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# Ethical Climate and Employee Performance – The role of organizational citizenship behavior and counterproductive work behavior

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Received: 01<sup>st</sup> November 2021 Revised: 04<sup>th</sup> November 2021 Accepted: 15<sup>th</sup> December 2021

Abstract: Organizational climates are essential for creating necessary environment in the organizations operate effectively and efficiently for achievement of their goals. In such an environment entire set of stakeholders would benefit and effectively perform their roles. The key objective of this study is to investigate the extent to which job performance of employees is affected directly and indirectly by ethical climate that prevails in public sector educational institutions. Purposive sampling technique was employed for collection of data from administrators from 107 public schools. Personally, survey included 300 questionnaires out of which 237 were received back with response rate 79%. However, 220 survey questionnaires fulfilled the established benchmarks. Collected data was analyzed using SPSS and AMOS version 21.0 software. The results of current investigation indicate that employees' performance is positively and substantially affected by ethical climate. Results further suggested that the influence of ethical climate on employees' performance is mediated by organizational citizenship behavior but not by counterproductive work behavior.

Keywords: organizational citizenship behavior, employees' performance, ethical climate, counterproductive work behavior

# 1. Introduction

The reality is that environmental circumstances are changing fast, the present knowledge of competitiveness due to human function instead of physical functions and globalization have brought about the need for new staff who have a strong job performance and corporate engagement. It is recognized that ensuring good

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work performance and organizational engagement, personally and organizationally, depends on certain premises such as the creation of an ethical environment in the organization, on the recruitment and retention of competent employees. The complicated and diverse creation of corporate life appears to create companies like Enron excellent business, to be responsible to its suppliers, customs and shareholders, and, in a word, to all of its players in accordance with the law and the ethical standards - thus, to establish an ethical atmosphere. In the absence of an ethnic behavior, communications and business image, the business, traditions and financial risk loss, and workers are plagued by a stressful atmosphere. The income in firms where individuals are not under stress and their dedication to organization and job satisfaction is high is not that difficult to foresee.

In the current scenario, working environment (climate) of public schools is such that performance of its employees seems to be falling in recent years. Different reports in the media have indicated that standard of public educational institutions is constantly dropping (Yasin, 2021). Prior studies have confirmed that various factors affect the performance of employees one of which is the climate of the institution. The climate provided by the institutions is reflected in the commitment and performance of their employees. Previous research has pointed to certain positive and negative effects of ethical climates influencing organizational outcomes (Simha and Cullen, 2012). For example, ethical climate meaningfully influences job attitude and job satisfaction (Nafei, 2015). Moreover, Jaramillo et al. (2006) suggested that ethical climate reduces role ambiguity and role conflict and increases job satisfaction and organizational commitment. And organizational commitment results in higher job performance.

Moreover, majority of research done so far have focused on direct relationship between ethical climate and citizenship behavior and counterproductive work behavior. In this study, we tend to investigate that the influence of ethical climate on employees' performance through organizational citizenship behavior along with counterproductive work behavior. These two variables have been rarely used with this relationship. The effect of ethical climate on employees' performance can be explained through these two significant variables. The involvement of employees in one of these extra-role behaviors may affect their job performance. Thus, it is worthy enough to investigate the impact of ethical climate on employees' performance both directly and indirectly. Present study was conducted in public educational institutions in Islamabad, Pakistan. Public sector schools' system is largest educational system is Pakistan to cater the educational needs of the children of middle- and lower-class families. This context has been relatively not attempted in previous research.

# 2. Literature Review

#### 2.1 Ethical Climate

Business ethics researchers are more interested in the topic of ethical climate since recent decades. Ethical climate uniquely affects others in an organization through decision-making. According to Victor and Cullen (1988), we ought to have ethical climate at workplace for better understanding and practice of ethical behavior. They stated ethical climate as "perceptions of established prevailing organizational norms shared by the members to address issues with a moral component". Social science researchers have largely used and validated this ethical climate framework developed by Victor and Cullen (1988). Researchers, Lemmergaard and Lauridsen (2008) has validated and supported theoretical framework by Victor and Cullen (1988). Moreover, five dimensions of ethical climate such as caring, rules, law and code, independence, and

instrumental have been empirically recognized and debated by (Victor and Cullen, 1988). These climates are normally influenced by managerial practices in the organization.

