Cultivating OCB through Ethical Leadership: Studying the influence of Collectivism

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Abstract
This purpose of this study is to assess the relationship between ethical leadership and organizational citizenship behavior, and to assess the moderating effect of collectivism on the two. Using a sample of 256 employees from a Hong Kong-based chain Chinese restaurants in this study, results shows that there is (i) positive relationship between ethical leadership and employee helping behavior, and between ethical leadership and employee effort; (ii) negative relationship between ethical leadership and employee intention to leave, and between ethical leadership and conflict. With the inclusion of the collectivist culture as moderator, only the moderating effect on relationship of ethical leadership and employee effort is significant. The moderating effects of the other three relationships are insignificant. Discussion on the research result and limitations of this study are provided. Recommendations on real business practices and future researches are also provided.
Introduction

Ethics, in particular business ethics, has continued to attract the eyes of the world. This is because there is an “increasing public interest in understanding the nature of corporate ethics due to the knowledge that unethical decisions and activities frequently undermine the performance and abilities of many organizations” (Clark and Leonard, 1988, p. 619). Besides considering monetary return as is a indicator of business success, additional factors like transparency, fairness and justice are increasingly important and are taken into greater consideration nowadays. As a developing country, business growth is drastically increasing in China, however, there are significant problems with business ethics in China. Many of the recent scandals resulted from unethical profit oriented leadership practice, hence employees are exploited and lead to organizational ineffectiveness. For example, Foxconn manufacturing plant was reported about suicide scandal for exploiting and mistreating workers since 2007. As more and more ethical scandals in the business world are revealed, different sectors of the society, including the government, the academics and the general public are paying more attention to the concept of ethical leadership. Since leaders in the organization play an important role in changing and shaping the behaviors of employees, most of the people believe that if leaders are able to behave ethically, they will be able to influence the behaviors of their subordinates. In the long run, the mindset of the organization, the market and society on behave ethically will positively change eventually.

Starting from the late 1970s, there is an increasing interest in organizational citizenship behavior (OCB). It is because these kinds of behaviors are related to organizational success, thus have an important impact in the workplace. OCB is behavior of an individual that is discretionary in nature, not rewarded formally and recognized directly by the organization, OCB can enhance organizational effectiveness, efficiency, and competitive advantages as a result (Organ, 1988; Bolino et al., Podsakoff et al. 2000). Social Exchange Theory (Blau 1964) can be used to explain why employees demonstrate
OCB as it suggests that individual essentially take the benefits and minus the costs in order to determine how much a relationship is worth. Putting the theory in the ethical content, if the employee is positively treated by the organization, the employee will have positive feeling towards the organization and will be motivated to perform and build up a close relationship with the organization in return.

Organizational culture affects the ways on how things are done and how interpersonal relationship is handled in an organization. According to Grojean et al. (2004), leaders play an important role in creating and maintaining organizational culture. There are two major aspects in organizational culture: individualism and collectivism. These two concepts lie on a continuum; an organization can be a more individualistic, more collectivist, or a mix of two. To illustrate with examples, China and Hong Kong are considered as towards the end of collectivism, whereas Germany and the United States locate on the side of individualistic. Ethical leadership sets the tone and the culture of an organization on how things are done. The organizational culture influences employees’ perception towards ethical leadership, and thus the degree to which they are likely to perform organizational citizenship behavior.
Objectives

This study aims at contributing in 2 aspects. Firstly, by finding a positive relationship between ethical leadership and OCB, we can provide practical suggestions for organization to promote OCB working environment through ethical leadership training. The extra efforts, loyalty and initiatives given by employees are vital for the survival and sustainability of the organization (Waldman, 1994). The uniqueness of our study is that we have invited the immediate supervisors to participate in completing the questionnaire and matched the results with that of the subordinates. As suggested by Leung (2008), she recommended future study on ethical work climate to “involve the immediate supervisor who can provide a performance rating for each participating employee”.

