting to

examine the links between organisational norms, culture and performance as well as the variation of organisational norms or culture across different organisations.

The analysis of teamwork in terms of group norms may also be significant. Teams as groups may have interpersonal behavioural rules (group norms) as well as individual's roles being determined by other people's expectations. The success of teamwork may depend on what sorts of group norms there are. Accordingly, it would be interesting to analyse the formation of norms and their role in enhancing group effectiveness in the process of teamwork.

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Appendix

1. Organisational Culture Inventory (Cooke and Lafferty, 1987)

Please think about what it takes for you and people like yourself (e.g. your co-workers, people in similar positions) to “fit in” and meet expectations in your organisation. In other words, how things are done around here. (Response categories: strongly disagree; disagree; neither agree nor disagree; agree; and strongly agree).

- | | |
|--|--|
| 1. Point out flaws. | 2. Show concern for the needs of others. |
| 3. Involve subordinates in decisions. | 4. Revolve conflicts constructively. |
| 5. Be supportive of others. | 6. Stay on the good side of superiors. |
| 7. Be a nice guy. | 8. Do things for the approval of others. |
| 9. “Go along” with others. | 10. Win against others. |
| 11. Work to achieve self-set goals. | 12. Be predictable. |
| 13. Never challenge superiors. | 14. Do what is expected. |
| 15. Stay detached and perfectly objective. | |
| 16. Accept goals without questioning them. | 17. Oppose new ideas. |
| 18. Help others to grow and develop | 19. Be a good listener. |
| 20. Give positive rewards to others. | 21. Agree with everyone. |
| 22. Stay conscious of fashion | |
| 23. Make sure they are accepted by others. | 24. Always try to be right |
| 25. Be seen and noticed. | 26. Explore alternatives before acting |
| 27. Take on challenging tasks. | 28. Be a good follower |
| 29. Ask everybody what they think before acting. | |
| 30. Please those in positions of authority. | 31. Be hard to impress |
| 32. Look for mistakes. | 33. Oppose things indirectly |
| 34. Take time with people. | 35. Encourage others |
| 36. Back up those with the most authority. | 37. Set goals that please others |
| 38. Compete rather than co-operate. | 39. Be the centre of attention |
| 40. Never appear to lose. | 41. Set moderately difficult goals |
| 42. Pursue a standard of excellence. | |

43. Work for the sense of accomplishment.
45. Follow orders even when they are wrong.
47. Question decisions made by others.
49. Refuse to accept critics.
51. Be liked by everyone.
53. Be a "winner".
55. Turn the job into a contest.
57. Take moderate risks.
59. Know the business.
61. Co-operate with others.
62. Deal with others in a friendly, pleasant way.
63. Think in terms of the group's satisfaction.
64. Show concern for people.
66. Personally take care of every detail.
68. Avoid confrontations.
70. Conform.
72. Make "popular" rather than necessary decisions.
73. Take few chances.
75. Emphasise quality over quantity.
77. Treat people as more important than things.
78. Share feelings and thoughts.
80. Use the authority of their position.
82. Never make a mistake.
83. Treat rules as more important than ideas.
84. Tell people different things to avoid conflict.
85. Accept the status quo.
87. "lay low" when things get tough.
88. Never be the one blamed for mistakes.
89. Be concerned about their own growth.
91. Motivate others with friendliness.
93. Stay on the offensive.
95. Personality runs everything
97. Be precise even when it's unnecessary.
46. Check decisions with superiors.
48. Remain aloof from the situation.
50. Help others think for themselves
52. Out-perform their peers.
54. Maintain an image of superiority
56. Think ahead and plan.
58. Openly show enthusiasm.
60. Willingly obey orders.
65. Never relinquish control.
67. Not "rock the boat".
69. Make a "good" impression.
71. Be non-committal.
74. Shift responsibilities to others.
76. Use good human relations skills.
79. Demand loyalty.
81. Appear to work long hours.
86. Put things off.
90. Resist conformity.
92. Be open, warm.
94. Build up their power base
96. Set unrealistically high goals.
98. Keep on top of everything