Managerial practices are helpful in establishing ethical climates (Guerci, 2013). For example, ethical climates are influenced by managerial practices such as empowerment and communication (Parboteeah, 2010). On the other hand, successful managers perceived ethical practices may be affected by various kinds of ethical climates (Deshpande, 1996). Researcher, Forte (2004) found meaningful relationship between management levels and organizational ethical climates. In order to establish ethical climate in the organization, it is essential for managers to first point out current organizational climate types. Sometimes ethical climates occur at unexpected levels in the organization. Thus, management must also find the level of existence of climates within the organization. After the evaluation of current organizational climate types and the various subtypes, the manager in order to promote ethical conduct in employees would develop policies and practices [Wimbush,1996; Deshpande, 1996]. Policy makers and managers after evaluation of current prevailing climate subtypes in the workplace become capable of formulating policies and procedures for the reduction of unethical behaviors and fostering ethical behavior. As suggested that certain positive and negative effects of ethical climates influence organizational outcomes (Simha and Cullen, 2012).

# 2.3 Ethical climate and Employee Performance

Job performance refers to the work done. Job performance is a way of reaching an objective or set of objectives in a work, position or organization, but not the consequences of actions inside the jobs (Chernyak-Hai and Tziner, 2014). Campbell states that work performance is more than just a "complex activity" than just an action (Campell, 1990). Performance at work is simply a behavior and a distinct entity that relates to productivity and success. The association of individuals with their organization is necessary for improving their job performance and positive behaviors [Koh and Yer, 2000]. Researchers, Chiang and Birtch (2007) indicated the perception of employees of different countries about various factors that influence performance.

Ethical climates have similarity with other types of work climates in the organization and may affect similar organizational performance factors (Victor and Cullen, 1988). Moreover, majority of the ethical climate categories are related to performance of organization (Kim and Miller, 2008). When considering employees performance, ethical climate increases employees' performance (Kaya and Başkaya, 2016).

## 2.4 Ethical climate and Organizational Citizenship behavior

Researchers today have focused on the category of employee' behavior that may not be discussed in his/her job description, though, benefits the organization. Behaviors like these may be more obvious and are performed by workers at their free will (Spector and Fox, 2002). Organizational behavior (OCB) was derived by Organ and his colleagues over forty years ago. Organizational citizenship behavior is considered as "a set of behaviors in which employees act beyond their formal job descriptions and engage in helping behavior at individual or organizational level. OCB is discretionary in nature, and employees are not rewarded for engaging nor punished for lacking in this behavior" (Smith et al., 1983; Bateman and Organ, 1983). Furthermore, Smith et al. (1983) coined two categories compliance and altruism of organizational.

Meta-analytical results pointed that ethical climate perceptions are strong factors in explaining organizational positive and negative consequences (Bateman and Organ, 1983). For example, organizational

positive consequence such as organizational citizenship behaviors and organizational climate are linked (Farooqui,2012). Elements causing OCB are responsible for influencing employees' performance. Additionally, empirical studies have established the view that OCB positively relate to organizational performance (Jahangir et al., 2004). Podsakoff, et al. (2009) suggested that organizational consequences like customer satisfaction, unit-level turnover, and productivity, lowering costs are related to OCB. Individual consequences such as reward allocation decisions, actual turnover, employees' performance, absenteeism, and turnover intentions are linked to OCB.

## 2.5 Ethical climate and Counterproductive work behavior

Interest in understanding and investigating workers' ethical and/or unethical behavior has increased because of surfacing of various corporate scandals (Appelbaum, 2005). Different key organizational issues are rooted in counterproductive behaviors. Employee and those around him/her are exposed to such negative behaviors (Elçi, 2013). Definition of counterproductive work behavior represented as "Voluntary behavior that violates organizational norms and threatens the well-being of its members and/or organization" (Robinson and Bennett, 1995). Current explanation stresses on deliberate normative abusing employee's behavior damaging both him/her and the organization. Such kinds of behaviors of an employee are voluntary as he/she are either demotivated in following normative beliefs of social context or he/she is inspired to violate normative views (Robinson and Bennett, 1995).

