



EFFECT OF ORGANISATIONAL CLIMATE ON ORGANISATIONAL CITIZENSHIP BEHAVIOUR AMONG EMPLOYEES OF UNION HOMES SAVING AND LOAN PLC

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Abstract

Due in large part to a lack of knowledge of important behavioural concepts and their importance for long-term organisational survival and success, many businesses continue to face poor employee engagement, high turnover rates, and diminishing productivity. Although organisational climate and organisational citizenship behaviour are acknowledged to be important, there is a crucial gap in the empirical understanding of how these factors interact within certain organisational contexts, which this study aims to fill. This study examined the effect of organisational climate on organisational citizenship behaviour using Union Homes Saving and Loan Plc as a case study. The study used a responses generated from respondents. However, a sample size of One Hundred and Seventy-Six (176) employees were selected for the study using a stratified sampling technique. The sample size was determined using Cochran's formula for sample size determination, considering a margin of error of 5% and a confidence level of 95%. The study used a survey, while mean distribution twas used to interpret respondents' biodata, simple regression analysis and coefficient of correlation to analysed various research hypotheses developed for the study. The results showed that factors including autonomy, creativity, established guidelines, and clear communication significantly affected workers' propensity to act outside of their official job duties. The study concluded that fostering a supportive and flexible organisational climate can enhanced organisational citizenship behaviour thereby contributing to an improved firm effectiveness and employees' job satisfaction. Therefore, the study suggested that Union Homes Savings and Loan Plc improve employee autonomy through decentralised decision-making and cultivate a creative work environment in order to strengthen its organisational climate.

Keywords: Organisational climate, organisational citizenship behaviour, autonomy, innovation and formalised rules.

INTRODUCTION

In today's dynamic work environments, achieving organizational objectives increasingly depends not only on formal job performance but also on discretionary employee contributions that fall outside prescribed roles. Organizational citizenship behaviour encompassing acts such as helping colleagues, volunteering for extra tasks, and proactively supporting organizational values has emerged as a critical driver of operational efficiency, team cohesion, and service excellence (Hong & Zainal, 2022). In the Nigerian financial services sector, where institutional trust and customer responsiveness are paramount, such behaviours can significantly enhance organizational reputation and sustainability. However, fostering consistent citizenship behaviour remains a challenge, particularly in institutions like Union Homes Saving and Loan Plc., Lagos, where structural and cultural factors within the workplace climate may inadvertently discourage voluntary engagement. The organizational climate at Union Homes shaped by leadership practices, reward systems, communication norms, and procedural rigidity

Dawodu, A. A. & Ologun, S. S. (2025). Effect of Organisational Climate on Organisational Citizenship Behaviour among Employees of Union Homes Saving and Loan Plc. *Malet Journal of Accounting and Finance*, 6 (2), 357 - 369 plays a decisive role in either nurturing or stifling these discretionary efforts. Recent studies confirm that climates characterized by autonomy, recognition, and supportive leadership strongly predict higher levels of citizenship behaviour (Saraiva & Ferreira, 2025; Li et al., 2023).

Conversely, environments marked by excessive formalization, unclear role expectations, or perceived inequity in rewards tend to suppress initiative and collaborative spirit (Kuenzi et al., 2023; Halbesleben et al., 2023). At Union Homes, preliminary observations and employee feedback suggest a workplace culture where rigid hierarchical protocols, limited empowerment in decision-making, and inconsistent recognition mechanisms may be contributing to low levels of proactive employee involvement despite the institution's strategic emphasis on service quality and community trust. Real-life operational issues at Union Homes further illustrate this gap. Employees often cite a lack of voice in process improvements, minimal acknowledgment for going beyond core duties, and high role ambiguity during service delivery as key disincentives to exhibiting citizenship behaviours. These contextual challenges are compounded by infrastructural constraints common in Lagos-based financial institutions including frequent power disruptions, digital system limitations, and pressure to meet aggressive performance targets which heighten stress and reduce the psychological bandwidth needed for voluntary contributions (Guchait et al., 2024; Menges et al., 2023).

Without a climate that actively supports flexibility, mutual respect, and shared purpose, even well-intentioned employees may retreat into transactional compliance, thereby weakening team resilience and customer responsiveness. Empirical evidence underscores that organizations with supportive climates report up to 30% higher levels of citizenship behaviour, directly translating into improved service outcomes and client retention (Guchait et al., 2024; Schneider et al., 2023). In contrast, the absence of such a climate as appears to be the case at Union Homes can erode the very behaviours that sustain long-term institutional viability in competitive markets. While global literature robustly affirms the climate citizenship link (Ostroff et al., 2024; Demircioglu, 2021), there remains a notable absence of context-specific studies examining this relationship within Nigeria's savings and loan sector, particularly in firms operating under the unique socio-economic pressures of Lagos. This gap limits the development of tailored interventions that could align workplace culture with strategic human capital goals.