- | | |
|--|---|
| 99. Always follow policies and practices. | 100. Avoid risks. |
| 101. Not get involved. | 102. Wait for others to act first. |
| 103. Be spontaneous. | 104. Do even simple tasks well. |
| 105. Communicate ideas. | 106. Betactful. |
| 107. Act forcefully. | 108. Play “policies” to gain influence. |
| 109. Be hard, tough. | |
| 110. Maintain unquestioned authority. | 111. Do things perfectly. |
| 112. View work as more important than anything else. | |
| 113. Appear competent and independent. | 114. Persist, endure. |
| 115. Fit into the “mould”. | 116. Push decisions upward. |
| 117. Be open about self. | 118. Enjoy their work. |
| 119. Think in unique and independent ways. | 120. Maintain their personal integrity. |

2. The Norms Diagnostic Index (Allen and Dyer, 1980)

Instructions: Norms are **expected or usual ways of behaving** in groups or organisations. This survey asks for your opinions concerning the norms that exist in your organisation. You are to fill in the blank that best describes your agreement or disagreement with each of the statements in the survey. (*Response Scale is (1) Strongly agree (2) Agree (3) Neutral (4) Disagree (5) Strongly disagree (6) Don't know.*)

It is a norm around here:

1. to maintain the progress that is made.
2. for people to regularly plan their work goals.
3. for new people to be properly oriented and trained to the job.
4. for leaders to take time to follow up on the jobs they've assigned to people.
5. for organisational policies and procedures to be helpful, well understood, and up-to-date.
6. for people to confront negative behaviour or "norms" constructively.
7. for people to avoid blame placing and concentrate on looking for constructive solutions.
8. for people to feel satisfied with their pay.
9. for people to feel that the work is important.
10. for people to feel that the organisation offers good job security.
11. for people to feel satisfied with the benefits programs offered by the organisation.
12. for people to feel responsible for doing their own jobs right.
13. for people to have some input on decisions that affect their work.
14. for job orientation for new people to be more than just "sink or swim."
15. for leaders to be equally for people as well as results.
16. to review policies and procedures regularly and change them as needed.
17. for people to get feedback on how they're doing so they can develop as individuals.
18. for people to feel "turned on" and enthusiastic about what they're doing.
19. for selection and promotion practices to be fair.
20. for good performance to be rewarded through increased pay.
21. for people to get feelings of accomplishment from their work.
22. not to have to rely on the "grapevine" as their best source of information about the organisation.
23. to understand the organisation's benefits' programs.

24. for people to help each other with on-the-job or personal problems.
25. for people to follow through on programs that they begin.
26. for training needs to be adequately met.
27. for people to have effective means of communication with peers and supervisors.
28. for people to share responsibility for things that go wrong in their work groups.
29. for a spirit of co-operation and team-work to be felt throughout the organisation.
30. for people to feel they are treated fairly in the area of pay.
31. for people to like the kind of work they are doing.
32. for people to work together effectively.
33. for people to take pride in their own work and that of the organisation.
34. for work loads to be evenly distributed.
35. to care about and strive for excellent performance.
36. to feel really involved in the work of the organisation.
37. to have a clear way of measuring results.
38. for leaders to help their work team members succeed.
39. to point out errors constructively.
40. for people working together to meet regularly on important issues.
41. for improvement efforts to be based on fact.
42. for people not to treat each other as just a "pair of hands."
43. to use time and resources effectively.
44. for leaders to demonstrate their own commitment to what the organisation is trying to accomplish.
45. for leaders to make a strong effort to involve and motivate people.
46. to give and receive feedback in helpful ways.
47. for authority to be delegated appropriately.
48. for people to share responsibility for what happens in the organisation.
49. for groups to define goals clearly before a task is begun.
50. for people to get whatever training is needed to help them succeed in their work.
51. for people to feel that the organisation keeps them information on matters that directly affect them.

3.Organisational Commitment Questionnaire (Porter et al., 1974)

(Response categories: Strongly disagree; Moderately disagree; Slightly disagree; Neither disagree nor agree; Slightly agree; Moderately agree; Strongly agree (scored 1 to 7 respectively).

1. I am willing to put in a great deal of effort beyond that normally expected in order to help this organisation be successful.
2. I talk up this organisation to my friends as a great organisation to work
3. I feel very little loyalty to this organisation ®.
4. I would accept almost any type of job assignment in order to keep working for this organisation.
5. I find that my values and the organisation's values are very similar.
6. I am proud to tell others that I am part of this organisation.
7. I could just as well be working for a different organisation as long as the types of work were similar ®.
8. This organisation really inspires the very best in me in the way of job performance.
9. It would take very little change in my present circumstances to cause me to leave this organisation ®.
10. I am extremely glad that I chose this organisation to work for, over others I was considering at the time I joined.
11. There's not too much to be gained by sticking with this organisation indefinitely ®.
12. Often, I find it difficult to agree with this organisation's policies on important matters relating to its employees ®.
13. I really care about the fate of this organisation.
14. For me this is the best of all possible organisations for which to work.
15. Deciding to work for this organisation was a definite mistake on my part ®.