Meta-analytical results pointed that ethical climate perceptions are strong factors in explaining organizational positive and negative consequences. Researchers, like Bartels et al. (1998) have found that ethical violations lower due to climate strength and ethical climate enhances its success level for coping ethical problems in an organization. Thus, the practices which nurture organizational ethical climate may help to manage employees' behavior and attitude in the organization. Similarly, ethical climate enhances positive and lowers negative organizational consequences (Mulki et al., 2008). For example, ethical climates are generally perceived as negatively related to counterproductive work behavior (Saiden et al., 2012; Chernyak-Hai and Tziner, 2014), role ambiguity and role conflict (Jaramillo et al. 2006). Moreover, researcher, Peterson (2002) found relationships between specific types of ethical climates and specific types of counterproductive behaviors may have grounds.

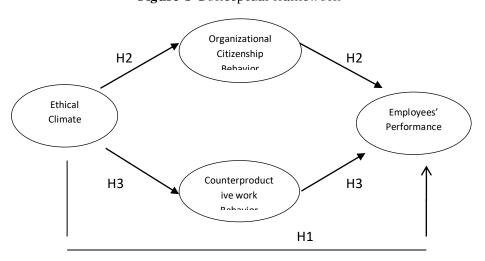


Figure 1 Conceptual framework

Hypothesis 1: Ethical climate will increase employees' performance.

Hypothesis 2: The influence of ethical climate on employees' performance would be mediated by organizational citizenship behavior.

Hypothesis 3: The influence of ethical climate on employees' performance would be mediated by counterproductive work behavior.

# 3. Research Methods

Research methodology empowers the researcher in maintaining and planning various activities in conducting research. Research methodology guides the researcher in different stages of the research. Research methodology paves the path to find a possible solution to the problem or selecting an alternative from different ones.

# 3.1 Research design

Quantitative methodology will be adopted to investigate current issue. It will use purposive sampling technique for collection of data. This research will use survey approach through well-established questionnaires. The questionnaires will be personally administered to school administrators. Data will be collected on four constructs like ethical climate, counterproductive work behavior, and organizational citizenship behavior. Collected data will be first checked and screened. Reliability, validity, normality and descriptive analysis of data will be calculated to use the data for further analysis. Then direct and indirect relationships will be confirmed through regression analysis.

## 3.2 Sampling and data collection

Purposive sampling technique is used in collection of data for the present study as used by Yates (2014) in her study. This technique is easy to use and cost effective. Data for the present study is collected from 107 educational institutions located in Islamabad, Pakistan. Public educational sector is one of the biggest public sectors of Pakistan Government spends a lot of budgets on these public educational institutions. That is why, investigating its climates and employees' performance has its importance. Respondents are principals, headmasters, v. principals, and deputy headmasters. The respondents who were working for at least one year in the current institution participated in the study. Time frame of one year is enough for a school administrator to recognize an organization and environment surrounding it. Drastic changes are usually noticed when a new administrator takes charge of the institution. Eventually, a mixed reaction is seen in the institution. Some employees may not favor new changes and they may resist and violate. The relationship between head and subordinates would be based upon their first impressions. It would be like throwing pebbles in the water and watching the disturbance in it. At this moment, the researcher would not be capable of arriving at the required level of exact picture. In order to approach at the true picture, we should let the water settle first. On the other hand, a newly transferred or recruited administrator could have derived some opinions about the organization that could alter with the passage of time.

Out of total 107 public educational institutions, 43 primary schools, 06 middle schools, 47 secondary schools, and 11 higher secondary schools. Structured questionnaires amounting 300 were circulated to respondents of the research. The volunteers were told the importance of research and privacy of data. Personal data were age, tenure, education, gender and experience as administrator were also collected along with questions about study variables OCB, CWB, ECQ and job performance. Sufficient time was given to the respondents due to their busy schedule. Data is collected personally through questionnaire survey. Researchers received back 237 questionnaires out of 300 with the response rate 79%. Data collection took approximately six months' time. 220 questionnaires fulfilled the research criteria and were available for further statistical analysis. Out of these 220 valid questionnaires 130 were collected from female respondents and 90 were collected from male respondents.