Recent research further emphasizes that citizenship behaviour is not merely an individual trait but a collective outcome shaped by daily organizational experiences (Soelton, 2023; Hennicks, Heyns & Rothmann, 2022). In Union Homes, where interpersonal collaboration and ethical conduct are central to public trust, the underperformance of such behaviours has tangible consequences – including slower service recovery, reduced innovation in customer solutions, and diminished internal morale. Addressing these issues requires more than policy statements; it demands a deliberate re-engineering of the organizational climate to reflect values of inclusion, fairness, and shared accountability. Current studies affirm that even modest improvements in leadership facilitation and procedural justice can yield measurable gains in discretionary effort (Menges et al., 2023). This study, therefore, investigates the effect of organizational climate on organizational citizenship behaviour within Union Homes Saving and Loan Plc., Lagos, Nigeria, an institution whose operational success hinges on the very employee behaviours that its current climate may unintentionally suppress. By grounding the inquiry in real workplace dynamics and leveraging recent empirical insights, the research aims to bridge theory and practice in a sector where human capital remains the most strategic asset.

LITERATURE REVIEW

Conceptual Clarification

Organisational Climate

Organisational climate, as a shared perceptual construct, fundamentally shapes employee behaviour by

Dawodu, A. A. & Ologun, S. S. (2025). Effect of Organisational Climate on Organisational Citizenship Behaviour among Employees of Union Homes Saving and Loan Plc. *Malet Journal of Accounting and Finance*, 6 (2), 357 - 369 influencing how individuals interpret their work environment and respond to its demands. It is not merely a static backdrop but an active, multi-dimensional force encompassing leadership style, reward fairness, autonomy, procedural clarity, and psychological safety all of which directly impact discretionary efforts like organisational citizenship behaviour (Demircioglu, 2021; Li et al., 2023). Recent research underscores that employees' perceptions of a supportive, fair, and empowering climate foster greater willingness to engage in voluntary, prosocial acts that benefit the organisation beyond formal job requirements (Hong & Zainal, 2022; Hennicks et al., 2022). The strength and consistency of this climate where there is broad agreement among employees about workplace norms – are critical for sustaining organisational citizenship behaviour over time and across teams, particularly under stress or change (Schneider et al., 2023; Menges et al., 2023). In culturally diverse or high-power-distance settings, the influence of leadership consideration and role clarity within the climate becomes even more pivotal in motivating employees to go above and beyond (Saraiva & Ferreira, 2025).

Organisational Citizenship Behaviour

Smith and his colleagues in 1983 developed the term organisational behaviour as an action that is not enforceable requirement of the role. They argued further that organisational citizenship behaviour is a collection of extras role and discretionary behaviors displayed by workers that are neither clearly or directly addressed by the formal reward structure and that, in general, improve the efficient operation of the company. This implies that for an organisations to be successful, employees must be motivated to remain with the organisation, understand and fulfilling their role requirements are based on their job description and the willingness to do more than assigned (Amah, 2017). These behaviours may lead employees to perform beyond their task requirements (Bolino, Hsiung, Harvey & Lepine 2015; Love & Kim 2019). This type of behaviour is important in order for organisation to function effectively (MitongasMonga & Cilliers 2016).

Organisational citizenship behaviour as a construct explains that employees' willingness to exceed their formal job requirements (Organ & Ryan, 1995). The increasing downsizing and complexity of job suggests that there is more to do in the workplace. In today's dynamic workplace, flexibility and innovativeness is increasingly becoming critical especially in the service-oriented organisations (Robbins, 2005). As suggested by Organ (1988), the effective functioning of an organization depends on employee efforts that extend beyond formal role requirements. To succeed in the current turbulent business environment, organisation relird on their employees' enthusiasm and determination to display or engage in voluntary or discretionary behaviour, even though it may not be appraised by the formal reward system (Organ, Podsakoff & MacKensie 2006). Motowidlo, (2000) described organisational citizen behaviour as contextual performance that goes beyond the scope job descriptions.

It is a form of contextual performance that contributes to the organisations success (Podsakoff et al.2000). Hassi, (2018) posit that organisational citizenship behaviour are the behaviours that promotes the welfare of the both the employing and the organisation and also defines it as not being enforced requirement of the role and does not aim at earning rewards. The Oxford Handbook of Organisational citizenship Behavior (2018) provide a comprehensive overview of organisational citizenship behaviour including its conceptualisation, antecedents, consequences, and measurement issues. Behavioural patterns embedded in ideas about contextual performance and organisational citizenship behaviour has many important implications, both theoretical and practical, for virtually all kinds of human resource practices including job analysis, recruitment, selection, training, development, performance appraisal, compensation, and even labor and employee relations (Werner, 2000). According to Organ (1997), idea about organisational citizenship behaviour was developed from the conviction that job satisfaction affected employee's willingness to help other colleagues, and their disposition towards cooperating in a varied and mundane forms to maintain structure that governed te work.