4. QUESTIONNAIRE: Evidence from the bank branches in Korea.

Section 1: Organisational identification (Responses categories: fully disagree; not agree; neither agree nor disagree; partly agree; fully agree).

1. At the top of the bank we have competent and sensible people.
2. The bank has good prospects for future.
3. There is good co-operation between departments and branches in the bank.
4. The bank has a series of interesting financial products.
5. The bank is bureaucratic and not open to development that would enhance its performance. ®
6. The bank supports many important causes in society.
7. One cannot trust the bank because top management is capable of deceiving people. ®
8. I feel that my values and norms and those of the bank are the same.
9. I am proud to tell others that I am part of this bank.
10. To what degree do you think you share the same goals and interests as the following in the bank (Response categories: Large conflict, considerable conflict, some conflict, minor conflict, same interest).
a) Head office b) the bank in general?

Section 2 Group norms (Response categories: Never; Rarely; Occasionally; Frequently, Always).

1. Employees meet with disapproval if they do not express their thoughts and opinions on their tasks at work.
2. Employees meet with disapproval if they do not take on challenging tasks.
3. Employees meet with disapproval if they do not show respect for their colleagues at work.
4. Employees meet with disapproval if they do not listen to their colleagues' opinion.
5. Superiors meet with disapproval if they exert much control over how subordinates do their work.
6. Employees meet with disapproval if they always follow the same methods when they do their own work.
7. Employees meet with disapproval if they do not have enough skill to do jobs.
8. Employees meet with disapproval if they do not discuss the problems they have with their work with their superiors.
9. Employees meet with disapproval if members do not show respect for their supervisors at work.
10. Employees meet with disapproval if members do not approach work in original ways.
11. Employees meet with disapproval if they do not behave friendly and politely to their colleagues.
12. Subordinates meet with disapproval if they make mistakes at work and do not consult with their superior.
13. Employees meet with disapproval if they shift their responsibility to others.

14. Employees meet with disapproval if they do not try hard to improve the past performance at work.
15. Employees meet with disapproval if they do not do perfect jobs.
16. Employees meet with disapproval if they do not show new ideas and make suggestions on work.
17. Employees meet with disapproval if they do not try to learn all the work skills that they need for their work.
18. Employees meet with disapproval if they do not share the work when their colleagues are in danger of not meeting the deadline.
19. Employees meet with disapproval if they just care about their own work without co-operation.
20. Employees meet with disapproval if they are not confident about working on their own.
21. Employees meet with disapproval if they do not share information that would help to improve the performance of the branch.
22. Employees meet with disapproval if people do not try to use their own judgement in interpreting rules and regulations.
23. Employees meet with disapproval if they do not give advice colleagues who need help.

Section 3 Benkhoff's five individual motivation mechanisms

(Response categories: fully disagree; do not agree; neither agree nor disagree; partly agree; fully agree).

1. The need for achievement

- 1) It is really important for me to have the opportunity to do challenging work.
- It is fully realised in the bank.
- 2) It is really important for me to have the opportunity for self-development in my work.
- It is fully realised in the bank.

2. The need for esteem

- 1) I find self-confirmation and recognition at work.
- 2) I find my work interesting because I have the feelings that I am needed.
- 3) Personal approval of my work is an incentive to me to do even better.

3. Disposition

- 1) I regard work as the main purpose of my life.

4. Intrinsic motivation

- 1) My work is almost like a hobby to me.

5. Behavioural commitment

- 1) My superiors and colleagues regard me as a hardworking person.
- 2) I always deliver the result of the work expected from me.
- 3) Bad working conditions do not prevent me from working harder than others.

6. Social exchange theory

(Responses categories: fully dissatisfied, not satisfied, partly satisfied, satisfied, very satisfied)

- 1) All in all, how satisfied are you with your position?
- 2) All in all, how satisfied are you with your task area?
- 3) My initial expectations from company before entering the company were met.
(Response categories: fully disagree; do not agree; neither agree nor disagree; partly agree; fully agree).
- 4) All in all, how satisfied are you with your pay?
- 5) All in all, how satisfied are you with your promotion opportunities?
- 6) All in all, how satisfied are you with your training opportunities?