Secondly, this study contributed by adding cultural factors as moderator for discovering the influence of collectivism on the relationship between ethical leadership and OCB, so as to see whether Chinese culture influencing ethical leadership and OCB. There is only 1 out of 11 research in the past investigating the relationship between leadership and OCB and one researcher had added cultural context in the research on ethical leadership. Previous study conducted by Alicia (2008), has recommended future that research on “employee role in collectivist cultures may be needed to fully understand the effects of ethical climate on employee findings in a more direct way.” Collectivism is the strong degree that individuals are integrated into groups (Hofstede & Bond, 1988). In other words, in an organization that has a collectivist culture, employees are characterized as focusing and promoting on the good of groups and the organization instead of oneself. Therefore, the degree to which employees look after the interests of the group and the organization should influence the relationship between ethical leadership and OCB. At the end, we believe that by revealing the proposed link between ethical leadership and OCB, and the moderating effect on influence on it, managers of
the Chinese organizations may pay more attention on developing ethical leadership and OCB, leading to organizational effectiveness.

This project studies the relationship between ethical leadership and organizational citizenship behavior (OCB). According to Brown, Trevino and Harrison (2005), ethical leadership refers to “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (p.120). Based on Organ’s work (1997), OCB refers to “contributions to the maintenance and enhancement of the social and psychological context that support task performance” (p.91). OCB can also be explained as an illustration of additional behaviors that are not required but help improving organization’s efficiency, effectiveness and competitive advantage (Jones and Goerge, 2004, p.64; Organ, 1988).

The relationship between leadership behavior and organizational citizenship behavior has been developed. It is found that leadership behavior is one of the antecedents of organizational citizenship behavior. The four categories of leadership behavior: transformational leadership behavior, transactional leadership behavior, behaviors under the path-goal theory of leadership and behaviors under the leader-member exchange theory, are found to be positively related to OCB. The relationship between ethical leadership and organizational citizenship behavior has been supported (Leung, 2007; Kacmar, Bachrach, Harris & Zivkuska, 2011). However, only Leung’s research focuses on the influence of collectivism. Other researches mainly explore the relationship between ethical leadership and organizational citizenship behavior under an individualistic context.
Literature Review

According to Hackman and Johnson (2002), “ethics are standards of moral conduct; judgments about whether human behavior is right or wrong”. Ethical behavior will be the result if moral values are always considered first (Hackman and Johnson, 2000, p.337). Chen et al. (1997, p. 856) claimed that “there has been a call for a return to the view of business as a moral practice in which managers are concerned about the ethical consequences of what they do.” Business scandals such as Enron, WorldCOM, and the recent News Corporation case have attracted worldwide attention on the concept of ethical leadership than before. Leaders of the above mentioned giant organizations always bear responsibilities on these scandals. As indicated by the words of a participant in the study conducted by Hornett and Fredricks (2005), “leadership comes with ethics. Otherwise, you’re not really a leader”. Mautz and Sharaf (1961) suggested that leaders have the responsibility for implementing standards of ethical conduct and moral values. Leaders play a vital role in shaping their subordinates’ behavior, thus changing the organizational practice ethically as a whole. They can enforce ethical norms throughout the organization by their actions. In fact, many studies have indicated that managers, as leaders in the organization, are of influential position in shaping employees’ behaviors. According to Zey-Ferrell et al., an individual’s ethical definitions are acquired from their colleagues and their managers. Even though peers and managers are regarded as referent others, managers are found to be more influential due to their authority (Baumhart, 1961; Brenner and Molander, 1977; Hunt et al., 1984). Studies have indicated the strong association between corporate leadership and individual employee behavior (Deluga, 1995; Schnake et al., 1993; Wayne and Green 1993). Even though an employee may acquire a very high ethical standard before joining the organization, his or her ethical behavior may still change in order to imitate the ethical behavior of the leader (Zey-Ferrell et al., 1979). Leaders’ direct behaviors not only affect the employees’ behaviors, but also influence their perceptions of organizational norms and appropriate conduct. According to Lee (1986), leaders’ actions establish and shape the ethical tone.
in the organization both directly and indirectly. Leaders’ actions and behaviors that are demonstrated, encouraged and rewarded, help showing the employees and subordinates of what behaviors are accepted in the organization. Through this process, behaviors of employees and subordinates will be changed. Ethical leadership consisted of two aspects (Brown and Treviño, 2006), one is moral person aspect and the other one is moral manager aspect. Moral person aspect is more related to the personality of the leaders; while moral person aspect refers more to the leader’s intention to communicate and guide subordinates acting towards ethical behavior.