Demographics of data included 59% females and 41% males along with Std. Dev. 0.497, Mean 1.56. Majority of the respondents are aged between 51years and above i. e. 34.5%, however, 19.1% and 20.9% respondents ages ranged between 36 to 40 and 46 to 50 severally along with Std. Dev. 0.507, Mean 2.70. Majority of the respondents 68.2% have master's degree, 19.1% have graduation degree, and 12.7% have M. Phil / PhD degree along with Std. Dev. 0.557, Mean 2.00. Majority of the respondents 30.5% are experienced administrators with their administrative experience ranged between 11 to 15years, 24.1% are having 16 to 20years experience, 20% are having 6 to 10years experience, 15.9% are having 21 & above years' experience, 9.5% are having 1 to 5years experience along with Std. Dev. 0.993, Mean 2.98. Majority of the respondents 40.5% are ranked as deputy headmasters; 28.2% are v. principals; 26.8% are principals and 4.5% are headmasters along with Std. Dev. 1.263, Mean 2.59.

# 3.3 Measures

For measuring ethical climate, Ethical Climate Questionnaire (ECQ) developed by Cullen et al. (1993) containing 31 questions was utilized. For measuring OCB, Organizational Citizenship Behavior measure given by Smith et al. (1983) containing 10 questions was utilized. For measuring employees' performance, task performance questionnaire Tsui et al. (1997) containing 11 questions were utilized. Respondents rated their direct reports and climate of the institution as a group. Five-point Likert scales were used to obtain responses from strongly disagree (1) to strongly agree (5) for measuring ethical climate, OCB, and employees' performance. Respondents rated their direct reports on five-point Likert scale from 1, "never" to 5, "daily".

# 4 Results

Pure quantitative methodology was used to analyze data for current investigation. Collected data from participants was first screened then quantitative tools were used for further analysis.

# 4.1 Descriptive statistics

Structural Equation Modeling (SEM) technique has been used in this quantitative study. Constructs used in this study are measured through their specific elements. Data were screened and refined at initial stage to make the data ready for further analysis. The table 1 presents descriptive statistics of the data set. First of all,

Cronbach's alpha, average and standard deviation (Std. Dev.) of measured items were collected. The reliability of data was calculated by calculating value of Cronbach's alpha whose minimum value requirement was that it must be larger than 0.7 (Cronbach, 1951). Table 1 shows that ethical climate was determined with 5 elements. Overall, ethical climate exhibited average 3.813 and standard deviation (Std. Dev.) 0.491. Analysis of each element of ethical climate showed that average, Std. Dev. and α-value of Instrumental (InEC) are 3.267, 1.092 and 0.886; average, Std. Dev. and α-value of Caring (CEC) were 3.870, 0.722 and 0.962 severally; average, Std. Dev. and α-value of Independence (IEC) were 3.833, 0.795 and 0.94 severally. Moreover, average, Std. Dev. and α-value of Rules (REC) were 4.051, 0.745 and 0.819 severally; average, Std. Dev. and α-value of Law & Codes (LCEC) were 4.045, 0.690 and 0.877 severally.

Table 1 Descriptive Statistics

Variables	No. of Items	Average	Std. Dev.	Cronbach's α value	Missing Values	Skewness	Kurtosis
Ethical Climate (EC)	5	3.813	0.491		0	-0.887	2.192
Instrumental (InEC)	4	3.267	1.092	0.886	0	-1.009	1.155
Caring (CEC)	15	3.870	0.722	0.962	0	-1.157	1.409
Independence (IEC)	4	3.833	0.795	0.941	0	-0.533	-0.637
Rules (REC)	3	4.051	0.745	0.819	0	-1.148	2.153
Law & Codes (LCEC)	5	4.045	0.690	0.877	0	-1.197	2.163
Counterproductive Work Behavior (CWB)	2	1.735	0.660	•	0	0.997	0.521
Interpersonal							
Counterproductive Work Behavior (ICWB)	7	1.779	0.809	0.931	0	1.353	1.767
Organizational							
Counterproductive Work	12	1.692	0.736	0.931	0	1.162	0.892
Behavior (OCWB)							
Organizational							
Citizenship Behavior	2	3.614	0.638		0	-0.130	0.074
(OCB)							
Altruism (AOCB)	5	3.200	1.010	0.934	0	-0.372	-0.618
Gernalized Compliance (GCOCB)	5	4.028	0.697	0.882	0	-1.123	2.900
Employee Performance (EP)	11	3.697	0.648	0.949	0	-0.702	1.027

