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## THE IMPACT OF ETHICAL CONTEXT ON EMPLOYEES IN-ROLE PERFORMANCE AND CITIZENSHIP BEHAVIOR IN TELECOM SECTOR OF PAKISTAN: THE MEDIATING ROLE OF PERCEIVED ORGANIZATIONAL SUPPORT

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### Abstract:

The research purpose was to find out the influence of ethical context on certain employees' behaviors (OCB-I, OCB-O In-role performance) working in the largest telecom companies of Pakistan. The most valuable asset for an organization is its employees, so the management must fix the factors that hinder their performance. In recent years, employees' attitudes and behaviors in their work settings have remained the admiring topics in the field of organizational behavior. This study aims to investigate the impact of ethical culture and ethical climate on employee in-role performance and citizenship behavior while considering perceived organizational support as a mediating variable. The sample for this research is consisted of 800 employers and employees working in the top four cellular companies of large cities of Punjab, Pakistan. Statistical Package for Social Science version SPSS 16 is used for data analysis. To check the mediating and direct relationship between key variables of the study, correlation and regression analysis is used. Results indicate that both ethical culture and ethical climate have a positive relationship with employees' outcomes i.e. in-role performance and organizational citizenship behavior. Perceived organizational support partially mediates the relationship between ethical context and employees' outcomes.

### Keywords:

Ethical culture, Ethical climate, Perceived organizational support, in-role performance, organizational citizenship behavior



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## INTRODUCTION

Ethics are not optional rather absolute and necessary for the success of any organization. Before understanding that how ethics can affect an employees' behavior, it is essential to take a look on the meaning of ethical context (S. Valentine, Greller, & Richtermeyer, 2006). Ethical context of an organization is made up of organized principles and value that form a shared understanding about business ethics. Corporate ethical context comprises of two essential elements: ethical culture and ethical climate (Shafer & Simmons, 2011). Ethical culture is visible, overt and conscious demonstration of ethnicity for example reward system, organizational structure, and its practices while ethical climate is more conceptual in nature and it deals with the perception of employees about their organization (Guargliardi et al., 1990). It is important for managers to establish an ethical culture and ethical climate in which employees are encouraged to behave in an ethical style (Baker, Hunt, & Andrews, 2006). Ethical culture enhances the level of trust between firm and its stakeholders (Hosmer, 1994) and helps the firm for its survival in future (O'driscoll, Howard, & Davison, 2008).

From the last two decades ethical context has become a very popular area of research; especially after unethical scandals of companies such as Tyco, Enron, and WorldCom were exposed (Yener, Yaldiran, & Ergun, 2012). Organizations should avoid these misfortunes so that the firm's image can be enhanced. A very common example for this is the Tylenol case. In 1982 and 1986 when it was understood that Tylenol - a product of McNeil Laboratories which is a subsidiary of Johnson & Johnson - caused toxicity. This was the

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result of unethical behavior of top management (Sen & Bhattacharya, 2001). Johnson & Johnson willingly and completely withdraw the product from the market. The firm decided to take right action without considering the cost (Yener et al., 2012). According to the CEO of Johnson & Johnson they rank services to customer come first while financial losses are considered last (R. Cullen, 2001).

Researchers have explored various individual and situational factors that influence ethical context (Pickering-Brown et al., 2006). Individual factors include demographic characteristics like age, sex, and education as well as stages of mental and moral growth. The situational factors include organizational rules and regulation, and reward system (Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009). Organizations are more influenced by situational factors than individual factors so it is very important for the organizations to manage its ethical culture and ethical climate, (S G Trevino et al. 2007). Different studies show that ethical climate and ethical culture has positive influence on employees' attitudes, perceptions and behaviors toward their organization, (Choi, Moon, & Ko, 2013).

**Corporate ethics** are positively linked with employee job responses (G. Valentine & Perry, 2006). To enhance employees' ethical decision making capability, organization should maintain ethical culture and supportive climate (Shafer & Simmons, 2011). This contextual approach about maintaining ethical culture and ethical climate produces many beneficial outcomes (G. Valentine & Perry, 2006). One of the potential outcome is perceived organizational support. Perceived organizational support can be defined as the perception of employees' that organization values their contribution and cares about their well-being. Companies that focuses on ethical climate tries to satisfy their subordinates and value their contribution, (Huang, You, & Tsai, 2012). When employees receive caring environment from their organization they reciprocate it through enhanced work related outcomes (Taylor, DelCampo, & Blancero, 2009) and citizenship behavior (Armeli, Eisenberger, Fasolo, & Lynch, 1998), (Tekleab & Chiaburu, 2011). So we propose that perceived organizational support plays a mediating role between ethical context and organizational citizenship behavior (Ferri et al., 2006).

