Conference Paper

The Effects of Ethics Institutionalization on Organizational Citizenship Behavior: The Mediating Effects of Organizational Commitment and Moderating Effects of Psychological Empowerment

Eka Destika Sandakila and Aryana Satrya
Magister Management, Faculty of Economics and Business, University of Indonesia

Abstract

Many of organization implement code of conduct as an explicit guidance to help employees knowing the standard of ethics from management’s viewpoints, with the aim to gain productivity achieving organization’s goal. The purpose of this paper is to examine the influence of ethics institutionalization on organizational citizenship behavior and to analyze the role of organizational commitment in mediating the impact of ethics institutionalization on organizational citizenship behavior with psychological empowerment as a moderator in one of State Institution in Indonesia. This research will use a quantitative approach with online survey method to 250 respondents which were determined by purposive sampling method. Respondents come from employees of XYZ State Institution who already work at the institution for minimum 2 years. Based on analysis from preliminary literature, it can be concluded that all variables used in this research are valid, reliable and having correlation with each others. This research is still on progress and result will be discussed further.

Keywords: Institutionalization of Ethics, Explicit Ethics Institutionalization, Implicit Ethics Institutionalization, Organizational Commitment, Psychological Empowerment, Organizational Citizenship Behavior

1. Introduction

Ethics generally describes how individuals interact with their environment. Included in the organizational environment, ethics is a very important thing to be implemented properly so that it can support the success of the company. Organizational practice in an effort to involve ethics into the decision-making process is called "institutionalization of ethics" (Singhapakdi and Vitell 2007). Organizations can improve the formalization of ethics in the form of a company code of ethics and ethical guidelines as guidelines for employees, and can also change organizational structures by creating special positions for ethical management (Vitell and Singhapakdi 2008).
Brenner (1992) argues that organizations whether they know or not, have ethics programs - either explicitly made or inherited implicitly. Examples of explicit aspects of ethical programs include codes of ethics, policy guidelines, employee training and training materials, employee orientation programs and ethics committees. According to Brenner (1992), most of these programs, however, are not made explicit, but are inherent in organizational culture. Examples of more implicit aspects of ethical programs include incentive systems, leadership, promotion policies, and performance evaluations.

Furthermore, Singhapakdi (2010) explained that the Explicit Ethics Institutionalization (EEI) refers to the codification of ethical behavior in terms of ethical codes, policy guidelines, orientation programs, and ethical committees. EEI involves formal systems and procedures for establishing what is considered ethical behavior and monitoring how ethical principles, norms and rules are applied in organizations (Majluf and Navarrete 2011). While Implicit Ethics Institutionalization (IEI) refers to a work climate where ethical behavior is understood by employees as important in the formation and function of the company (Lee, Yu, Sirgy, Singhapakdi, and Lucianetti, 2018). IEI means "ethical behavior implied, or not expressed directly, and understood as important" (Singhapakdi and Vitell 2007). In an implicit institutionalization context, ethics is inherently incorporated or embedded in organizational culture (Brenner 1992).

According to previous research, EEI has a significant influence on IEI and not vice versa, because there are several reasons, namely EEI can provide a clear understanding for employees about what behavior is ethical and who is not within the organization and EEI can also increase ethical sensitivity among employees who at finally creating an ethical climate that is one form of IEI (Lee et al 2018; Schwartz 2001; Vitell, Singhapakdi, and Nishihara, 2015). If the ethical climate has been formed and internalized into an organizational culture, then the implicit form of institutional ethics will affect every decision making that exists.

Ethics in organizations such as fairness in work, attention and concern for employees, trust in employees, and organizational reputation are factors that influence organizational commitment (OC) for employees (Ferrell, Fraedrich, and L, 2002). Hunt, Wood, and Chonko (1989) also explain that there is a positive relationship between corporate ethical values and OC. The results of research conducted by Valentine and Barnett (2003) show the belief that organizations that have strong ethical values can increase OC. For this reason, it can be concluded that institutional ethics plays a significant role in developing employee commitment to the organization in which they work.
OC has been studied as an antecedent for Organizational Citizenship Behavior (OCB) (Organ and Ryan, 1995). OCB is a quite interesting subject in modern times because there have been fundamental changes in work and workplace with an increased focus on strategic HR (García-Carbonell, Martin-Alcazar, and Sanchez-Gardey, 2014). Given that OCB is able to encourage productivity and overall organizational efficiency and effectiveness, so organizations will ultimately work aggressively to encourage OCB among employees by investing in HRM systems and changing cultures that are able to promote OCB (Lo, Ramayah, and Hui, 2006; Bolino and Turnley, 2003; Ling-yee, 2009).

Previous research showed that employee characteristics seen by Organ and Ryan (1995) as employee satisfaction, OC, perceived equity in work, and leader support were part of the main predictors of OCB (Bateman and Organ, 1983; O’Reilly and Chatman, 1986; Smith, Organ, and Near, 1983). These variables have become the most frequently studied antecedents of OCB, and all have a significant relationship with citizenship behavior. It can be concluded that these variables compare the morale between employees to determine OCB (Farzaneh, Farashah, and Kazemi, 2014). Brief and Motowidlo (1986) agree that the component of commitment is pro-social or citizenship behavior. For this reason, OC and OCB have a positive relationship (Moorman, Niehoff, and Organ, 1993; Organ and Ryan, 1995).