Empirical studies have showed that ethical leadership is positively related to follower OCBs (De Hoogh and Den Hartog, 2008; Mayer et al., 2009). In addition, Piccolo et al., (2010) discovered that ethical leadership had a positive influence on follower OCBs through the mediation of task significance and follower effort. William et al. (2002) reported that fairness in leaders is related to employees’ intentions to engage in OCB. This is because there is a psychological contract exists between leaders and employees. As described by Coyle-Shapiro and Kessler (2000, p.94), psychological contract in a work context is a set of “reciprocal obligations” involving “mutual expectations.” Recent researches also found that ethical leadership is positively related to in-role and extra-role performance (Detert et al., 2007; Kalshoven, Den Hartog, & De Hoogh, 2011) and employee motivation (Piccolo et al., 2010).

Organizational citizenship behavior (OCB) is defined as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (Organ, 1988, p.4). Through this definition, there are three aspects that are unique to this construct. First, OCB is of discretionary nature. In other words, OCB is behaviors that are not included in the job description, but is performed based on the situation and the personal choice of the employee. Another aspect of OCB is that it goes above and beyond the enforceable requirement of the job description. Thirdly, OCB helps improving the overall effectiveness of an organization. However, this original definition
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has caused many criticisms. The most criticized part is the discretionary nature of OCB. As jobs are no longer clear-cut in every aspect and in every industry, it is very difficult to determine which part of the employees’ behaviors is discretionary and which part is not. Therefore, in face of these criticisms, Organ (1997, p.95) shifted the definition of OCB as “performance that supports the social and psychological environment in which task performance takes place”, which is generally accepted by other researchers. Additionally, on top of making positive contributions to the organization, OCBs also include forbearing and enduring occasional costs and inconveniences (Organ, 1990).

OCB is very often compared with contextual performance. Contextual performance is refers to behaviors that are not task-related and that contribute to the social and psychological aspects of the organization (Borman & Motowidlo, 1993). Both OCB and contextual performance are very similar in most of the meanings. They consist of behaviors out of those needed to perform the routine functions of the job. These behaviors contribute to the overall success of the organization. Furthermore, these behaviors are discretionary. Individual employee chooses the amount and degree to which they will perform them. OCB and contextual performance are different from each other in some aspects. While OCB is not formally rewarded, contextual performance is. And, while OCB is extra-role behaviors, contextual performance is non-task behaviors only. OCB is also compared with prosocial organizational behavior. Prosocial organizational behavior (POB) means behaviors in an organization that aim to improve the welfare of another person (Brief and Motowidlo, 1986). It is clear that OCB focuses on behaviors that are related to the organization, while POB can be viewed as behaviors that have nothing to do with the organization. POB includes behaviors that help colleagues with personal matter. Another construct that are related to OCB is extra-role behavior. Extra-role behavior (ERB) is “behavior that attempts to benefit the organization and that goes beyond existing role expectations” (Organ et al., 2006, p.33). To distinguish OCB and ERB, there are two concepts that are included in ERB but not in OCB: whistle blowing and principled organizational dissent. In an organization, whistle
blowing is telling someone in authority about unethical and or illegal practices (Near & Miceli, 1987). Principled organizational dissent occurs when employees protest against the organization in case of injustice (Graham, 1986). Both are not included in OCB because they do not support the psychological environment of the organization.

Based on the definitions provided by empirical studies, we know that “employees are not only to be individually productive, but they must also increase productivity by helping those around them, and/or exhibiting civic virtue” (Leung, 2008). Therefore, in this study, OCB is categorized as behaviors that involve helping others, performing with extra effort in jobs, and reduce turnover and conflicts.