**Ethical Culture.** To conceptualize ethical culture and climate first we have to understand the difference between culture and climate. Organization culture is more comprehensive in nature as it contains behavioral pattern, special languages and formal procedure whereas organizational climate includes normative elements of its culture. (Victor & Cullen, 1988) have also described difference between organizations culture and climate. Organizations climate is informal, perceptual categorization of ethical context whereas ethical culture is formal representation of ethical believes of an organization (Grover & Enz, 2005). Ethical culture has a strong impact on employees' observable behavior based on code of ethical conduct whereas ethical climate is based on shared perception and subjective feelings about organization's ethical position with no formal code of conduct (Grover & Enz, 2005). According to Agarwal and Malloy (1999) organization culture is a broad term and has direct impact on behavior whereas climate has indirect impact on behavior of employees. Several studies help to identify that what are the factors that affect individual ethical behavior. These factors are: values, reward system, rules and law codes (Ferrell, Gresham, & Fraedrich, 1989) ethical climate is ongoing characteristics of an organization whereas ethical culture deals with continuation of business where organization's development is slow (Moran & Volkwein, 1992).

There are two basic approaches of ethical context i.e. phenomenal level, which emphasis on "apparent behavior and work of arts (observable behavior)", and the ideational, which focuses on "underlying share meanings, signs, and morals". (Kopelman, Brief, & Guzzo, 1990), (Treviño, Butterfield, & McCabe, 1998). According to Treviño et al. (1998) ethical culture focuses on extraordinary or phenomenal level of the culture - the more visible, overt and conscious expressions of culture like organizational practices its' system, its' structure, rather than its' deeper values' structure and suppositions (Shafer & Simmons, 2011).

**Ethical Culture.** The concept of organizational ethical culture has been significant in ethical business and management literature from last two decades (Trevino et al. 1998). This concept is derived from general organizational ethical constructs, (S. C. Schneider, 1988). The combined results of several empirical studies propose that employees' observations of the ethical context in their organization pressurize them to show affective outcomes such as in-role performance and job satisfaction (Shafer & Simmons, 2011). According to Trevino and Youngblood (1990) ethical culture is a complicated relationship of formal as well as informal systems that help employees to show either ethical or unethical behavior in their organizational" (Shafer & Simmons, 2011). Formal system include factors such as authority structure, organizational policies, and reward and punishment systems, while informal systems include factors such as group behavior, expectation and perceived organizational support (Shafer & Simmons, 2011).

Ethical culture is a good predictor for unethical behavior thus the role of ethical culture in the organization which emphasis on reward and punishment system for ethical or unethical behavior and obedience of authority that is expected from employees, is clearly significant to examine (Shafer & Simmons, 2011). According to Al-Shammari (1992) new associations may be lacking in general values and beliefs so they lack culture at all; Still, climate is constantly there either they are new or old ones because of the factor that it is related to perception of individuals towards their duties or working environments psychological climate and Organizational climate are interweave. The second means that how individual feel and perceive their work setting and the incidents that happens their (Baltes, Zhdanova, & Parker, 2009). When These

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feeling and perceptions are shared with other individuals in that institute are refer as climate of organization (Griffin et al., 2009).

**Ethical Climate.** As pointed out by (Victor & Cullen, 1987) the idea of ethical climate derivative from the concept of organizational climate. According to which it is the way that the work place environment is perceived by its people (Glisson & James, 2002). Climate usually perceived as the part organizational environment i.e. policies and procedures. (Neal & Griffin, 2002). According to (Moran & Volkwein, 1992) in business contexts, “culture” and “climate” are two dissimilar concepts that are termed interchangeably, (Putranta, 2008). The two concepts somehow allocate similar importance in examination of individual relationship with covert psychological and social environment of the organization (Denison, 1996). The thing that matters is intensity of assessment (Putranta, 2008). Ethical culture and climate are different in perspective, theoretical implications and methodology (Denison, 1996). Organizational climate is the explanation of broader thought while its culture is supposed to be narrower (Schein, 1985).