**Source:** Author's findings

Counterproductive work behavior, second variable, as whole resulted with average and Std. Dev. were 1.735 and 0.660 severally. The dimension of CWB like Interpersonal Counterproductive Work Behavior (ICWB)

resulted in averages 1.779; Std. Dev. 0.809 and α-value 0.931 whereas Organizational Counterproductive Work Behavior (OCWB) resulted in averages 1.692, Std. Dev. 0.736; and α-value 0.931. The results of CWB indicated that respondents were disagreed with the majority of questions asked for each concept of CWB and negatively perceived them. The third variable, Organizational Citizenship Behavior as whole resulted with average 3.614 and Std. Dev. 0.638. The dimension of OCB such as Altruism (AOCB) resulted in averages 3.200; Std. Dev. 1.010 and α-value 0.934 whereas Generalized Compliance (GCOCB) resulted in averages 4.028, Std. Dev. 0.697; and α-value 0.882. The results of OCB indicated that respondents were agreed with the majority of questions enquired of every aspect of OCB and positively perceived them. Last variable employees' performance (EP), as a whole resulted with average, Std. Dev. and α-value 3.697, 0.648 and 0.949 severally. Moreover, descriptive statistics, kurtosis and skewness of the data were also calculated. The results mentioned above indicated that there existed no problem of skewness of data and no kurtosis value that could affect the data normality as entire set of values when divided by standard error are lower than 2.96 (Field, 2013).

# 4.2 Convergent and Discriminant Validity

For using SEM, technique designed by Anderson and Gerbing (1988) is adopted. In order for applying SEM on data set, scholars classify the data set into two interrelated but discrete phases. Proposed model was drawn in AMOS in the first phase for obtaining measurement model of data. In second phase entire model is drawn again in SEM for final investigation and authentication of hypothetical causal links dominating in the model. Researchers used AMOS to draw four variables of the model in order to find Confirmatory Factor Analysis (CFA) whose findings were shown in table 2 Factor Loadings. Fit indices standards for present study were taken from Kline (Kline, 2011) model. Current research measurement model fit indices were Chi-square = 3144.570, DF = 2350, Normed Chi-square= 1.338, GFI = 0.847, AGFI = 0.839, TLI = 0.952, CFI = 0.955, RMSEA = 0.039. The entire above mentioned model fit indices fulfill the minimum standard benchmarks, it suggests that more investigation can be done to determine discriminant validity and convergent validity of the data in hand.

Table 2: Factor Loadings

Variables	No. of Items	Factor Loadings
Ethical Climate	5	•
Instrumental	4	0.947, 0.956, 0.934, 0.924
		0.899, 0.839, 0.839, 0.879, 0.729, 0.740,
Caring	15	0.757, 0.827, 0.808, 0.810, 0.801, 0.770,
		0.761, 0.741, 0.796
Independence	4	0.947, 0.904, 0.965, 0.907
Rules	3	0.907, 0.903, 0.923
Law & Codes	5	0.911, 0.937, 0.935, 0.942, 0.895
Counterproductive Work Behavior	2	
Interpersonal Counterproductive	7	0.923, 0.910, 0.924, 0.962, 0.933, 0.945,

Work Behavior		0.903
Organizational Counterproductive	10	0.847, 0.846, 0.838, 0.779, 0.851, 0.840,
Work Behavior	12	0.792, 0.753, 0.829, 0.799, 0.789, 0.775
Organizational Citizenship Behavior	2	
Altruism	5	0.920, 0.927, 0.967, 0.963, 0.968
Generalized Compliance	5	0.914, 0.917, 0.900, 0.903, 0.911
Г l	1.1	0.868, 0.825, 0.834, 0.775, 0.818, 0.806,
Employee Performance	11	0.773, 0.808, 0.765, 0.710, 0.733

Source: Author's findings

Above discussed validity test was completed through Fornell and Larcker (1981)'s three phase technique. Two phases of the technique approved convergent validity and the third phase confirms discriminant validity. First phase of the technique proposed to set four variables of model freely covary with each other. This procedure of the study was labeled as factor loadings furnished in the table 2. The minimum requirement for the factor loading results to be significant was that each item of the variable must have loading value greater than 0.7. Factor loading was highly satisfactory as entire set of values met the required threshold benchmarks. Completion of first stage takes place at this point.