In this study, collectivism acts as a moderator to the relationship between ethical leadership and OCB. Empirical researches suggested that individualism and collectivism has an impact on ethical decision-making regarding to individual and group interests (Oyserman et al., 2002). Erez and Earley (1993, p. 95) explained the ideas of individualism and collectivism as “a set of shared beliefs and values of a people concerning the relationship of an individual to aggregates or groups of individuals. It represents the way individuals relate to others in their society, and it reflects their emotional and cognitive attachments to particular networks of individuals.” We want to find out if collectivism would promote or hinder the relationship of ethical leadership and OCB. It is because Chinese business activities always reported for their unethical behavior, however, OCB encompasses the characteristics that are similar to the characteristics of collectivism, in which employees are willing to do more than expected, or accept occasional costs, and sacrifice self-interest, in the hope of enhancing the effectiveness and wellness of the organization and the group.

Schein’s study (1992) suggested that leadership and organizational culture are inextricably linked. It is impossible to understand, researched or addressed leadership and organizational culture separately. Therefore, this study hopes to reveal the linkage between ethical leadership and collectivism. According to Hofstede (1980), in contrast
to collectivism, “individualism refers to the degree to which individuals are integrated into groups”. People who are on the individualist side tend to look after themselves and their immediate family. Linkages in groups, teams or societies are loose among individuals. On the other hand, people who are on the collectivist side are strongly influenced by extended family, groups, teams and societies. Individuals are tightly tied by the linkages exist in these different groups. Putting the definition into an organizational context, an individualistic organization is typically characterized by strong self-interests, due to the idea of “I”. The characteristics of a collectivist organization are the focus of group-interests and the idea of “we”.

The social exchange theory (Settoon et al., 1996; Wayne et al., 1997) suggested that if employees viewed that they are treated ethically, they would feel obligated to reciprocate the positive behavior, for example perform higher degree of OCB to the organization. Ethical leadership and OCB are related to collectivism in the sense that all three concepts include the element of self-sacrifices. Under an organizational culture that promotes the idea of “we”, leaders will consider more of the consequences of their behavior. In return, employees are willing to forgo some of their benefits for the good of the organization.
Hypotheses

Ethical Leadership and Organizational Citizenship Behavior

Social Exchange Theory (SET) is useful in helping to understand the relationship between ethical leadership and OCB. Social Exchange Theory (Settoon et al., 1996; Wayne et al., 1997) suggests that when members of a team are being treated with benefits like caring and understanding, they may feel obligated to reciprocate the similar positive behavior to the organization in return, because they may feel that their returns will lead to future outcomes. This forms a loop as shown below:
If we include ethical leadership in the above loop, the relationship between ethical leadership and OCB will be clearer. When supervisors behave ethically on their subordinates, i.e. they understand the needs of subordinates, concerns subordinates best interests, value their contributions and consider the possible consequences of their actions, subordinates will feel obligated to follow the supervisors. They will fulfill their obligations by performing OCB. In this study, we define OCB as behaviors that are helpful, involve more effort in jobs, and lessen employee turnover and conflicts. Based on these implications, we propose the followings:

Hypothesis 1: Ethical leadership will be positively related to helping behavior.

Hypothesis 2: Ethical leadership will be positively related to efforts put at work.

Hypothesis 3: Ethical leadership will be negatively related to employee turnover.

Hypothesis 4: Ethical leadership will be negatively related to conflicts at work.
Moderating effect of Collectivism on the relationship of Ethical Leadership and OCB

In addition to the proposed relationship between ethical leadership and OCB, we suggest that such relationship is moderated by collectivism. Collectivism refers to a strong degree that individuals are integrated into groups (Hofstede & Bond, 1988). When the organization is a collectivist one, everybody in it is willing to sacrifice their own good for the good of the organization. As we want to investigate whether collectivist culture has impact on the above proposed relationship, the fifth hypothesis is developed:

Hypothesis 5: Collectivism moderates the relationship between ethical leadership and OCB, which is defined specially as helpful, efforts put at work, employees’ intention to leave and conflicts at work.