The concept of ethical climate is pioneered by (Victor & Cullen, 1987). Their work is encouraged by (B. Schneider, 1975) as he argued that different kinds of climates can be present in a particular organization. According to them organizational climate are divided into two broad categories (Victor & Cullen, 1987). The first kind refers to the collective perceptions in the direction of procedure and structure figure for the exploitation of control and rewards (Victor & Cullen, 1987). The second is related to the cumulative perceptions of the continued existence of organizational norms that helps to maintaining its values (Victor & Cullen, 1987). According to Victor and Cullen (1987) second one is concerned to ethical basis and has been not explored in prior studies. Based on these arguments an organization is the composed of multiple climates (B. Schneider, 1975), there should be guided climate of an organization that direct individuals to find out that what is wrong behavior and what is right and this is referred as ethical climate (Victor and Cullen 1988). Various factors influence the perception of employees about the ethical climate of their organization (Choi et al., 2013). According to Maignan and Ferrell (2000) the perception of employees directly or indirectly influenced by the ethical norms, values, system and rules and regulation of their organization. As referred earlier ethical climate is one aspect of organizational climate it is individuals shared thinking that how ethical issues are deal by organization (J. B. Cullen, Parboteeah, & Victor, 2003).

**Perceived organizational support.** According to organization support theory employees perception for organization’s rewards system and readiness to increase their in-role efforts are determined by pos (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). There are three forms of treatment that an organization give to its employees these can initiate pos: supervisor support, equality and its reward system. This type of exchange between employee -employer and employee with organization are based upon social exchange theory (Settoon, Bennett, & Liden, 1996). Based on Settoon et al. (1996) and (Eisenberger et al., 2001) favorable outcomes for both employee and organization is the resultant of POS (Cheng et al., 2013). More over an employee think that if their come any circumstances in which I need my organization’s help my organization will regard me then the employee feel respect for his organization and he will try to reciprocate it his efforts (Chiang & Hsieh, 2012). According to Wayne, Shore, and Liden (1997) pos will tends to increase employee’s level of trust with organization and employees voluntarily give concrete suggestion to his organization i.e increase their OCB level.

Perceived organizational support usually termed as social exchange theory because it also deal with reciprocator norm (Cropanzano & Mitchell, 2005). This term is widely studied in exchange terms, (Coyle & P Shapiro 2008). It is mainly a one-sided variable in which subordinate perception of exchange from boss side (Coyle-Shapiro & Conway, 2005). We can also determine it by the perception of employees of the sincere and encouraging response from their supervisors and top management that worth their individuals contributions (Shore & Shore, 1995). Higher level of reciprocation leads towards employees’ motivation level (Eisenberger et al., 2001). OCB (Farh, Hackett, & Liang, 2007) and affective commitment (Shore, Tetrick, Lynch, & Barksdale, 2006). According to Parzefall and Coyle-Shapiro (2011) So when organization’s people think that organization support us then employees response by assisting in goal achievement. The relationship between social exchanges is already fit established (Shore et al., 2006). There are two aspects of pos social side and economical side. In terms of social side employees’ point of view is “my organization supported and invested too much on me so I’ll always continue my relation with my organization” and the 2<sup>nd</sup> one side “my high standard lifestyle is due to my institution support I continue my relation with my organization. There is very little research has been conducted on pos and economical exchange.

The term organization citizenship behavior was introduced in early 1980’s (Bateman & Organ, 1983). Katz (1964) first categorize this term as extra-role behavior. Its idea comes from the notion willingness to cooperate (Barnard, 1938). The structure of citizenship behavior come from motivational factor of employees and from organizational behavior constructs (Katz, 1964). OCB is an important element in organizational broad level behavior and are helpful for organizational performance (Katz, 1964). According to Katz (1964)’s statement ‘People must carry out pioneering and voluntary actions that goes away from role directions’. Organizations on daily basis depends upon incalculable acts of collaboration, cooperation, care, humanity, which might be called as citizenship behavior (Organ, 1988). OCB can be defined as “the individual’s behavioral outcome that is, not directly forced not openly documented by formal job requirement (Organ, 1988). This definition was modified as the employee’s element which support psychological and social environment of organization (Organ, 1988). Instead of in-role performance and

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providing technical expertise it speed up the organizational goal achievement (Borman, 2004). Many researches focused on causes and results of OCB. According to (Borman, 2004). Employees' attitude, emotions and moods and their personality also predict OCB. According to Podsakoff, Ahearne, and MacKenzie (1997) as far as OCB's effects are concerned it cause an increase in employees' progress image in managers' mind as well as increase in organizational performance, organizational efficiency, and also provide successful way in the long run.