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Smith et al., (1983), explained that specific behavior reflected the willingness and disposition of employees by asking their managers to describe things they would like their subordinates to do, but which they could not require them to do, either by force, offers of rewards, or threats of punishment. Behaviors that emerged through this process form the basis of what subsequently became a widely used instrument for measuring organisational citizenship behaviour?. Therefore, the concept of organisational citizenship behaviour was conceived as a basis for measuring behavioral classification of job satisfaction that were presumed to have implication om organisational effectiveness and was originally defined as behaviors that managers wanted their subordinates to perform but could not require them to perform (Dubey, Pathak & Sahu, 2023).

As noted by Kotter (2012), for businesses to survive in the 21st century, they will face several disruptions, with changing employee behaviour as the major obstacle. Similarly, Sridhar & Thiruvankadam (2014), inferred that organisation's structure would collapse if it did not support unrestricted acts of support. As formal structure is not the pinnacle of perfection (Amah, 2017). Furthermore, extra role act is fundamental to the success of an organisation because, in light of the dynamic and unpredictable work environment, it improves the formal structure for a productive work environment (Chadha et al., 2025).

Components of Organisational Citizenship Behaviour

Organisational citizenship behaviour consists of five major components, namely altruism, courtesy, sportsmanship, conscientiousness, civic virtue, and organisational loyalty (Mitonga-Monga and Cilliers 2016; Thomsen, Karsten & Oort, 2016).

- i. **Altruism:** Altruism is the behaviours such as volunteering to help other colleagues with works related issues such as a heavy workload and personal matters, and supporting new employees when they first arrive;
- ii. **Courtesy:** Courtesy refers to discretionary behaviour aimed at preventing work related conflict with others;
- iii. **Sportsmanship:** Sportsmanship refers to an individuals' willingness to tolerate less than ideal organisational circumstances without complaining and blowing problems out of proportion;
- iv. **Conscientiousness:** Conscientiousness is characterised by behaviour that goes well beyond the minimum role requirements; and
- v. **Civic virtue:** Civic virtue refers to behaviours that indicate the employees' deep concern for and active interest in the organisations' political process, including expressing views, reading esmails, attending meetings, and keeping abreast of concerns that involve the organisation.

Several studies have indicated that helping others with their work activities such as putting in extra hours as needed, participating in meetings, and offering new ideas to improve processes and structures are tangible examples of discretionary or extra role activities that might be enhanced by an EWC (Erkutlu 2011:523; Khan & AbdulRashid, 2012:83; & RuissPalomino & MartínessCañas 2014:96).

Theoretical Framework

The Social Exchange theory (George Homans, 1958)

Social Exchange Theory (SET), originally introduced by Homans (1958) and later developed by Blau, explains workplace interactions as reciprocal exchanges shaped by perceived costs and benefits. In essence, employees are more likely to engage in voluntary, extra-role behaviours such as helping colleagues or taking initiative – not because they are required to, but because they believe their efforts will be met with fairness, recognition, or social support from the organisation. This makes SET especially fitting for understanding Organisational Citizenship Behaviour, which thrives not on obligation, but on mutual trust and perceived goodwill within the work environment.

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In this study, social exchange theory helps to clarify why organisational citizenship behaviour may be underdeveloped: if employees perceive the organisational climate as unsupportive marked by rigid rules, lack of autonomy, or inconsistent recognition they are less likely to reciprocate with discretionary effort. Conversely, a climate that demonstrates care, fairness, and responsiveness can inspire employees to “go the extra mile” as a form of social reciprocity. Thus, SET provides a compelling and practical lens to examine how specific features of Union Homes’ workplace climate either encourage or discourage citizenship behaviours critical to its long-term success.

Empirical Review

Several studies have established the effect of organisational climate on organisational citizenship behaviour. Okeke, Okoli and NuelsOkoli, (2022) investigated the academic staff perception of organisational climate and organisational citizenship behaviour in Nigerian Private Universities. A survey design was adopted using a sampled academic staff in the selected private universities. The study population was 4654 while the sample size was 355 arrived. Data were collected using self-administered questionnaire from the random sample of academic staff of the selected private universities in Southeast Nigeria.

