



Ethical work climate, employee commitment and proactive customer service performance: Test of the mediating effects of organizational politics



Patricia Yin Yin Lau^{a,*}, Jane L.Y. Terpstra Tong^a, Bella Ya-Hui Lien^b, Yen-Chen Hsu^b, Chooi Ling Chong^a

^a School of Business, Monash University Malaysia, Jalan Lagoon Selatan, 47500 Bandar Sunway, Selangor Darul Ehsan, Malaysia

^b Department of Business Administration, National Chung Cheng University, 168 University Rd., Min-Hsiung Chia-Yi County, Taiwan, ROC

ARTICLE INFO

Keywords:

Ethical work climate
Proactive customer service performance
Organizational politics

ABSTRACT

This study examined the mediating effects of organizational politics on the relationships between ethical work climate and two employee outcomes: affective commitment and proactive customer service performance. Using 200 survey responses collected from six shopping malls, we found that perceived ethical work climate had a direct effect on employee perceptions of organizational politics, affective commitment and proactive customer service performance. Moreover, perceived organizational politics partially mediated the relationship between ethical climate and affective commitment, but not that between ethical climate and proactive customer service behavior. We recommend retailers develop ethical climate to strengthen their competitive advantage.

1. Introduction

In an industry characterized by rapidly changing trends and preferences and fierce competition (Lang et al., 2013), more and more retail businesses have focused on organizational factors to stay competitive (He et al., 2011; Lee et al., 2012). One such organizational factor is ethical work climate. Ethical work climate is crucial in building long-term ties with customers (Schwepker and Hartline, 2005). Focusing on the retail industry, Adams et al. (2001) concluded that employees at all levels display more positive behavior in organizations with an ethical work climate than in organizations without one. This study is important to deepen our understanding of the effect of an ethical work climate by examining its relationships with organizational politics, affective commitment and a service-industry-specific proactive behavior: proactive customer service performance.

A review of ethical climate and customer service literature supports the need for this study. First, the organizational strategy that strives to achieve excellent customer service requires a translation of human resource policies into customer-oriented service practices (Crotts et al., 2005). Although studies conducted in the retail industry have examined how human resource policies and practices influence customer service behavior (Ashill et al., 2015; Dimitriades, 2007; Swimberghe et al., 2014; Xavier et al., 2015), more research is called for to understand the mechanism through which ethical climate influences work outcomes, for example, proactive customer service performance

(Ashill et al., 2015; Dimitriades, 2007). Second, research related to the general mechanism through which ethical climate affects employee attitude and behavior remains limited (Kacmar et al., 2013), particularly in terms of how ethical climate interacts with internal politics (Gotsis and Kortezi, 2010; Vigoda-Gadot, 2007).

Third, an organization's pay and promotions policies are key dimensions of its politics (Kacmar and Ferris, 1991). Employees' responses to and perceptions of those reward policies in a collectivist society can differ from those in an individualistic society (Kacmar and Carlson, 1997). For example, Chinese managers place less emphasis on employee work performance when making compensation decisions for employees (Zhou and Martocchio, 2001). These reward practices may be perceived as more acceptable in a collectivist society due to the importance of relationships and other relational factors (Yamagishi et al., 1998; Poon, 2004). These findings point to the need to examine the dynamics between ethical climate and organizational politics in a collectivist society, such as Malaysia, where the present study is set.

Fourth, recent studies of employee discretionary behavior have extended beyond in-role service-oriented behavior (Chuang and Liao, 2010; Bowen, 2016). As retail businesses depend on frontline employees to identify and meet customers' needs, it has become necessary to examine their proactive customer service performance (PCSP) (Ackfeldt and Coote, 2005; Bowen, 2016; Rank et al., 2007; Raub and Liao, 2012). Furthermore, as PCSP is still a relatively new construct, its antecedents are largely unexplored. Thus, an under-

* Corresponding author.

E-mail addresses: patricia.lau@monash.edu (P.Y.Y. Lau), jane.tong@monash.edu (J.L.Y. . Tong), bmayhl@ccu.edu.tw (B.Y.-H. Lien), pshsu@gm.pu.edu.tw (Y.-C. Hsu), clcho13@student.monash.edu (C.L. Chong).

<http://dx.doi.org/10.1016/j.jretconser.2016.11.004>

Received 12 July 2016; Received in revised form 26 September 2016; Accepted 11 November 2016
0969-6989/ © 2016 Elsevier Ltd. All rights reserved.

standing of how ethical climate and organizational politics influence PCSP will add to our understanding of the retail industry, both theoretically and practically.

In the following sections, we present a literature review of the study variables and then our hypotheses. After that, we describe the study method and findings. We end this paper with a discussion and a description of the study implications.

2. Literature review and hypothesis development

In this section, we draw from literature on ethical work climate, reward system politics, proactive customer service performance, and affective commitment. Using social exchange theory, we develop the interrelationships between the studied variables.

2.1. Ethical work climate and reward system politics

Ethical work climate is defined as “the prevailing perceptions of typical organizational practices and procedures that have ethical content” (Victor and Cullen, 1988, p. 101). It comprises five dimensions that include caring (empathy for others), rules (accepted sets of procedures and policies in organizations), law and code (accepted codes of conduct and rules governed by professional bodies and larger societal systems), independence (individual sets of moral and ethical beliefs) and instrumentalism (heavy reliance on personal interests) (Victor and Cullen, 1988). As part of the prevailing organizational climates, an organization's ethical climate is shaped by its founders and early leaders and modified by later members and most importantly by the management or leaders who decide its rules and policies (Dickson et al., 2001).