**Organization Citizenship Behavior; the Behavioral Outcome.** The term organization citizenship behavior was introduced in early 1980's (Bateman & Organ, 1983). Katz (1964) first categorize this term as extra-role behavior. Its idea comes from the notion willingness to cooperate (Barnard, 1938). The structure of citizenship behavior come from motivational factor of employees and from organizational behavior constructs (Katz, 1964). OCB is an important element in organizational broad level behavior and are helpful for organizational performance(Katz, 1964). According toKatz (1964)'s statement 'People must carry out pioneering and voluntary actions that goes away from role directions'. Organizations on daily basis depends upon incalculable acts of collaboration, cooperation, care, humanity, which might be called as citizenship behavior (Organ, 1988). OCB can be defined as "the individual's behavioral outcome that is, not directly forced not openly documented by formal job requirement(Organ, 1988). This definition was modified as the employee's element which support psychological and social environment of organization (Organ, 1988). Instead of in-role performance and providing technical expertise it speed up the organizational goal achievement (Borman, 2004). Many researches focused on causes and results of OCB. According to (Borman, 2004). Employees' attitude, emotions and moods and their personality also predict OCB. According to Podsakoff, Ahearne, and MacKenzie (1997) as far as OCB's effects are concerned it cause an increase in employees' progress image in managers' mind as well as increase in organizational performance, organizational efficiency, and also provide successful way in the long run.

OCB is abroad term and may researches introduce different dimensions of it. it is presented as two factor model (Organ, 1990)five factor model by (Organ, 1988)Operationalize it as one dimension, and three dimensions by(Coleman & Borman, 2000):(a) Personal support(OCB-I) providing support and assistance to other people (Gwinner, &Meuter, 2001) i.e. consistently helping behavior with others (Williams & Anderson, 1991), (b) organizational support (whose direction is toward organization OCB-O ) (Williams & Anderson, 1991); and (c) conscientious initiative( according to (Organ &Konovsky, 1989)it is directed toward employees' motivation towards its role). Now this was the debatable question that how many dimensions actually comprise of? It was concluded in 2008 by two simple and conceptual dimension model i.e. OCB-I, OCB-O (Williams & Anderson, 1991). Researchers were trying to find out cause and effect of the both (Williams and Anderson 1991). This model is considered as opportunity to develop and process it further in organizational context (Williams and Anderson 1991). Both behaviors are related to individual work (Williams and Anderson 1991).

**In-Role Performance.** The concept of in-role performance was given by (Katz and Kahn 1978) who describe it as core task that are predefine and described in job description recognize. This type of behavior is formally rewarded by the organization (Katz and Kahn 1978). According to (Williams and Anderson 1991) in-role performance is completing the assign duties, or working full day i.e. 8hours a day. A few researches are done on in-role performance (Robinson & Morrison, 1996). To evaluate in-role performance (Ghiselli and Brown, 1955) provide four categories: file data, quantity measures, quality measures and supervisory rating. First three are concerning to records like absenteeism, tardiness and safety. Supervisory rating is most popular tool for measuring in-role performance as well as extra role performance because of the fact that decision making about critical factors, performance evaluation and reward distribution remain in the hands of upper management (Murphy & Cleveland, 1995).

Organization citizenship behavior can be defined as employees exceed, not only fulfill their formal job requirements but also initiate voluntary actions beyond their work roles, like making sacrifices, helping others, and offering advice (Organ, 1990). Organization citizenship behavior is divided into two broad categories i.e. organization citizenship behavior-directed toward individual (OCB-I) and organization citizenship behavior-directed toward the organization (Williams & Anderson, 1991).OCB-O is more generally directed towards the organizational benefits (for example: employee who is unable to come to his duty provides advance notice ) whereas OCB-I focuses on specific individual benefits (like helping other)(Williams & Anderson, 1991).Firm's goal can be materializing through its employee's positive behavior (Richard & Johnson, 2004).

**Perceived organizational support** is also associated with employees' in-role performance as employees with high levels of POS are highly motivated to achieve organization goals (Armeli et al., 1998)are more satisfied with their jobs are less tardy, absenteeism rate is less (Noble et al., 2003) and have higher in-role performance (Noble et al., 2003). In-role performance refers to actions associated to formal duties, tasks, and responsibilities, which are written in a job description" whereas OCB or extra role performance is based on behaviors that are also important for the attainment of performance but are not mandatory such as helping others (Organ, 1988). In-role performance mostly relies on external motivation as it includes achieving tasks that are officially part of an employee's job, are rewarded on fulfillment of task, and if not performed the employee is likely to be punished, (Raub & Robert, 2010). If employees perceive that their organization is

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supportive their In-role performance will improve, turnover intension will reduce and organizational commitment will also increase (Arshadi, 2011).