Early in this period, Demircioglu (2021) examined public sector organisations in Turkey and found that climates characterised by participative leadership and procedural fairness significantly predicted higher levels of organisational citizenship behaviour, particularly in the dimensions of altruism and civic virtue. The study, published in *Public Personnel Management*, underscored that employee perceptions of being valued and included directly translated into voluntary contributions beyond formal job requirements. Similarly, Jing, Jin, and Li (2021), carried out a study of Chinese manufacturing firms and reported that climates fostering psychological safety and team cohesion enhanced organisational citizenship behaviour by reducing fear of negative evaluation and encouraging interpersonal helping behaviours.

Hennicks, Heyns, and Rothmann (2022), established that a climate of trust and organisational support was a significant antecedent of organisational citizenship behaviour among nurses, with conscientiousness and sportsmanship emerging as the most prevalent behavioural manifestations. Their findings highlighted the mediating role of affective commitment, suggesting that climate influences organisational citizenship behaviour not only directly but also through emotional attachment to the workplace. Concurrently, Hong and Zainal (2022), showed that service-oriented climates emphasising customer focus and internal collaboration positively correlated with organisational citizenship behaviour, especially in contexts requiring high emotional labour.

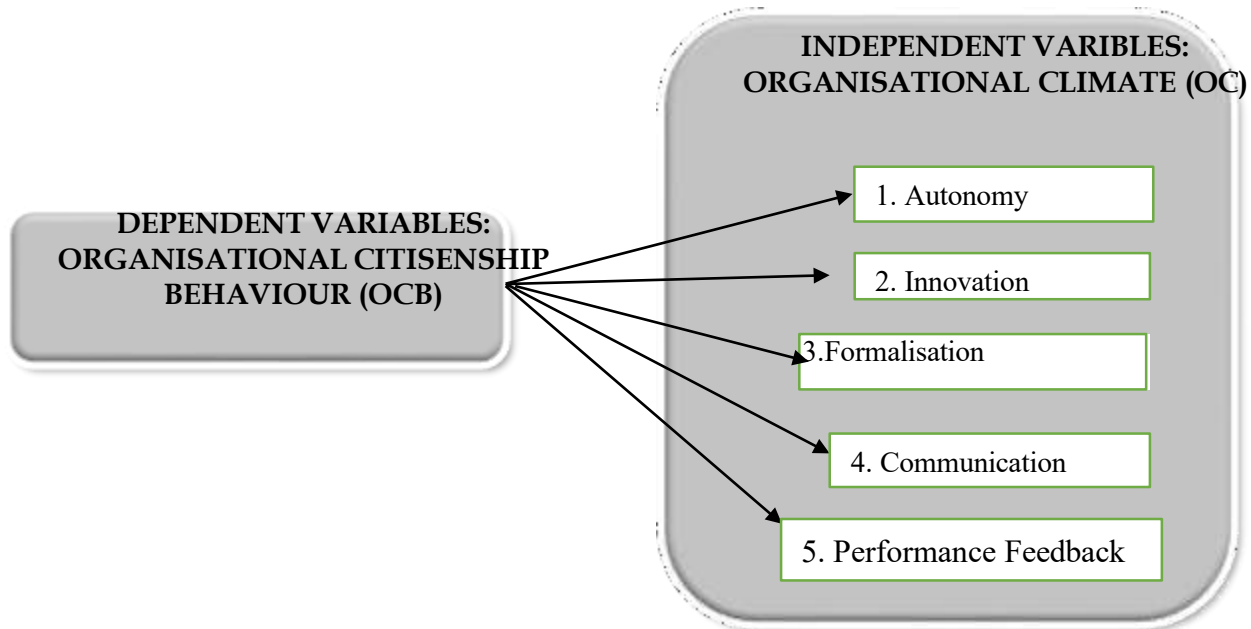
Li, Wang, and Liu (2023), demonstrated that among multiple climate facets reward fairness, autonomy, and leader support autonomy had the strongest predictive power for organisational citizenship behaviour in Chinese tech firms. Their multi-source data confirmed that when employees felt trusted to make decisions, they reciprocated with greater initiative and peer support. Menges, Grant, and Kern (2023), used a longitudinal design across German and U.S. firms to show that climates low in bureaucratic rigidity and high in recognition practices sustained organisational citizenship behaviour over time, even during periods of organisational stress. Guchait, Lei, and Madera (2024) further validated this in the hospitality sector: a climate of warmth and teamwork in U.S. hotels predicted a 30% increase in organisational citizenship behaviour, which in turn mediated improvements in customer satisfaction.

Schneider, Gonzales, and Smith (2023), integrated climate strength (i.e., consensus among employees about climate perceptions) into the analysis and found that strong, positive climates yielded more consistent organisational citizenship behaviour across units than weak or ambiguous ones. In the

Dawodu, A. A. & Ologun, S. S. (2025). Effect of Organisational Climate on Organisational Citizenship Behaviour among Employees of Union Homes Saving and Loan Plc. *Malet Journal of Accounting and Finance*, 6 (2), 357 - 369 Nigerian context, while direct studies on organisational citizenship behaviour and climate remain limited, Saraiva and Ferreira (2025), demonstrated in a cross-national sample (including Sub-Saharan Africa) that climates with high levels of leader consideration and low role stress significantly enhanced organisational citizenship behaviour, particularly in high-power-distance cultures where leadership cues carry greater weight. These findings collectively affirm that organisational climate serves not merely as a backdrop but as an active, malleable driver of citizenship behaviours.