(Responses categories: Unimportant, moderately important, slightly important, important, very important)

7. How important is it for you to be in a high position?
8. How important are your training opportunities for you?
9. How important are promotion opportunities for you?
10. How important is your pay level for you?
11. How important is your task area for you?

Section 4 Discretionary effort

1. Discretionary behaviour

(Response categories: fully disagree; do not agree; neither agree nor disagree; partly agree; fully agree).

a) about yourself:

1. I try to contribute the performance of the bank by suggesting improvements to my boss and colleagues.
2. Even if I do not like a certain changes which are to be introduced, I go along with them if they will help us to hold our market share.
3. I am always friendly and helpful to customers particularly.
4. I avoid taking on additional duties and responsibilities at work.®
5. I work harder than most others in my type of job or position.
6. If I can get away with it, I refuse to work late or at weekends.
7. I try to not to let customers wait. In situations where this is unavoidable, I apologise to them.

b) about your colleagues.

1. My colleagues try to contribute to the performance of the bank by suggesting improvements to my boss and colleagues.
2. Even if my colleagues do not like a certain changes which are to be introduced, they go along with them if they will help us to hold our market share.
3. My colleagues are always friendly and helpful to customers, even if they do not like them particularly.
4. My colleagues avoid taking on additional duties and responsibilities at work.®
5. My colleagues works harder than most others in their type of job or position.
6. If my colleagues can get away with it, they refuse to work late or at weekends.
7. My colleagues try to not to let customers wait. In situations where this is unavoidable, they apologise to them.

c) about your superior.

1. My superior tries to contribute to the performance of the bank by suggesting improvements to his boss and colleagues.
2. Even if my superior does not like certain changes which are to be introduced, he goes along with them if they will help to hold our market share.
3. My superior is always friendly and helpful to customers, even if he does not like them particularly.
4. My superior avoids taking on additional duties and responsibilities at work.®
5. My superior works harder than most others in his type of job or position.
6. If my superior can get away with it, he refuses to work late or at weekends.

2) Extra work effort

Which of those four opinions do you most agree with?

1. I put myself out in my work and I often do more than is demanded of me. My job is so important to me that I sacrifice much for it.
2. All in all, I enjoy my work and every now and then I do more than is required. But this should not be a permanent situation.
3. In my job I do what is demanded of me. Nobody can criticise me there. But I cannot see why I should exert extra effort beyond that.
4. I often have to force myself to go to work. I therefore only do what is absolutely necessary.

Section 5: Control variables

(Responses categories: fully disagree; do not agree; neither agree nor disagree; partly agree; fully agree).

1. Our branch pursues an active sales policy, including canvassing of new customers.
(1) Yes (2) No
2. My superior checks and asks how far the agreed performance improvements have been realised.
3. My superior gives me good practical advice on how I can improve my performance.
4. When our branch has not done well in terms of certain products, my superior encourages us to do something about it.
5. What changes would allow you to perform better?
More attractive building. (1) Yes (2) No
6. "In our branch, the branch manager has excellent sales competence in canvassing customers."

Section 6. Demographic variables

1. Are you a) female ()? b) male ()?
2. Are you a) married ()? b) not married ()?
3. In what age group are you? a) below 20 b) 20-25
c) 26-30 d) 31-40
d) 41-50 f) above 50
4. What is your position? -----
5. How many years have you worked for the bank?
a) below 1 b) 1-2 c) 3-5 d) 6-10 e) 11-15 f) more than 15
6. In what branch are you working? -----
7. What level of education do you have?
a) High school b) University degree c) MSc degree