The conceptual model based on the above hypotheses is shown below.
Method

Sample and procedure

A sample of 256 working employees was used to test the study hypotheses. They are front line employees of a chain Chinese restaurant. All participants are recruited from 8 branches located in Shenzhen and Guangzhou and the restaurant is invested by Hong Kong businessman. Based on the institutional theory, cultural difference will influence the behavior of organization in the same region (Scott, 2001). Therefore, the chain Chinese restaurant we studied is likely to be influenced by the cultural dimension of China, thus it is a collectivist organization. Using the Hong Kong definition, the restaurant is considered as a large company because it employs over one hundred people. A total of two hundred and sixty questionnaires are distributed, and two hundred and twenty-seven questionnaires are received. This indicates a response rate of 97%. After gaining the approval of the company’s human resources managers, questionnaires are distributed in person in China. In order to examine the relationship between ethical leadership of managers and organizational citizenship behavior of subordinates, two sets of questionnaires were developed; one set was filled in by managers, while another set was filled in by their subordinates. Managers and subordinates were invited to complete the questionnaires in different time slot. Instructions of answering the questionnaires are provided at the top of the questionnaires. Confidentiality and anonymity are assured, as indicated in the instruction. The instruction also encouraged participants to answer as much as possible, and assured them that there is no right or wrong answer. Completed surveys are collected immediately. Since the target participants are Chinese, the questionnaires are written in Simplified Chinese.
After eliminating the incomplete surveys, a total of 224 questionnaires are usable. There are five control variables in this study, namely gender, age, educational level, job tenure, and working time with supervisors. Among the 224 respondents, about 64% are female employees, and 36% are male employees. In terms of age, 79% of respondents are below 30 years old, while 21% are 30 years old or above. About 30% have high school education, while the remaining 70% have middle school or primary school education. Job tenure ranges from 1 week to 4 years and 1 week. About 30% have been working in the company for more than 1 year, 67% have been working for less than 1 year, and 3% refused to provide the job tenure. For the length of time working with the supervisors, while about 2% did not provide such information, 30% have been working with the supervisors for more than 1 year, and 68% have been working with the supervisors for less than 1 year.

**Measures**

Reliability of independent variable:

Ethical Leadership

In this study, ethical leadership was measured by asking the respondents to rate their perceptions on a total of a 10-item instrument. These statements are descriptions on the ways that leaders lead them in daily operations. Example items are “Your supervisor would educate the subordinates who are below ethical standards.” and “Your supervisor would make decision in a fair and justice way.” A 5-point Likert scale is used, ranging from (1) Strongly Disagree to (5) Strongly Agree. We compute the coefficient alpha for these 10 statements to find out the internal consistency. According to Nunally (1978), the number should exceed 0.7. The number for the item ethical leadership is 0.739, which indicates the 10-item instrument regarding ethical leadership is consistent internally.
Reliability of dependent variables:

Since we define organizational citizenship behavior as behaviors that are helpful and put more effort at work, as well as reduce employee turnover and conflicts, it is important to first compute the reliability of each item first.

Helping Behavior

7-item instrument is used to measure helping behavior. Example items are “This subordinate has initiative in helping others.” And “This subordinate can support and encourage colleagues who have encountered problems.” The Cronbach’s alpha for helping behavior is 0.920.

Effort

By effort, we mean the employees’ commitment towards the organization. They are willing to do more than expect to help the organization. 7-item instrument is used to measure effort. An example item is “This subordinate is willing to accept challenging tasks and work hard to complete it.” The Cronbach’s alpha is 0.945, which is accepted and is the highest among the four variables in organizational citizenship behavior.

Turnover

In this study, turnover is the intention to leave the organization. A 3-item instrument is used to measure such intentions. An example item is “I am going to leave this organization in 1 years’ time.” The Cronbach’s alpha is 0.815.
Conflicts

3-item instrument is used to measure the degree or the frequency of conflicts with colleagues and or supervisors. Example items are “This subordinate has a tense relationship with you” and “This subordinate always has conflicts with you at work” Cronbach’s alpha calculated is .748.