Organization citizenship behavior can be defined as employees exceed, not only fulfill their formal job requirements but also initiate voluntary actions beyond their work roles, like making sacrifices, helping others, and offering advice (Organ, 1990). Organization citizenship behavior is divided into two broad categories i.e. organization citizenship behavior-directed toward individual (OCB-I) and organization citizenship behavior-directed toward the organization (Williams & Anderson, 1991). OCB-O is more generally directed towards the organizational benefits (for example: employee who is unable to come to his duty provides advance notice ) whereas OCB-I focuses on specific individual benefits (like helping other)(Williams & Anderson, 1991). Firm's goal can be materializing through its employee's positive behavior (Richard & Johnson, 2004).

The importance of ethics increases due to the fact that organizational competitiveness (Deconinck & Bachmann, 2007) and complexities in the businesses is increasing day by day.(Koh & Boo, 2001). Organizations are very keen to maintain its corporate image. In previous researches ethical context was considered as explanatory variable, little attention has been paid on its dimensions (ethical culture, ethical climate). Ethical context (also termed as corporate ethical context) which was affected by employees' job responses (Cheng, Yang, Wan, & Chu, 2013). Like: job satisfaction, (Fuller Jr & Hester, 2001) turnover intension. Therefore, the present research intends to examine ethical culture and ethical climate on OCB and in-role performance in the presence of mediating variable perceived organizational support. This research examines the impact of these variables in telecom sector of Pakistan.

## METHOD

The main variables of this research are ethical culture, ethical climate, POS, in-role performance and organization citizenship behavior. The variables are measured through series of questions which were taken from prior studies. Data was collected from top four cellular companies of Pakistan with their regional offices located in five large cities of Punjab. The respondents were full time employees which include supervisors, managers, and many others. Total 950 questionnaires were distributed, 847 questionnaires were returned and approximately 800 questionnaires were completely feed backed showing 84.2% response rate. The respondents were asked to provide their feedback on 5 point Likert scale that ranges from 1 = strongly disagree, 2 = disagree, 3 = neither disagree/nor agree, 4 = agree, 5 = Strongly Agree. Ethical climate was measured by 6 item scale adopted from (Koffa, 1935; Lewin 1936). Alpha reliability of this scale is 0.83. Ethical culture was measured using questionnaire that was originally developed by (Trevino 1998; Paulus, 1991) and it consists of 15 items having alpha=0.862. Perceived organizational support questionnaire developed by (Rhodes et al 2001) containing 8-item scale, having reliability 0.768. Organizational citizenship behavior are classified into two classes that were using 14 item scale of (Bateman and Organ 1983, Chatman and O'Reilly 1988, Graham 1986, Smith and Near 1983) this scale is composed of two factors OCB-I (7 items) and OCB-O (7 items) having reliabilities 0.868 and 0.737 respectively. In-role performance scale was developed by O'Reilly and Chatman(1986) and redeveloped by(Williams & Anderson, 1991) containing 7-item scale, having reliability = 0.772. Statistical Package for Social Science version SPSS 16 was used for data analysis. Factor analysis of principle component was performed for all measurement scales. According to (Field, 2005) principle component factor analysis is the suitable technique to test the validity of scales. Results are shown in table 1, 2 & 3. Table 1 shows the factor analysis solution First factor perceived organizational support (four items have been removed out of 8 items due to low loading). Second factor ethical culture (one item has been removed out of 15 items). All items of ethical climate, in-role performance were included due to good factor loading. Organizational citizenship behavior (OCB-I, OCB-O) (One factor from each is removed due to low factor loading). Test of reliability through Cronbach's alpha is done after factor analysis. According to (Nunnally, 1967) reliability must be greater than 0.70 for the key variables of the study.

Our conceptual framework (see figure 1) expresses the relationship between ethical culture, ethical climate, and OCB and in-role performance. Perceived organizational support is considered as a mediating variable in this framework.

### Ethical culture and OCB

Ethical culture includes formal as well as informal systems that direct individual behavior and prevent unethical attitude (Trevino, 1990). Formal system provides direction about rules and regulation, reward system, professional codes whereas informal system tells about that how to behave with our coworkers, friends and ethicality. In short ethical culture tells us about the behaviors that are morally right.