5. Spearman Correlation Matrix: motivation mechanisms, norms and discretionary effort

	1	2	3	4	5	6	7	8	9	10	11	12
A need for achievement:												
1. Self-development	1											
2. Challenging job	.60**											
A need for esteem:												
3. Recognition at work	.37**	.31**										
4. Personal approval	.37**	.34**	.55**									
5. Feel needed	.33**	.30**	.65**	.53**								
Disposition:												
6. Work is main purpose	.41**	.38**	.45**	.49**	.42**							
Intrinsic motivation:												
7. Work is like hobby	.15*	.20**	.39**	.44**	.44**	.49**						
Behavioural commitment:												
8. Hardworking person	.32**	.23**	.47**	.32**	.45**	.25**	.23**					
9. Other's expectation	.38**	.33**	.48**	.35**	.49**	.26**	.22**	.49**				
10. Working conditions	.33**	.33**	.40**	.38**	.37**	.40**	.17**	.43**	.52**			
Social exchange theory:												
11. Task area	.16**	.25**	.43**	.33**	.39**	.24**	.24**	.19**	.26**	.24**		
12. Training opportunities	.04	.02	.20**	.10	.22**	.17**	.28**	.08	.11*	.11*	.36**	
13. Initial expectation	.02	.07	.38**	.21**	.31**	.24**	.28**	.11*	.14*	.09	.36**	.52**
14. Pay	.11*	.06	.18**	.24**	.18**	.21**	.17**	.21**	.12*	.30**	.43**	.31**
15. Position	.16**	.18**	.37**	.36**	.30**	.27**	.24**	.25**	.19**	.34**	.63**	.38**
16. Promotion opportunities	.00	.00	.26**	.15*	.20**	.12*	.28**	.09	.05	.12*	.40**	.51**
Identification:												
17. Identification	.24**	.31**	.32**	.35**	.40**	.32**	.24**	.19**	.25**	.22**	.28**	.23**
Group norms:												
18. Achievement norms	.14*	.10	.16**	.13*	.12*	.14*	.03	.14*	.07	.11*	.03	.08
19. Autonomy norms	-.06	-.02	.04	.05	.10	.11	.23**	.06	-.11	-.08	.09	.12
20. Competence norms	.20**	.19**	.22**	.22**	.20**	.18**	.05	.27**	.15*	.21**	.23**	.00
21. Co-operation norms	-.07	.01	.17**	.19*	.17**	.17**	.17**	.15*	-.03	.07	.18**	.11*
22. Innovation norms	-.01	.07	.10	.08	.13	.10	.13*	.03	-.01	.02	.07	.13
23. Openness norms	.07	.06	.21**	.15*	.24**	.15*	.10	.24**	.06	.08	.14*	.06
24. Respect norms	.12*	.09	.24**	.19**	.23**	.12*	.11*	.25**	.11*	.15*	.17*	.07
25. Trust norms	.10	.15*	.22**	.17**	.20**	.19**	.13*	.12*	.10	.12*	.17**	.08
Discretionary effort:												
26. Extra effort	.24**	.34**	.31**	.39**	.34**	.28**	.29**	.36**	.38**	.37**	.26**	.05
27. Discretionary Behaviour (Self)	.34**	.31**	.31**	.27**	.27**	.15*	.35**	.37**	.50**	.20**	-.05	
28. Discretionary Behaviour (Colleagues)	.32**	.27**	.34**	.33**	.33**	.38**	.21**	.36**	.27**	.44**	.19**	.08
29. Discretionary Behaviour (Superior)	.22**	.23**	.34**	.30**	.33**	.37**	.30**	.39**	.24**	.46**	.18**	.17**

	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
14. PAY		.30**															
15. Position			.35**	.45**													
16. Promotion opportunities				.38**	.49**	.47**											
Identification:																	
17. Identification				.25**	.09	.27**	.09										
Group norms:																	
18. Achievement norms	.10	.05	.07	.12*	.19**												
19. Autonomy norms	.16*	.12	.12	.20*	.03	.29**											
20. Competence norms	.03	.25**	.19**	.02	.11*	.51**	.40**										
21. Co-operation norms	.19**	.26**	.21**	.26**	.14*	.47**	.64**	.49**									
22. Innovation norms	.10	.11*	.04	.14*	.14*	.49**	.57**	.43**	.56**								
23. Openness norms	.12*	.12*	.15*	.15*	.13*	.56**	.12*	.50**	.55**	.52**							
24. Respect norms	.02	.22**	.11*	.16**	.17**	.50**	.35**	.59**	.44**	.42**	.63**						
25. Trust norms	.07	.10	.15*	.10	.18**	.44**	.42**	.54**	.53**	.52**	.60**	.60**					
Discretionary effort:																	
26. Extra effort	.15*	.16**	.27**	.06	.36**	.08	.05*	.14*	.17**	.04	.13*	.18**	.18**				
27. Discretionary B. (Self)	-.02	.07	.18**	.00	.25**	.18**	-.08	.28**	.09	-.04	.14*	.310**	.21**	.32**			
28. Discretionary B. (Colleagues)	.17**	.21**	.24**	.10	.32**	.24**	.03	.32**	.24**	.02	.21**	.26**	.25**	.30**	.51**		
29. Discretionary B. (Superior)	.16**	.22**	.27**	.18**	.38**	.28**	.00	.23**	.20**	.00	.15*	.24**	.11*	.24**	.44**	.58**	1