Reliability of Moderator

Collectivism

Collectivism is to measure the cultural dimensions of the chain Chinese restaurant. We have assumed that this organization is likely to be influenced by the Chinese culture and being collectivist. 2-item instrument is used to measure, an item example is “In this working team, team members would feel proud for the individual’s achievement of others” and the Cronbach’s alpha is 0.849.

Reliability of Control Variables

Based on the literature review, a number of variables need to be control. In this study, the control variables include employees’ gender, age, educational level, job tenure in the company and number of working days with the supervisors. All these variables affect their perceptions towards ethical leadership of their supervisors.

After calculating the reliability of different variables, we use SPSS to correlate the independent variable with the dependent variables. Based on their correlations, we perform a linear regression analysis to find out the effect of the moderator.
Results

Relationship between independent variable and dependent variables:

(1) Ethical leadership and helping behavior

As shown in Appendix II, ethical leadership is significantly related to helping behavior. Such relationship is significant in the sense that they have a coefficient of 0.018. However, the relationship is not as strong as we have thought before, with a standardized coefficient only 0.166. Based on the result, we concluded that Hypothesis 1 is supported: There is a positive relationship between ethical leadership and helping behavior. In other words, the higher the level of ethical leadership, the more helping behavior is demonstrated.

(2) Ethical leadership and effort

Appendix III showed the relationship between ethical leadership and effort is also significant, with a coefficient of 0.015. Same as the case of ethical leadership and helping behavior, we found that the relationship between ethical leadership and effort is not very strong. They only have a standardized coefficient of 0.172. From the result, hypothesis 2 is also supported: Ethical leadership will be positively related to efforts put at work. In other words, the higher the level of ethical leadership, the more efforts for employee to put at work.

(3) Ethical leadership and turnover

The correlation in Appendix IV showed that ethical leadership is negatively related to employee turnover. The standardized coefficient of their relationship is -0.273, while the score on significance is 0.000. The latter number suggested that the relationship between ethical leadership and turnover is highly significant. Thus, hypothesis 3 is also supported: Ethical leadership will be negatively related to employee intention to leave.
In other words, the higher the level of ethical leadership, the lower the intentions for employees to leave the organization.

(4) Ethical leadership and conflicts

Based on the findings shown in Appendix V, ethical leadership and turnover is negatively related, having a standardized coefficient of -.155. Such relationship is significant, with a score of .028. Hypothesis 4 is supported based on the result: Ethical leadership will be negatively related to conflicts at work. In other words, the higher level of ethical leadership, the fewer conflicts exist.

Moderating relationship

Moderating effect on the relationship of ethical leadership and employee helping behavior:

As shown in Appendix VI, through the linear regression analysis, we have found that collectivism moderate the relationship between ethical leadership and helping behavior in the opposite direction. Put it differently, collectivism weakened the positive relationship between ethical leadership and employee helping behavior. However, such effect is not significant, scoring only 0.107.

Moderating effect on the relationship of ethical leadership and employee effort

Appendix VII showed that collectivism weakened the positive relationship of ethical leadership and employee effort. The moderating effect is significant, scoring 0.016. Under the influence of collectivism, the higher level of ethical leadership will result in less employee effort.
Moderating effect on the relationship of ethical leadership and employee intention to leave

The effect of collectivism is shown in Appendix VIII, which indicated an insignificant strengthening effect of collectivism on the relationship between ethical leadership and employee intention to leave. It is insignificant in the sense that it scored 0.621.

Moderating effect on the relationship of ethical leadership and conflicts

Appendix IX showed another insignificant strengthening effect of collectivism. Collectivism strengthened the negative relationship between ethical leadership and conflict, but in an insignificant way.