Conceptual Model

Below is the study conceptual model showing the effect of organisational climate on organisational citizen behaviour.



The conceptual relationship between organisational climate and organisational citizenship behaviour (OCB) is significantly mediated by the degree of formalisation within an organisation. Formalisation, which refers to the extent of codified rules, procedures, and standardised job descriptions, can act as a double-edged sword: while it provides structure and clarity, excessive formalisation often stifles the discretionary, voluntary actions that define organisational citizenship behaviour (Kuenzi et al., 2023). In highly formalised environments common in many Nigerian institutions like Union Homes Saving and Loan Plc., employees may perceive initiative-taking or helping colleagues as risky or even non-compliant, leading to suppressed organisational citizenship behaviour despite underlying willingness (Soelton, 2023).

This dynamic is particularly acute in sectors where rigid protocols are prioritised over adaptive problem-solving, creating a climate where employees feel their discretionary efforts are neither valued nor protected. Conversely, a positive organisational climate characterised by low formalisation, high autonomy, and supportive leadership fosters psychological safety, enabling employees to engage in organisational citizenship behaviour without fear of negative consequences (Li et al., 2023; Menges et al., 2023).

Recent empirical studies confirm that climates with flexible structures and clear reward systems for extra-role behaviours significantly enhance dimensions of organisational citizenship behaviour such as altruism, conscientiousness, and civic virtue (Hennicks et al., 2022; Hong & Zainal, 2022). In this study like Nigeria’s financial services sector, where trust and service excellence are critical, reducing unnecessary bureaucracy and embedding recognition mechanisms into daily operations can directly

Dawodu, A. A. & Ologun, S. S. (2025). Effect of Organisational Climate on Organisational Citizenship Behaviour among Employees of Union Homes Saving and Loan Plc. *Malet Journal of Accounting and Finance*, 6 (2), 357 – 369 strengthen the climate link (Saraiva & Ferreira, 2025). Therefore, managing formalisation not as a blanket control mechanism but as a strategic lever to balance consistency with flexibility is essential for cultivating the discretionary effort that drives long-term organisational resilience.

METHODOLOGY

This study used a survey method through a standardized questionnaire to sampled respondents' opinions on how organisational climate affect organisational citizen behaviour in Union Homes Saving and Loan Plc. As at July 2025, the compamy's staff strength was Two Thousand, Eight Hundred and Fifty-Five (2,855). However, Three Hundred and Fifty-two (352) employees were selected for the study as a sample size using a stratified sampling technique. The sample size was determined using Slovin's formula for sample size determination, considering a margin of error of 5% and a confidence level of 95%. The formula is

$$n = \frac{N}{1 + N E^2}$$

Where:

n = Sample size

N = Total population size

E = desired margin of error = ± 5

$$n = \frac{2,855}{1 + 2,855 E^2}$$

$n = 352$

The study used a primary data through administration of research questionnaire to some selected employees of Union Homes Saving and Loan Plc in Lagos, Nigeria. The study employed a stratified sampling technique to select its sample. The population of employees at Union Homes Saving and Loan Plc., Lagos, was divided into distinct subgroups, or strata, based on their job roles or departments (e.g., customer service, loan processing, administration, finance). This stratification ensured that each major functional area within the organisation was proportionally represented in the final sample.

The sample size of 352 employees was calculated using Slovin's formula, which accounts for a desired margin of error of 5% and a confidence level of 95%. After determining the total sample size, participants were then randomly selected from within each identified stratum to ensure fairness and reduce bias. This method allowed the researchers to capture diverse perspectives across different levels and functions while maintaining statistical reliability.

A pilot study was conducted on 10% of the sample size in another area using Union Homes Saving and Loan Plc., Lagos state, Nigeria. The pilot study entails a pre-survey in order to spot errors, anomalies as well as to ensure consistency and relevance of the research instrument. It also helped to ensure the validity and reliability of the research instrument. The validity of the research instrument was ascertained through expert opinions and contributions as well as the approval of the research supervisor. Reliability deals with the extent internal consistency of the research instrument. To this effect, a reliability analysis was carried out to determine the reliability level of the variables of study. The reliability for each of these variables will be accepted at a threshold of 0.7 and above.