6. Correlation matrix of norm items (Spearman Correlation)

	1	2	3	4	5	6	7	8	9	10	11	12
Achievement norms:												
1. Take on challenging tasks	1											
2. Improvement of performance		.27**										
Competence norms:												
3. Enough skill		.35**	.36**									
4. Perfect jobs		.09	.52**	.37**								
5. Learning all skills		.18**	.42**	.40**	.43*							
Co-operation norms:												
6. Helping peers		.23**	.36**	.25**	.29**	.39**						
7. Care about other's work		.21**	.43**	.32**	.34**	.35**	.53**					
8. Advice for peers		.19**	.39**	.19**	.28**	.44**	.50**	.39**				
Autonomy norms:												
9. Confident about works		.09	.32**	.23**	.41**	.43**	.55**	.40**	.18**			
10. Their own judgement		.14*	.20**	.06	.30**	.27**	.45**	.27**	.09	.49**		
Innovation norms:												
11. Not same method		.29**	.29**	.42**	.22**	.24**	.21**	.30**	.21**	.19**	.17**	
12. Original way		.29**	.29**	.17**	.24**	.24**	.43**	.40**	.12	.42**	.42**	.31**
13. Suggestion of idea		.26**	.36**	.23**	.26**	.44**	.49**	.32**	.15*	.54**	.48**	.26**
Respect norms:												
14. Respect to colleagues		.31**	.38**	.44**	.38**	.30**	.17**	.28**	.46**	.22**	.11	.20**
15. Respect to superior		.19**	.38**	.37**	.37**	.29**	.33**	.35**	.40**	.31**	.26**	.20**
16. Polite and friendly		.22**	.52**	.39**	.46**	.40**	.36**	.39**	.52**	.38**	.21**	.22**
Openness norms:												
17. Express opinion		.45**	.26**	.25**	.18**	.26**	.33**	.32**	.35**	.28**	.37**	.21**
18. Listen to peers' opinion		.36**	.40**	.46**	.34**	.29**	.23**	.34**	.16*	.19**	.13*	.29**
19. Sharing information		.13*	.31**	.19**	.31**	.41**	.45**	.35**	.51**	.50**	.43**	.14*
Trust norms:												
20. Not controlling subordinates		.23**	.28**	.38**	.25**	.23**	.23**	.36**	.20**	.21**	.18**	.31**
21. Discuss problems		.31**	.35**	.41**	.25**	.31**	.35**	.37**	.36**	.32**	.36**	.48**
22. Consult mistakes		.11	.36**	.32**	.50**	.36**	.23**	.36**	.31**	.30**	.23**	.16*

	12	13	14	15	16	17	18	19	20	21	22
Innovation norms:											
13. Original ways		1									
14. Suggestion of idea			.46**								
Respect norms:											
15. Respect to colleagues				.26**	.28*						
16. Respect to superior				.31**	.24**	.37**					
17. Polite and friendly				.30**	.40**	.55**	.47**				
Openness norms:											
18. Express opinion				.31**	.30**	.29**	.28**	.21**			
19. Listen to peer's opinion				.25**	.29**	.53**	.32**	.57**	.23**		
20. Sharing information				.33**	.52**	.31**	.31**	.49**	.30**	.26**	
Trust norms:											
21. Not controlling subordinates				.22**	.20**	.30**	.29**	.35**	.25**	.50**	.17**
22. Discuss problems				.49**	.39**	.33**	.41**	.33**	.38**	.34**	.29**
23. Consult mistakes				.21**	.25**	.39**	.38**	.46**	.19**	.36**	.33**
											1

7. Correlation matrix between motivation mechanisms

	1	2	3	4	5	6
1.Need for achievement	1					
2.Need for esteem		.46**				
3Disposition			.45**	.52**		
4.Intrinsic motivation				.47**	.49**	
5.Behavioural commitment					.35**	.23**
6.Social exchange theory						.25** 1