Based on the four moderating effect of collectivism, we concluded that only of hypothesis 5 is supported. Only one out of four relationships is significantly affected by collectivism. The only significant finding in the moderating relationship part is that Collectivism weakened the positive relationship between ethical leadership and employee effort.
Discussion

This study explored the relationship between ethical leadership and OCB, which serves to understand how ethical leadership is influencing subordinates’ OCB within work team environment. More specifically, when a manager demonstrates ethical behavior to his or her subordinates, the team members will be more likely to perform higher degree of OCB, namely, being helpful and perform with more effort; less intention to leave and conflicts.

Firstly, our study revealed that ethical leadership was positively related to helpfulness. As ethical leader treat his or her subordinates with caring, trust, justice and fairness, the subordinates will be more likely to help each other and solve the difficulties together. This finding is supported by the study of Williams et al., (2002) as it suggested that “leader fairness was associated with subordinate intentions to engage in OCB”.

Secondly, ethical leadership was positively related to efforts put in job. This finding is supported by the Social Exchange Theory (Settoon et al., 1996; Wayne et al., 1997) that when managers act ethically and positively to subordinates, the subordinates feel that the managers and organization care about their needs and value their contributions, thus, they will internalize their commitment to the organization and perform with more effort. This finding is also matched with the research of Toor & Ofori (2009), which concluded that ethical leadership is positively related to employee willingness to make extra effort.
In contrast, there is a negative relationship between ethical leadership and employee intention to leave. Since ethical leadership implies a manager who demonstrates caring and fairness to his or her subordinates, this can enhance employees’ loyalty towards the organization. Previous study also revealed that ethical leadership has positive impact on organizational effectiveness by increasing OCB and job satisfaction (Brown & Mitchell, 2010).

We have also found that there is a negative relationship between ethical leadership and conflicts. It is because ethical leadership emphasis on that when the subordinates realized that supervisors are treating them with fairness, fewer conflicts will be come across from misunderstanding. This is supported by empirical study which has found the positive relationship between ethical leadership employee trust and affective (Den Hartog & De Hoogh, 2009).

Finally, we assumed there was a moderating relationship between ethical leadership and OCB (“this relationship”). However, we did not find a significant moderating effect of collectivism towards this relationship. It is from the fact that this relationship was not evident in three out of four regression models, thus, this moderating effect was rather weak. When we added the collectivism as moderator into this relationship, only the relationship between ethical leadership and employee effort is significantly and negatively moderated. This means collectivism does not play a significant role in strengthening or weakening this relationship. This may because of two reasons about how collectivism was measured:
Firstly, the numbers of items instrument used for testing the cultural dimension of the organization is rather small (i.e. 2-item instrument) and may not directly shows the implication of collectivism behind the questions.

Secondly, although the chain Chinese restaurant we used for this study is located in Shenzhen and Guangzhou; it is a Hong Kong based company, which means the top managerial level consisted of Hong Kong employees and decision making and strategic planning of the branches are conducted in Hong Kong. According to the Cultural Dimension Research conducted by Geert Hofstede, Hong Kong is less collective than that of China (Hofstede, 1980). Due to cultural differences, the collectivist nature in the organization may be affected by the Hong Kong culture. Therefore, the organization we studied may have a lesser extent of collectivism.

Although the result of moderating effect of collectivism on the relationship between ethical leadership and OCB is not quite significant, we do believe that cultural differences play important role in developing ethical behavior and OCB. Therefore, we suggest future research should develop a better methodology to investigate the impact of cultural dimensions on the relationship of ethical leadership and OCB. Besides, future study could contribute in comparing the ethical leadership behavior in Asian and Western countries, so that different approaches can be recommended for organizations with different cultural backgrounds to develop and maintain ethical leadership.
Recommendations for organizations

This study has showed the positive relationship between ethical leadership and OCB, and it is supported by empirical studies that OCB can contribute to organizational effectiveness, efficiency, and competitive advantages (Organ, 1988; Bolino et al., Podsakoff et al. 2000). Therefore, organization should encourage ethical leadership through different means:

Written Code of Ethics
In order to enhance ethical leadership in the organization, the first step is to introduce and implement a written code of ethics. A code of ethics that is based on professional standards of the industry shows all the employees that how the organization is going to deal with ethical dilemmas. As the organization grows internationally, written down code of ethics give employees in different regions clear steps and procedures to perform daily operation tasks. The written code of ethics should be communicated to all employees to ensure everyone understand the position of the organization in case of any doubtful practices.