**H1a:** Ethical culture is positively related with organizational citizenship behavior

### Ethical Culture and In-Role Performance

According to self-determination theory there are different types of motivation that are required for the performance of in-role behavior; controlled motivation and self-directed motivation (Gagné&Deci, 2005). Controlled motivation include the sense of external pressure like "I have to do it" whereas self-directed motivation include a sense of wish like "I choose to do it" (Gagné&Deci, 2005). In-role performance mostly

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rely on external motivation as it include achieving tasks that are officially part of an employee's job, are rewarded on fulfillment of task, and if not performed the employee is likely to be punished (S Raub& Robert, 2010). Ethical culture includes factors such as authority structures, organizational policies, and reward systems (Trevino 1990) Ethical culture is also a source of external motivation as employees are more likely to exhibit in-role performance when they know that their organizational polices and their reward systems are ethical (Arshadi, 2011).In the light of above mentioned arguments we hypothesize that,

H1b: Ethical culture is positively related with in-role performance

## Ethical Climate and Organization Citizenship Behavior

Social exchange theory is based on two concepts i.e. equity and reciprocity. When employees feel positive perception about their organization, they reciprocate in more effective way, and the best of showing good behavior that is OCB (Huang et al., 2012).Ethical climate include laws and regulation as well as caring environment so , there is a positive correlation between ethical climate and OCB-O(Huang et al., 2012).OCB is recognized as important consequences of ethical climate (Baker et al., 2006).If perceived ethical climate is enhanced then employees are encouraged to show more OCB (Huang et al., 2012).

H2a: Ethical climate is positively related with organizational citizenship behavior

## Ethical climate and in-role performance

According to (Platon and Aristotle 2004) organization and employees both have certain features that direct them to show the right behavior. An organizational ethical climate provides clear and concrete information to employees about the expectations regarding their duties (Joo, B.-K. B.2012). Ethical climate also provides a clear picture about normative expectations like how much employees' time and knowledge that is required out their duties (Joo, B.-K. B 2012).

H2b: Ethical climate is positively related with in-role performance

## Perceived organizational support as a mediator

POS mediate the relationship between an ethical context and individual job response. Such support is commonly framed as "global beliefs of employees' that organization values their contribution and cares about their well-being (Eisenberger et al., 2001)and it is affected by the "willingness to reward increased work effort and to meet the needs for praise and approval" (Eisenberger et al., 2001). When employees receive caring environment from their organization they reciprocate it through enhanced work related outcomes (Bateman & Organ, 1983)and citizenship behavior (Ferri et al., 2006). Organizations must develop ethical context in order to prevent unethical behavior(Huang et al., 2012).According to social exchange theory when employees feel equity in their organization, positive perception about their organization grows in their minds and they repay it in effective way with their positive behavior (Huang et al., 2012).When employees perceive caring environment in their organization they positively reciprocate in most efficient way through their task performance(Chiang & Hsieh, 2012).

H3: Perceived organizational support plays a mediating role between Ethical context and organizational citizenship behavior.

H4: Perceived organizational support plays a mediating role between Ethical context and in-role performance