Secondly, Psychometric properties of four variables were calculated and inspected in accordance with benchmarks given by (Fornell and Larcker, 1981). Table 3 presents Composite Reliability (CR) values of study variables which were checked against the benchmarks that each value of the study variable should be larger than 0.5. All values in the table showed significant results and established that variance was explained by items to their relative variables only on which they were supposed to be laden not with and on any other study variable. This confirmed the convergent validity of the instruments used in the investigation.

Table 3 Psychometric properties

	There's Toyellometric properties											
	CR	AVE	InEC	CEC	<i>OCWB</i>	EP	<i>ICWB</i>	АОСВ	LCEC	GCOCB	IEC	REC
InEC	0.939	0.795	0.891									
CEC	0.961	0.625	0.080	0.791								
OCWB	0.959	0.660	0.071	-0.090	0.812							
EP	0.949	0.630	0.209	0.232	-0.117	0.793						
<b>ICWB</b>	0.936	0.676	0.093	-0.004	0.480	-0.160	0.822					
AOCB	0.927	0.719	0.302	0.315	0.044	0.276	0.129	0.848				
LCEC	0.881	0.601	0.050	0.366	-0.034	0.212	0.006	0.092	0.775			
GCOCB	0.875	0.585	0.113	0.298	-0.216	0.365	-0.159	0.116	0.247	0.765		
IEC	0.888	0.666	0.198	0.383	-0.009	0.242	-0.052	0.278	0.353	0.324	0.816	
REC	0.823	0.611	0.043	0.323	-0.138	0.305	-0.137	0.120	0.388	0.246	0.300	0.782

Source: Author's findings

Finally at this stage, we prove data discriminant validity here. The values of square root of AVE are examined to see if these values were larger from its all-variables' correlation values presented in diagonal of the table 3. Outcomes show that correlated values were smaller than all values presented in the diagonal. These results showed that loaded items for one specific variable completely fitted in it and did not make any

conflict with any other variable in the study framework. Finally, data and model are perfectly set for checking final outcomes using SEM in AMOS.

# 4.3 Hypothesis testing

Table 4: Study variables' Regression Weights

		, , , , , , , , , , , , , , , , , , , ,			
Relations	Unstandardized (β)	Standardized (β)	S.E.	C.R.	P
EC → OCB	.592	.456	.081	7.325	***
$EC \rightarrow CWB$	.018	.013	.093	.190	Ns
$OCB \rightarrow EP$	.351	.346	.058	6.060	***
$CWB \rightarrow EP$	092	094	.056	-1.637	Ns
$EC \rightarrow EP$	.194	.147	.085	2.271	*

Note: \*=p<0.05, \*\*\*=p<0.001, ns=not significant (Source: Author's findings)

In the final phase, SEM was executed as a study structural model. This enables the researcher to investigate all four casual links to confirm the results of proposed model hypotheses. We compare fits indices values obtained from structural model with benchmark values as we did in the first stage with the measurement model as recommended by Kline (2011). Results achieved in the structural model of current research were as GFI = 1, TLI = 1.069, DF = 1, AGFI = 1, CFI = 1, Chi-square=.005, Normed Chi-square= .005, and RMSEA = .000. The results of causal relations, their Regression Weights are furnished in table 4. Direct links of four variables included in proposed study model are shown in this table. This table shows all unstandardized and standardized  $\beta$  values as well as some additional information. At this stage, all links of four variables in the research model are inspected. Three out of five direct links in the model proved significant at various criteria. Two direct links EC  $\rightarrow$  CWB and CWB  $\rightarrow$  EP emerged insignificant indicating that relationship between EC and CWB and relationship between CWB and EP have no impact. Results of every direct link are discussed as follows:

Table 4 showed that EC positively and significantly influenced EP at 99 % level significance (Unstd. beta coeff. = 0.194, Std. beta coeff. = 0.147, p < 0.05). Hence, our hypothesis 1 is supported. Moreover, EC has greatly significant effect on OCB as (Unstd. beta coeff. = 0.592, Std. beta coeff. = 0.456, p < 0.001). EC did not influence CWB as the results (Unstd. beta coeff. = 0.018, Std. beta coeff. = 0.013, p = ns). OCB strongly and positively influenced EP as (Unstd. beta coeff. = 0.351, Std. beta coeff. = 0.346, p < 0.001) but CWB did not affect EP as (Unstd. beta coeff. = 0.092, Std. beta coeff. = 0.094, p = ns).