Training
Ethical leadership training programme should be given to managers by organizations for the purpose of developing and maintaining ethical leadership. According to Skarlicki & Latham (1997), “Ethical awareness and ethical leadership behavior can be enhanced by focused training programs”. Managers should understand that they are the role model of their subordinates and their act would influence subordinates’ OCB.

For employees, especially the subordinates, since the business environment changes every day and there may be changes in the ethical practices inside and outside the organization. Therefore, it is important to make sure all employees in the organization understand the changes. For example, regular formal training sessions on ethical
behavior should be held. Regular formal training sessions enable employees to have up-to-date information about the current practices in the industry and related law systems.

Culture differences
Understanding cultural differences is important for managing people in workplace. Due to globalization, there are more chances for leaders to cooperate, manage and interact with subordinates of different cultural background. It is believed that cultural dimension influences organizational culture (Hofstede, 1980), therefore, organization needs to consider cultural factor, like individualism and collectivism when promoting ethical leadership and developing OCB. With fairness, caring, respect and trust, a harmonious organization can be established and organizational effectiveness can be achieved.
Limitations

There are four limitations to be considered in this study: The first limitation is the sample size. We only used about 200 questionnaires for this study. The small sample size may fail to reveal some unknown important issues that should be taken into consideration. In addition, the small sample size of this study does not allow the generalization of the study result to employees in other region.

The second limitation is the number of company. In this study, we only invite employees of one company to be our interviewees. This single-company study only allows us to discover relationship in the specific company. It does not allow the generalization of the study result to other organizations or other industries. The only one company prohibits us to further explore the relationship and the pattern of ethical leadership and organizational citizenship behavior in the catering industry of China.

The third limitation in this study is self-report questionnaires. Social desirable response is always a concern. It is very likely that respondents are too helpful in this study that they answered the questionnaires in a way that help revealing the hypothesized relationship. In addition to the intent to be socially desirable, defense mechanism plays a part in affecting respondents’ answer. Not only they want to look good in the eyes of others, the innate defense mechanisms prevent respondents from revealing their true answer. According to Anna Freud (1937), when anxiety is experienced, defense mechanisms come in to protect the person by distorting the anxiety-generated actions into acceptable ones. As result, when respondents answer the questionnaires by heart, it may create anxiety, causing them to change some answers into more acceptable ones.
The short working period of employees in the organization is the fourth limitation. For different employees, each of them has different job tenure. For those who have worked for a long period of time (4 years), they may be more familiar with the ethical behavior of their supervisors and their work team environment. It may be easier for them to demonstrate organizational citizenship behavior. However, for those who just joined the company (work for 1 week), they may find difficulties in understanding ethical behaviors of their leaders. As a result, these newly joined employees may not be able to perform organizational citizenship behavior. In addition, the answers provided by the new employees cannot reflect the leadership behavior of the supervisors in the organization. This may contribute to the rather weak relationships between ethical leadership and helping behavior, and with employee effort.
Conclusion

Based on our definition of organizational citizenship behavior, which include employee helping behavior, employee effort at work, reduce in employee intention to leave and reduce in conflicts, we found that ethical leadership has a positive relationship with the first two behaviors, and a negative relationship with the latter two behaviors. Calculating the moderating effect showed that collectivism only significantly influences the relationship between ethical leadership and employee effort at work. Due to the cultural differences of the company and the region it operates, and the few number of items instrument, collectivism fail to establish a significant influence between (i) ethical leadership and employee helping behavior, (ii) ethical leadership and employee intention to leave, and (iii) ethical leadership and conflicts at work. Limitations of this study such as small sample size and short period of job tenure are recognized. Written code of ethics, training and understanding cultural differences are recommended for organizations that hope to enhance ethical behavior.
References


Cultivating OCB through Ethical Leadership: Studying the influence of Collectivism


Appendixes