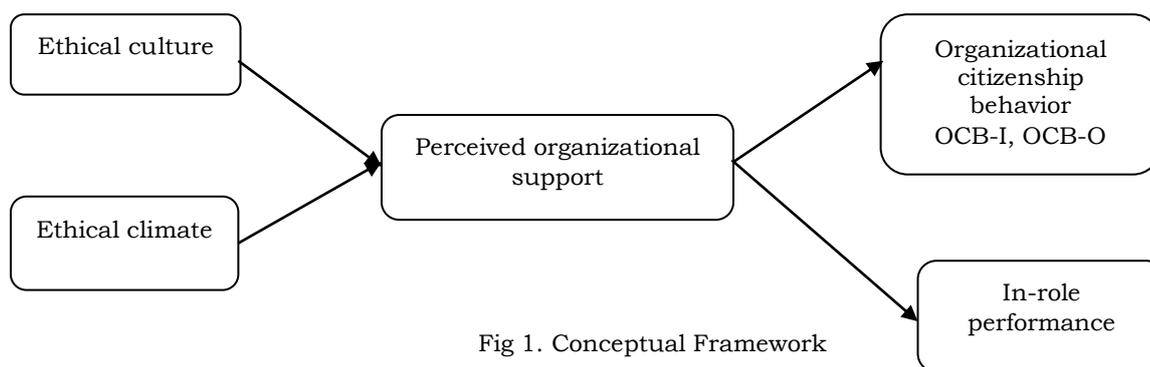


Fig 1. Conceptual Framework

## RESULT AND DISCUSSION

### Correlation analysis

Statistical results are showing the positive relationship between ethical cultural and organizational citizenship behavior ( $r = .658$ ,  $p < .01$ ) thus supporting Hypothesis 1. Second hypothesis stated a positive relationship between ethical cultural and in-role performance ( $r = .478$ ,  $p < .01$ ). Table 4.4.1 reveals that ethical climate is positively related to organizational citizenship behavior ( $r = .626$ ,  $p < .01$ ), ethical climate is positively related to in role performance ( $r = .419$ ,  $p < .01$ ). Our fifth hypothesis stated that perceived organizational support is positively correlated with in-role performance. The results shows that there is positive correlation between perceived organizational support and in-role performance ( $r = 0.658$ ,  $p < 0.01$ ). Our sixth hypothesis stated that perceived organizational support is positively correlated with organizational

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citizenship behavior( $r=.626$   $p<.01$ ). The results show that there is positive correlation between perceived organizational support and organizational citizen behavior.

**Table 1: Variables and Correlation Matrix**

Variables	Mean	Std. Deviation	1	2	3	4	5	6	7	8	9	10
Gender	1.03	.167	1									
Marital Status	1.33	.471	0.053	1								
Organization	2.50	1.119	-.070*	.045	1							
POS	2.846	.995	.066	.038	-.221**	.658**	1					
ECU	2.82	.791	.062	-.019	-.496**	.367**	.302**	1				
ECL	2.87	.980	.079*	.000	-.473**	.369**	.237**	.709**	1			
IRP	2.76	.836	.033	.017	-.326**	.167**	.196**	.478**	.419**	1		
OCBI	2.83	.960	.062	.055	-.443**	.257**	.276**	.549**	.635**	.626**	1	
OCBO	2.79	.796	.033	.064	-.354**	.181**	.142**	.425**	.481**	.494**	.667**	1

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

\*\* Correlation is significant at the 0.01 level (2-tailed).

Pos perceived organizational support,

ECU: ethical culture, ECL: ethical climate

IRP: in-role performance,

OCB-I: organizational citizenship behavior-directed toward individual,

OCB-O: organizational citizenship behavior-directed toward organization

### Regression analysis:

Regression Analysis was used to test the extent of impact of independent variables on dependent variable and the partial or full mediating effect of perceived organizational support. According to Baron & Kenny (1986), when we want to test effect of mediating variable certain conditions must be present: First, the relationship between independent and mediating variable must be significant. Second, the relationship between dependent and independent variable must be significant. Third, when the mediating variable is introduced the impact on dependent variable by independent variable will significantly decrease. To test the mediating effect we have used the same method of regression analysis that was suggested by (Baron& Kenny 1986). Results of Regression Analysis are shown in Table.

As indicated in the first step, Adjusted  $R^2$  is .364 which shows that variation in perceived organizational support is explained up to 36% through variation in independent variables. Standard regression coefficient between ethical cultured and perceived organizational support is significant (Beta =.304,  $p<.001$ ) with significant T value (14.73,  $p<.001$ ) and F value (192.35,  $p<.001$ ). Standard regression coefficient between ethical climate and perceived organizational support is also significant Beta =0.263,  $p <.001$ ) with significant T (16.67,  $p <.001$ ) and F values and (192.35  $p <.001$ ) respectively. In the second step, Adjusted  $R^2$  is 0.429 indicating that the variation OCB is explained up to 42.9% through variation in independent variables. Standard regression coefficient between Ethical Culture and OCB is significant (beta=0.010,  $p <.001$ ) with significant T value (11.03,  $p <.001$ ) and F value (56.88,  $p <.001$ ). Standard regression coefficient between Ethical Climate and OCB is also significant ( Beta =0.021,  $p <.001$ ) with significant T value (5.92,  $p <.001$ ) and F value (56.88,  $p <.001$ ). In the third step, POS is added into the overall model of ethical climate, ethical culture, in-role performance and OCB. The results shows that standard regression coefficient in case of 0.167 ethical culture is still significant (beta= 0.167 $p <0.018$ ), in case of ethical climate, the magnitude has decreased but still significant (beta =0.113,  $p =.00$ ). Hence, Perceived organizational support partially mediates the relationship between ethical culture and organizational citizenship behavior, ethical culture and in-role performance, ethical climate and organizational citizenship behavior, ethical climate and in-role performance hence all hypotheses are well proved.