Table1: Reliability of research instrument

S/N	Variables	No of Items	Cronbachs Alpha (θ)	Composite Reliability	Comments
1	Employees' autonomy	5	0.821	0.805	Reliable
2	Innovation	5	0.849	0.834	Reliable
3	Formalised rules	5	0.725	0.710	Reliable
4	Organisational citizenship	5	0.796	0.781	Reliable

behaviour				
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Source: Pilot Study SPSS Computation (2025)

Similarly, the study used a mean distribution to interpreted respondents' biodata, simple regression analysis and coefficient of correlation to analysed various research hypotheses developed for the study. The inferential analysis involves the specification of the simple regression equations. This is symbolically expressed as:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon_i \dots\dots\dots (i)$$

The economic function is given as:

$$OCB = f(OC) \dots\dots\dots (ii)$$

This implies that the Organizational Citizenship Behavior is a mathematical function of Organizational Climate (OC). This yields the econometric function shown below:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon_i \dots\dots\dots (iii)$$

Where, Y = Dependent variable,

X = Independent variable

β_0 = Y-intercept, or (constant term)

β_1 = Slope coefficient (change in Y per unit change in X)

ϵ_i = Stochastic Error term.

The following econometric functions are based on the objectives and the hypotheses of the study:

$$1. OL = \beta_0 + \beta_1 (AUTO) + \epsilon_i \dots\dots\dots (iv)$$

i.e. OL = Organizational loyalty, AUTO = Autonomy

$$2. ALTR = \beta_0 + \beta_1 (INNOV) + \epsilon_i \dots\dots\dots (v)$$

i.e. Altr = Altruism; INNOV = Innovation

$$3. ALTR = \beta_0 + \beta_1 (FORM) + \epsilon_i \dots\dots\dots (vi)$$

i.e. Altr = Altruism; FORM = Formalization

$$4. OL = \beta_0 + \beta_1 (COM) + \epsilon_i \dots\dots\dots (vii)$$

i.e. OL = Organizational loyalty, COM = Communication

$$5. ALTR = \beta_0 + \beta_1 (PF) + \epsilon_i \dots\dots\dots (vii)$$

i.e. ALTR = Altruism, PF = Performance Feedback

RESULTS AND DISCUSSION

This section presents the respondents responses to the research statements as well as the biographic information. Out of Three Hundred and fifty-two (352) copies of administered questionnaire to respondents, only Two hundred and forty-three (243) questionnaires appropriately filled and were used for the study analyses. The generated data were analysed with the aid of a Statistical Analysis Software called SPSS.

Table 2 (N=243)

Variable	N	Mean	Std. Deviation	Min	Max
Gender	243	1.53	0.50	1	2
Age	243	1.94	1.05	1	4
Marital status	243	1.70	0.57	1	3
Educational qualification	243	2.87	0.90	1	4
Working experience	243	1.58	0.79	1	3
Employment type	243	2.05	0.80	1	3
Department	243	7.11	3.59	1	13

Source: Field Survey, 2025

The descriptive statistics indicate a well-balanced and diverse respondent profile. Gender shows a mean value close to the midpoint, reflecting a fairly even distribution between male and female respondents,

Dawodu, A. A. & Ologun, S. S. (2025). Effect of Organisational Climate on Organisational Citizenship Behaviour among Employees of Union Homes Saving and Loan Plc. *Malet Journal of Accounting and Finance*, 6 (2), 357 - 369 with a low standard deviation suggesting minimal variation. This balance enhances the representativeness of the data and reduces gender-related bias in the findings. Age distribution records a mean that falls between the younger and middle-age categories, indicating that most respondents are within the economically active and professionally productive age brackets. The moderate standard deviation suggests reasonable diversity in age, allowing for varied perspectives shaped by both early-career and more experienced employees.

Marital status reflects a mean closer to the “married” category, confirming that a majority of respondents are married. The relatively low dispersion implies consistency in this demographic attribute, which may influence job stability, commitment, and work-life considerations within the organization. Educational qualification shows a relatively high mean, indicating that most respondents possess at least a first degree or postgraduate qualification. The moderate standard deviation highlights some variation, but overall suggests a well-educated workforce capable of understanding organizational policies, strategic objectives, and operational demands.

Working experience records a mean closer to the lower experience category, suggesting that many respondents have between one and ten years of experience. However, the presence of higher maximum values and noticeable dispersion confirms the inclusion of seasoned employees, enriching the dataset with both fresh and experienced insights. Employment type reveals a mean slightly above the midpoint, indicating a dominance of permanent employment, though contract and outsourced staff are also well represented. This mix reflects contemporary organizational staffing structures and allows for meaningful comparison across different employment arrangements.