An organization's ethical orientation forms the foundation of the rules, procedures and policies in its operating systems (Dickson et al., 2001). Therefore, an organization's ethical climate has an effect on its pay and promotion policies, which are aspects of its politics. As defined by Kacmar and Carlson (1997), organizational politics refer to an actor's attempts at influencing those who can provide rewards to advance his or her self-interest. Therefore, pay and promotion policies, or reward system politics, sit at the core of organizational politics. From the perspective of organizational justice, reward system politics manifest as the opposite of procedural justice and are conceptually distinct (Aryee et al., 2004). When the level of reward system politics is high, employees tend to perceive a lower level of procedural injustice (Andrews et al., 2009). An organization with a high level of reward system politics permits its managers to make biased decisions when they exercise their reward power (Vigoda, 2000).

Given this, we posit that there should be a negative association between ethical climate and reward system politics. When a management team aims to maintain a higher ethical standard, cares about employees and expects them to follow rules and regulations, it is likely to try to decrease the reward system politics. We therefore make the following hypothesis.

H1. Ethical climate negatively influences reward system politics.

2.2. Ethical work climate, proactive customer service performance and affective commitment

Proactive customer service performance (PCSP) involves employees taking initiatives to improve processes, anticipating future problems and solutions and maintaining persistence at work (Crant, 2000; Grant and Ashford, 2008). Such behavior is distinct from task performance, as it goes beyond the prescribed job description (Rank et al., 2007), service scripts and standard operating procedures (Raub and Liao, 2012). It also differs from customer-oriented organizational citizenship behavior and customer-oriented pro-social behavior that does not involve taking purposive initiatives, thinking forwardly or taking

preventive measures (Brief and Motowidlo, 1986; Raub and Liao, 2012).

To explain the relationships between PCSP, affective commitment and ethical work climate, we apply social exchange theory. Social exchange theory, grounded in the universal norm of reciprocity, assumes that self-interested actors transact with other self-interested actors to accomplish goals they cannot achieve alone. The transactions between actors elevate and become habitual and sentimental when the other party values the exchanged resources (Blau, 1996). Empirical studies support this theory and conclude that a positive climate yields positive organizational behavior, as employees tend to reciprocate in the way they feel they are treated (Luria and Yagil, 2008; Schwepker and Hartline, 2005). When ethical climate is there to regulate organizational policies, procedures and practices, employees are more inclined to engage in extra-role behavior as an act of reciprocation (Leung, 2008). In Chung and Liao's (2010) study, people-oriented policies and strategies were found to be enablers of high employee performance. Leung (2008) also concluded that ethical climate that emphasizes law, code and care is more likely to promote performance behavior. In short, perceived fairness in the work environment enhances employee performance-related behavior (Luria and Yagil, 2008; Moon et al., 2008; Schwepker and Hartline, 2005).

H2. Ethical climate positively influences proactive customer service performance.

Allen and Meyer (1990) identified three dimensions of organizational commitment: affective commitment (feelings-based), normative commitment (obligation-based), and continuance commitment (cost-based). Affective commitment, the most studied dimension, is defined as “an emotional attachment to, identification with, and involvement in, an organization” (Allen and Meyer, 1990, p.1). Although normative and continuance commitments are both considered as important bases for employee organizational commitment (Allen and Meyer, 1990), they are found to have some issues with their psychometric properties (Brown, 1996; Solinger et al., 2008). Conceptually normative commitment is different from affective commitment, but empirically they are highly correlated. Thus, there is a lack of distinction between these two constructs (Bergman, 2006; Solinger et al., 2008). Continuance commitment, on the contrary, has almost no relationship with either affective or normative commitment (Solinger et al., 2008; Wallace et al., 2013). In short, affective commitment is the most robust commitment construct among the three to understand employee behavior. Furthermore, it has been found to be positively associated with employee service performance outcomes in the Asian contexts (Dhar, 2015; Jaiswal and Dhar, 2016).

Employees' attitude toward work is affected by the cues received from the work context (Salancik and Pfeffer, 1978). Affective commitment is a common response toward a positive work environment. We can construe that ethical climate should have a positive impact on affective commitment. Moreover, employees are more committed to their organizations when their ethical values match those of the organizations (Ambrose et al., 2008). Following Cullen et al. (2003), we expect that perceived ethical climate leads to positive employee affective commitment.

H3. Ethical climate positively influences affective commitment.

2.3. Reward system politics, proactive customer service performance (PCSP) and affective commitment

The norm of reciprocity is also part of the dynamics of organizational politics. “You stab my back, I'll stab yours” is another application of reciprocity (Buchanan, 2008, p. 49). Empirical studies have documented negative effects of organizational politics on employee discretionary behavior. Reward politics are negatively related to organizational citizenship behavior (Bolino and Turnley, 2012) and citizenship behavior motive (Bowler et al., 2010). They also silence voice behavior.

Download English Version:

<https://daneshyari.com/en/article/5111382>

Download Persian Version:

<https://daneshyari.com/article/5111382>

[Daneshyari.com](https://daneshyari.com)