**Table 3: Regression analysis**

Model	Dependent Variable	Independent variable	Standardized Coefficients Beta	f	t	Sig.	Adjusted $R^2$	Result
1	POS	Ethical Culture	0.304	192.35	14.73	.000	0.364	
		Ethical Climate	0.263		16.67	.000		

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		Ethical Culture	0.010		11.03	0.00		
2	OCB	Ethical Climate	0.021	56.88	5.92	0.00	0.429	
		Ethical Culture	0.167		2.33	0.018		
3	In Roll Performance	Ethical Climate	0.113	44.20	19.73	0.00	0.316	Partial mediator
		POS	0.368		12.01	0.05		Full Mediator

In the Introduction, we have discussed scandals that change minds of people about their businesses. In order to gain respect in the society organizations must take reforms in this regard. Top management should bring this reform (Mischel, 1968). Our research purpose was to find out the influence of ethical context on certain employees' behaviors (OCB-I, OCB-O In-role performance) working in largest telecom companies of Pakistan. The most valuable asset for an organization is its employees, so the management must fix the factors that hinder their performance. The current study examines the impact of ethical context (ethical culture and ethical climate) on employees' in-role performance and their citizenship behavior. The empirical results of our findings suggest that there is a positive relationship between these variables. It is also ascertained that weather POS had potential for mediating the ethical context and employees' responses relationship (S. Valentine et al., 2006). Employees' favorable attitude can be obtained if companies maintain advancement in their ethical context (S. Valentine et al., 2006). Especially If they perceive the element of care from their organization the connection of employees with their organization will become more stronger (S. Valentine et al., 2006). A healthy organizational culture reduces ambiguity for employees that what is expected from them and how they should act in the organization (Weaver, 1995). Analysis reveals that perception of employees about their organizational context is effective in increasing job response without mediating role of POS but the presence of POS cannot be avoided (Cheng et al., 2013). Results show that POS was a partial mediator among ethical context and employees' responses and has a indirect impact on employees' responses (Cheng, Yang et al. 2013). These results were inconsistent with (Cho et al. 2009)'s findings which indicate that POS had a direct impact on employees' response. Thus following results were explored: constructing a fine ethical context can efficiently improve employees' response and the presence of pos should not be ignored (Cheng, Yang et al. 2013).

## CONCLUSION

Previous studies examined the relationship between ethical context POS and OCB, yet no considerable research is conducted to test the mediating role of pos in this regard especially in the context of Pakistan. Moreover ethical culture and ethical climate are not considered separately and little researches have been conducted regarding ethical culture and in-role performance, our study take into account both types separately and also its impact on in-role performance. This study also provides a clear picture about these dimensions and their impact.

From the practical point of view, companies that emphasis to adopt ethics in their organization for the attainment of productive outcomes like meeting the expectation of the stakeholders, social wellbeing as well as salutary outcomes of organization. The current study suggests that corporate ethical culture must be in the direction that promotes POS among employees. Employees' positive perception about their organization can be built through ethical practices. These practices help to increase correspondence between organization's values and personal values of employees. It also supports stakeholder's welfare.

Companies must also consider that what they needs be done while adopting ethical considerations that help employees to become familiar about their organization's concerns (S. Valentine et al., 2006). For this reason organization's climate must be transparent so that employees easily conclude about their organization's actions. If companies provide guidelines and training about ethics it will enhance employees' ethics (S. Valentine et al., 2006). As a result of these programs there is a massive increase in in-role performance also (S. Valentine et al., 2006). Due to POS and ethical context employees become clear about their role expectation that increases their performance and employees are rewarded as a result it strengthen the relationship of employee and its organization (Valentine et al., 2002). Organizations effectively communicate the expectations from employees about ethical behavior and it must formally reward and recognize those actions that are according to corporate values. For this reason top management should manage ethical culture by adopting proactive strategy so they can positively serve as role model that direct ethical behavior (Grojean 2004).

There are certain limitations of this study. The study investigates the impact of ethical culture and ethical climate on employees' in-role performance and citizenship behavior only in telecom sector of Pakistan. More rigorous information can be obtained if these variables relationship are studying in banking and economic sector also. In order to get fit measures, more practical and theoretical work is needed in this regard. Different organizations have its own ethical bindings so if we try to conduct a research in cross-cultural context it would be good opportunity.

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