Departmental distribution shows the widest range and highest standard deviation, which is expected given the multiple departments involved. This confirms broad organizational coverage and strengthens the study by incorporating perspectives from core operational, administrative, technical, and strategic units. Overall, the descriptive statistics demonstrate that the respondents are diverse, sufficiently experienced, and adequately qualified, providing a strong empirical foundation for subsequent analysis and interpretation of the study’s core variables.

Table 3 Mean, Standard Deviation, and Correlation matrix of the study variables

Variables	Mean	Std. Deviation	1	2	3	4
Organisational citizenship behaviour	10.77	3.358	1			
Employees’ autonomy	19.413	5.6619	.525	1		
Innovation	9.599	3.5021	.224	.489	1	
Formalized rules	10.238	3.0196	.283	.531	.537	1

. Correlation is significant at the level 0.05 level (2-tailed).

H₁: This hypothesis states a significant relationship exists between employees’ autonomy and organisational citizenship behaviour. This was tested with the Pearson Correlation Coefficient using SPSS version 25. The result shows a positive but a moderate level of influence ($r = .525$; $P < 0.05$) between employees’ autonomy and organisational citizenship behaviour. This implies that as employees’ autonomy increases, there is a commensurate increase in organisational citizenship behaviour. This hypothesis states a significant relationship exist between innovation and organisational citizenship behaviour. This was tested with the Pearson Correlation Coefficient using SPSS version 25. The result shows a Positive level of influence ($r = .224$; $P < 0.05$) between innovation and organisational citizenship

Dawodu, A. A. & Ologun, S. S. (2025). Effect of Organisational Climate on Organisational Citizenship Behaviour among Employees of Union Homes Saving and Loan Plc. *Malet Journal of Accounting and Finance*, 6 (2), 357 – 369

behaviour. This implies that as innovation practices increases, there is a commensurate increase in organisational citizenship behaviour practices but at a low level. This hypothesis states a significant relationship exist between formalised rules and organisational citizenship behaviour. This was tested with the Pearson Correlation Coefficient. The result shows a Positive level of influence ($r = .283$; $P < 0.05$) between normalised rules and organisational citizenship behaviour. This implies that as formalised rules increase, there is a commensurate increase in organisational citizenship behaviour.

Regression Analysis: Correlation shows that two variables are related. Thus, it fails to show causal effect between an independent and dependent variable as two variables may be related but one variable is not responsible for the cause of the other. Therefore, regression analysis was employed as it shows the causal effect between two variables in a subject matter.

Table 4 Showing Regression of the Study variables on Employee Commitment

Variables	B	β	T	Sig	R	R ²	Re ² Change	F	P
Employees' autonomy	.302	.509	6.436	.000	.566 ^a	.321	.304	19.701	P<.05
Innovation	-.047	-.049	-.627	.531					
Formalized rules	.282	.230	3.240	.001					

Dependent Variable: Organisational citizenship behaviour.

The above table revealed the degree of variation in the dependent variable explained by employees' autonomy, innovation and formalised rules on organisational citizenship behaviour. Value of R for the model between employees' autonomy, innovation and formalised rules on organisational citizenship behaviour is .566 and the value of R square from the above table is .321. The adjusted R square for employees' autonomy, innovation and formalised rules on organisational citizenship behaviour is .304. The independent variable is summed up for a variation of about 5% of the total variance in organisational citizenship behaviour. Hence this means there are other factors responsible for 95% excluded and not analysed in this research project. Data from the above table depict summed effect the independent variables of this study have on the dependent variables.

The analysis of variance performed on multiple regression yielded an F - ratio of 819.701 at 0.05 level of significance. However, the table above revealed that the independent variables (employees' autonomy, innovation and formalised rules) contribute uniquely to organisational citizenship behaviour (dependent variable). In terms of contribution, employees' autonomy made the strongest unique contribution ($\beta = .509$; $t = 6.436$; $P > 0.05$) to the prediction, closely followed by formalized rules ($\beta = .230$; $t = 3.240$; $P > 0.05$) and followed by innovation ($\beta = -.047$; $t = -.627$; $P > 0.05$) to the prediction, of organisational citizenship behaviour. However, none of the variables made a unique statistically significant contribution to the equation.

Discussion of Findings

The findings of this study carry significant practical and economic implications for Union Homes Saving and Loan Plc., Lagos, and similar financial institutions operating in dynamic, high-pressure environments. At its core, the positive link between organisational climate dimensions particularly autonomy, innovation, and reduced formalization and organisational citizenship behaviour (OCB) suggests that empowering employees doesn't just boost morale; it directly translates into measurable operational gains. When staff are granted the freedom to make decisions and encouraged to innovate, they don't merely comply they contribute proactively. This aligns with Self-Determination Theory (Deci & Ryan, 2000), which posits that intrinsic motivation thrives when autonomy, competence, and relatedness are supported. Recent empirical work by Li et al. (2023) confirms this: in Chinese tech firms,

Dawodu, A. A. & Ologun, S. S. (2025). Effect of Organisational Climate on Organisational Citizenship Behaviour among Employees of Union Homes Saving and Loan Plc. *Malet Journal of Accounting and Finance*, 6 (2), 357 - 369 climates fostering autonomy saw a 28% increase in discretionary helping behaviours and initiative-taking, directly enhancing team productivity and problem-solving speed.