In the model, ethical climate and employee's performance are taken as independent and dependent variables severally. The organizational citizenship behavior and counterproductive work behavior—as mediators were separately added for examining their effect on the model. Mediation is measured individually.

Table 5: CWB as mediator (Direct Effects)

Relations	Unstandardized <b>β</b>	Standardized <b>β</b>	P
$EC \rightarrow EP$	.364	.276	***
$EC \rightarrow CWB$	.018	.013	Ns
$CWB \rightarrow EP$	095	097	†

Note: †=p<0.05, \*\*\*=p<0.001, ns=not significant

Table 6: CWB as Mediator (Indirect Effects)

				BCCI	
Relations	Unstandardized β	Standardized <b>\beta</b>	<i>P</i> -	Lower	Upper
$EC \rightarrow CWB \rightarrow EP$	002	001	Ns	018	.009

Source: Author's findings

CWB and OCB have been proposed as mediators in the present study. The first mediation of CWB is between EC and EP explained as EC  $\rightarrow$  CWB  $\rightarrow$  EP, results of table 5 & table 6 presented that there is no mediation in this case as EC, the independent variable has non-significant influence on mediating variable CWB as (Unstd. beta coeff. = 0.018, Std. beta coeff. = 0.013, p = ns). Mediating variable CWB has significant influence on independent variable EP as (Unstd. beta coeff. = 0.095, Std. beta coeff. = 0.097, p<0.1). EC has strong significant influence on EP when controlling for CWB as (Unstd. beta coeff. = 0.364, Std. beta coeff. = 0.276, p<0.001) and the indirect path of this mediation is also non-significant (Unstd. beta coeff. = 0.002, Std. beta coeff. = 0.001, p = ns). Lower Bias-Corrected Confidence interval (BCCI) = 0.018, Upper BCCI = 0.009. Thus, there was no proving of mediation. This did not support hypothesis 3.

Table 7: OCB as mediator (Direct Effects)

Relations	Unstandardized β	Standardized <b>\beta</b>	P
$EC \rightarrow EP$	.192	.146	†
$EC \rightarrow OCB$	.592	.456	***
$OCB \rightarrow EP$	.288	.283	***

Note: **†**=p<0.05, \*\*\*=p<0.001, ns=not significant

Table 8: OCB as Mediator (Indirect Effects)

				BCCI	
Relations	Unstandardized <b>β</b>	Standardized \( \beta \)	P	Lower	Upper
$EC \rightarrow OCB \rightarrow EP$	.170	.129	***	.074	.203

The second mediation of OCB is between EC and EP explained as EC  $\rightarrow$ OCB $\rightarrow$  EP, resulted in partial mediation, which appears in table 7 and 8, displaying that all the indirect and direct links were meaningful. EC has significant influence on OCB as (Unstd. beta coeff. = 0.592, Std. beta coeff. = 0.456, p<0.001). OCB to EP was (Unstd. beta coeff. = 0.288, Std. beta coeff. = 0.283, p<0.001) also EC has significant influence on EP when controlling for OCB as (Unstd. beta coeff. = 0.192, Std. beta coeff. = 0.146, p<0.1) and OCB has significant influence on EP as (Unstandardized ( $\beta$ ) coefficient = 0.170, Std. beta coeff. =0.129, p<0.001). Lower BCCI = 0.074, Upper BCCI =0.203. The above-mentioned results have proved that partial mediation existed. Thus, hypothesis 2 was proved here.

## 5 Discussion

Main goal of present document is to investigate into key field of organizational ethics through the development of a broad study model. Here, we have attempted to determine the influence of ethical climate on employees' performance across organizational citizenship behavior along with counterproductive work behavior.

Ethical climate meaningfully and positively couples with employees' performance. Employees' performance in public institutions is vastly influenced by prevailing ethical climates. The outcomes are in accordance with proposed directions. These results are supported by previous studies, for example, certain positive and negative effects of ethical climates influencing organizational outcomes (Simhaand Cullen, 2012). Moreover, majority of the ethical climate categories are related to performance of organization (Kim and Miller, 2008).