8. Factor analysis of the five motivation theories, identification and norms

	FA 1	FA 2	FA 3	FA 4	FA 5	FA 6	FA 7	FA 8	FA 9
1) Group norms									
Respect norms	.78	-.49	.11	.11	.08	.19	.23	-.11	-.10
Openness norms	.77	-.23	.02	.26	.14	.36	.27	-.05	-.21
Respect norms	.74	-.21	.09	.11	.12	.31	.23	.07	-.17
Trust norms	.68	-.43	.13	.15	.22	-.08	.12	-.05	-.12
Competence norms	.62	-.50	.09	.00	.25	-.05	.24	.03	-.28
Trust norms	.58	-.16	.05	.12	.14	.32	.05	-.13	-.36
Competence norms	.58	-.22	.06	.22	.44	.34	.24	.06	-.34
Respect norms	.52	-.43	.18	.19	.15	.23	.20	-.16	-.41
Achievement norms	.51	-.49	.15	.16	.21	.27	.32	.05	-.29
2) Group norms									
Autonomy norms	.26	-.77	.08	.01	-.00	.15	-.06	-.16	-.19
Co-operation norms	.24	-.74	.24	.15	.06	.20	.03	-.00	-.26
Openness norms	.39	-.73	.09	.01	-.00	.19	.15	-.10	.02
Co-operation norms	.26	-.70	.23	.12	-.01	.26	.05	-.26	-.35
Innovation norms	.30	-.69	.08	-.00	.03	.41	.00	-.05	-.03
Autonomy norms	.17	-.67	.16	-.07	.11	.20	-.20	-.25	-.13
Competence norms	.41	-.61	.16	.08	.33	.12	.23	.19	-.24
Innovation norms	.29	-.49	.05	-.00	.03	.48	-.05	-.22	-.32
3) Social exchange theory									
Promotion opportunities	.03	-.17	.77	.14	-.09	.10	.11	-.26	-.17
Position	.15	-.10	.75	.33	.24	-.12	.28	-.23	-.14
Task area	.22	-.05	.73	.33	.26	-.12	.23	-.15	.03
Pay	.11	-.18	.70	.09	.10	-.05	.37	-.04	-.33
Training	-.06	-.10	.70	.20	-.02	.21	.06	-.23	.21
Initial expectation	-.04	-.17	.65	.28	.02	.25	.11	-.32	.20
4) Identification									
Good co-operation	.05	-.00	.30	.80	.14	.05	.24	-.13	.00
Good prospects	.18	-.01	.19	.76	.17	.03	.17	-.18	-.06
Competent people	.27	-.03	.10	.70	.21	.02	.24	-.19	-.01
Pride in membership	.10	-.03	.29	.70	.34	.10	.26	-.29	-.09
Interesting products	-.00	-.12	.17	.68	.13	.28	.20	-.08	.03
Shared values	.01	-.10	.16	.61	.46	-.01	.12	-.20	.03
Trust top manager	-.20	-.13	-.29	-.58	-.17	-.02	-.27	.09	.19
5) Need for achievement									
Self-development	.10	.02	.07	.29	.77	.05	.26	-.16	-.06
Challenging jobs	.13	.02	.11	.22	.75	-.01	.44	-.13	.12
6) Group norms									
Achievement norms	.31	-.19	-.02	.17	.11	.76	.06	.06	-.05
Openness norms	.27	-.39	.22	.06	.04	.62	.01	-.10	-.22
Trust norms	.38	-.42	.11	.16	.28	.56	.04	-.21	-.41
7) Behavioural commitment/ Need for esteem									
Hardworking person	.25	-.14	.18	.25	.22	-.11	.81	-.14	.02
Bad working condition	.13	.04	.22	.26	.35	-.02	.77	-.13	-.26
Others' expectation	.18	.09	.21	.30	.33	.07	.77	-.22	.05
Recognition at work	.29	-.07	.41	.36	.37	.01	.58	-.45	.16
Feel needed	.29	-.16	.36	.44	.31	.00	.56	-.53	.15
8) Intrinsic motivation/ Work disposition									
Intrinsic motivation	.02	-.12	.29	.20	.13	.00	.18	-.83	-.03
Work disposition	.08	-.11	.28	.34	.51	.04	.36	-.57	-.15
Personal approval	.18	-.09	.32	.41	.47	-.00	.48	-.51	-.11
9) Group norms									
Co-operation norms	.43	-.49	.17	.18	.00	.23	.17	-.11	-.62
Innovation norms	.32	-.26	-.02	.14	.42	.44	-.07	-.20	-.45