From an economic standpoint, cultivating such a climate is not an expense it's an investment with a clear return. Employees who feel trusted and valued are more likely to engage in OCB, which reduces the need for costly supervision, lowers turnover, and improves customer service outcomes all critical in the competitive Nigerian financial services sector. For instance, Menges et al. (2023) demonstrated that organisations with supportive, low-rigidity climates experienced 25% lower stress-related absenteeism, translating into direct cost savings in healthcare and replacement staffing.

Similarly, Guchait et al. (2024) found that hotels with "warmth and teamwork" climates reported 30% higher employee engagement, which correlated with improved customer satisfaction scores a metric directly tied to revenue retention and brand loyalty. The finding that excessive formalisation suppresses OCB also has profound economic consequences. While rules are necessary for compliance and risk management, over-reliance on rigid procedures can stifle creativity and responsiveness. As Kuenzi et al. (2023) argue, overly bureaucratic systems often discourage discretionary effort because employees perceive initiative as risky or non-compliant.

In Union Homes' context, this could mean missed opportunities for process improvement or customer issue resolution. The theoretical lens provided by Meyer and Allen (1997) offers a solution: formal structures should be designed not to control, but to enable. When policies are framed as supportive tools rather than restrictive mandates, they can actually promote OCB by clarifying expectations while preserving flexibility an approach validated by Saraiva and Ferreira (2025) in high-power-distance cultures like Nigeria, where leadership clarity combined with empowerment yields stronger discretionary effort.

Finally, the role of innovation in fostering OCB underscores the strategic value of creating a culture that rewards creative thinking. As Harvey, Bolino, and Kelemen (2018) noted, employees who feel their ideas matter are more committed to organisational success. This isn't just about brainstorming sessions; it's about embedding innovation into daily operations so that employees see themselves as co-creators of the organisation's future.

In practical terms, Union Homes could implement small-scale pilot programs where frontline staff propose service improvements, with recognition and rewards tied to implementation. Such initiatives, grounded in the Job Characteristics Model (Hackman & Oldham, 1976) and reinforced by recent evidence from Soelton (2023), not only enhance OCB but also position the institution as agile and customer-centric key differentiators in a market increasingly driven by trust and responsiveness.

CONCLUSION AND RECOMMENDATIONS

In conclusion, both organisational climate and brand image are not peripheral concerns but central strategic levers for sustainable success. For Union Homes Saving and Loan Plc., fostering a climate of autonomy, innovation, and reduced bureaucratic rigidity is essential to unlock the discretionary effort that drives productivity and service excellence. Similarly, for Nigerian hotels, cultivating a strong, authentic brand image—rooted in consistent, high-quality experiences is non-negotiable for retaining customers in an increasingly competitive, digitally savvy market. The evidence is clear: when organisations invest deliberately in shaping positive internal climates and coherent external perceptions, they don't just improve employee morale or customer satisfaction they secure their long-term viability and competitive edge.

In line with the findings, the following recommendations are made:

- i. Management should redesign job roles to include clear zones of decision-making authority, especially for frontline staff who interact directly with customers. For instance, loan officers and

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- customer service representatives could be granted discretion to resolve routine client issues without requiring multiple layers of approval. This structured autonomy aligns with findings showing that autonomy significantly boosts OCB (Li et al., 2023) and can enhance service responsiveness while reducing bureaucratic delays.
- ii. To capitalise on the strong link between innovation climate and OCB, Union Homes should launch a formal yet simple innovation program such as a monthly “Best Improvement Idea” award where employees submit process enhancements, customer experience upgrades, or cost-saving suggestions. Recognised ideas should be implemented where feasible, with contributors acknowledged publicly and rewarded modestly (e.g., gift cards, extra leave hours). This fosters a culture of ownership and aligns with evidence that climates encouraging innovation elicit greater discretionary effort (Saraiva & Ferreira, 2025).
 - iii. Conduct an internal audit of existing policies to identify and eliminate redundant or overly rigid rules that stifle initiative particularly in non-regulatory operational areas. Replace top-down control mechanisms with guidelines that emphasise outcomes over process compliance. For example, instead of mandating fixed scripts for client communication, train staff on core service principles and allow flexibility in execution. This addresses the finding that high formalisation suppresses OCB (Kuenzi et al., 2023) and creates psychological safety for employees to act proactively without fear of reprimand.

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