Outcomes of current investigation have indicated that management of public school mostly involve in employing disparate carrots and sticks for different employees. In majority of educational institutions, workload is distributed not on merit but on intimate relationships with the administration. Those employees with intimate relationships with administration are assigned less workload as contrast with others in the organization. Administrators sometimes take benefit of their position and involve in such decision making which may be of benefit to them but harmful to employees and organization at large. They are indecisive in making decisions on current and critical issues of importance. There exists large gap of information and communication among employees and them. In such a working environment, majority of employees may become against the administration and get involve in negative activities resulting in reduced job performance. Some of the employees may turn out to be violent against the administration. However, few caring and honest administrators involve themselves in ethical decisions making and ethical practices regardless of the consequences. Such administrators tend to equally treat employees regardless of their

seniority, position and ethnicity. They pass on to their employees' government notifications and organizational values through holding meetings and notices. They continuously communicate organizational objectives, issues, deficiencies, and achievements to their employees. They also discuss current and critical issues which need prior attention and possible solution.

Surprisingly, it is found from the study results that ethical climate is not associated with employees' performance through counterproductive work behavior. It shows that negative behavior of employees which are in some way responsible of lower their performance is not because of ethical climates prevailing in the educational institutions but because of some other fact. These outcomes are inconsistent with our hypothesized expectations. The outcomes of current study add to present literature as it points out that ethical climate has insignificant indirect negative link with employees' performance across employees' CWB. Moreover, the examples of employees' performance and ethical climate direct link exist in the literature, but literature is silent on providing any instance of indirect link across CWB. Although, indirect link like mediation effect of CWB existed in association to ethical climate and employees' performance has not been discussed in the present literature but direct relationships have been discussed. The results of present study are contradictory to prevailing literature like Chernyak-Hai and Tziner (1996) who pointed that ethical climate is negative coupled with CWB at the workplace. The study by Hsieh & De Wang (1981) showed that the relationship between ethical climate and organizational deviance is mediated by job satisfaction.

The outcomes of present research pointed that ethical climate is positively associated with employees' performance through OCB. It points out that introduction of mediation OCB affect the link between ethical climate and employees' performance. The study results are according to proposed directions. The outcomes of current study add to present literature as it shows ethical climate has significant indirect positive link with employees' performance across employees' OCB. Moreover, the examples of ethical climate are directly linked to employees' performance exist in the literature, but literature is silent on providing any example of indirect link across OCB. Our findings are in accordance with study results by, Farooqui, (2006) who pointed that climate in the workplace is linked to OCB. The researchers, MacKenzie et al. (1998) pointed that OCB is linked to employees' performance. Additionally, Rubin et al. (2013) indicated that task performance is curvilinear when employees frequently perform organizational citizenship behavior. Citizenship behaviors flourish in those institutions whose administrators treat their employees fairly, equally and justly. Employees do not usually perform organizational citizenship behaviors because of their commitment to the organization or satisfaction with their jobs but due to perceived fairness. Employees perform extra tasks and activities as they tend to get even with the fair treatment they may have received from the management.

## 6 Conclusion and Recommendations

Present study examines that ethical climate is associated with employees' performance through two factors OCB and CWB. Study finding suggested that ethical climate is major factor to recognize well the association between organization and its incumbents in relation to effectiveness. Findings indicated that ethical climate play a major role in improving employees' job performance. Additionally, OCB of majority of individuals affect the link of ethical climate with employees' job performance. Contrarily, CWB of most

individuals do not influence the link of ethical climate with employees' performance. This shows that OCB of most of employees increased due to presence of ethical climate that exists at workplace resulting in lowered job performance. This reduction in job performance when employees involve in OCB is due to time boundaries. CWB of most of employees which are in some way responsible of lower their performance is not because of ethical climates prevailing in the educational institutions but because of some other fact. Currently, administrators from public educational institutions are included in the research. Future research should include administrator and teacher dyad. Overall effect of ethical climate was analyzed presently. Facet-wise analysis of ethical climate should be conducted in future for more deep analysis of climates.

# Conflict of interest

On the basis of all the authors, it is declared that there is no conflict of interest.

# Authors' Declaration

We confirm that the paper has not been published previously, it is not under consideration for publication elsewhere, and the manuscript is not being simultaneously submitted elsewhere.

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