There is a consensus among researchers that OCB is voluntary and can benefit other people and organizations, although this is not part of the formal system of the organization (Podsakoff N.P, Whiting, Podsakoff P.M, and Blume, 2009). Podsakoff and Mackenzie (1994) divided OCB into three dimensions namely Helping Behavior, Sportsmanship, and Civic Virtue. Where Helping Behavior is a combination of various types of OCB namely altruism, courtesy, peacekeeping, and cheerleading. While Sportsmanship refers to the behavior of employees who have a willingness to tolerate less ideal conditions without complaining and railing against facts that are not as expected. While Civic Virtue refers to behavior that is responsible for participating and focusing on the survival of the organization (such as attending meetings that are not needed but able to help the company, adjusting organizational changes, taking initiatives to recommend how organizations operate with better procedures).

Conger and Kanungo (1988) show that Psychological Empowerment (PE) is a type of internal motivation that is conducive to promoting OCB. Wat and Shaffer (2005), Chiang and Hsieh (2012) show that PE positively affects OCB. PE consists of work values and self-determination of work, therefore when employees have more control and freedom in their work, they will respect their work and altruistic behavior. So it can be concluded
that PE can be the right construction to increase employee motivation in showing OCB. In addition, an individual with a large level of PE will also have the potential to show a higher OC and ultimately produce OCB (Peccei and Rosenthal, 2001).

2. Literature Study

2.1. Institutionalization of Ethics

An organization can institutionalize its ethics in two basic forms: explicit forms and implicit forms (Brenner 1992; Jose and Thibodeaux 1999; Singhapakdi and Vitell 2007). An example of institutional ethics refers to the extent to which organizations explicitly and implicitly incorporate ethics into the decision-making process (Singhapakdi and Vitell 2007). Explicit institutional ethics means that ethical behavior is formally expressed clearly (Singhapakdi and Vitell 2007). Examples of institutionalizing explicit ethics include codes of ethics, policy guidelines, ethical training materials, and ethical committees (Vitell and Singhapakdi 2008). It is different from implicit institutional ethics which means that ethical behavior is implied, or not directly expressed but is very understood (Singhapakdi and Vitell 2007). Through implicit institutional ethics, organizations try to create an environment that encourages ethical behavior. Examples of implicit institutional ethics are leadership ethics, ethical climate, incentive systems, and performance evaluation systems (Vitell and Singhapakdi 2008).

Institutionalization of ethics is considered capable of resolving ethical issues in organizational environments (Gellerman, 1986; Murphy, 1989; Stevens, 1994) both explicitly and implicitly to assist management in decision making. Based on research conducted by Singhapakdi, Sirgy, Lee and Vitell, (2010) the Explicit Ethics Institutionalization has a significant positive influence on the Implicit Ethics Institutionalization, not the other way around.

**H1**: Explicit Ethics Institutionalization has a positive influence on the Implicit Ethics Institutionalization

2.2. Organizational Commitment

According to Robbins (2003), organizational commitment is if an employee identifies the goals of a particular organization, and wishes to maintain membership in the organization. Luthans (1995) explains that organizational commitment is defined as (1) a strong desire for someone to become a member of the organization, (2) a willingness to
exert every effort for the organization, and (3) the trust and acceptance of organizational values and goals. In other words, organizational commitment is an attitude that shows employees “loyalty” and an ongoing process of how organizational members express their sympathy for the organization’s failure and success.

Elements of ethics such as justice in the workplace, attention and concern for employees, trust in employees, and organizational reputation are factors in work that have the greatest influence on employee commitment to the organization (Ferrell et al., 2002). Furthermore, according to Valentine and Barnett (2003) shows that someone in an organization that has strong ethical values can increase organizational commitment. Based on previous research conducted by Vitell and Singhapakdi (2008) and Lee et al (2018) states that Explicit and Implicit Ethics Institutionalization has a positive relationship to Organizational Commitment.

**H2**: Explicit Ethics Institutionalization has a positive influence on Organizational Commitment

**H3**: Implicit Ethics Institutionalization has a positive influence on Organizational Commitment

### 2.3. Organizational Citizenship Behavior

The term OCB, first created by Bateman and Organ (1983), is rooted in the work of Katz (1964), who studied innovative and spontaneous behavior outside the prescription of roles and distinguished between high and low performers. Barnard (1938) marks an effective organization as a system where individuals work together to achieve organizational goals. Organizational effectiveness depends on employee contributions to the organization. OCB’s proposition is based on social exchange theory (Blau, 1964). Expanding previous work on OCB, Katz and Kahn (1966) introduced the concept of extra-role cooperative behavior, which states that effective organizations must generate innovative behavior.

Organizational commitment is related to employee motivation. Evidence reveals that employee involvement is observed from their extraordinary actions or behavior within the organization, such as their agreement to work after hours (Caldwell, Chatman, and O’Reilly, 1990). Haigh and Pfau (2006) in their study found a significant positive relationship between Organizational Commitment and Organizational Citizenship. Brief and Motowidlo (1986) in the literature on extra-role behavior, agree that the component of commitment is a prediction of pro-social or citizenship behavior. As a result, a
positive relationship between Affective Organizational Commitment and Organizational Citizenship Behavior is a reasonable relationship (Moorman et al., 1993; Organ and Ryan, 1995).

**Figure 1:** Previous studies by Singhapakdi, Sirgy, dan Lee (2010).

**Figure 2:** Previous studies by Farzaneh J, Farashah AD, Kazemi M (2014).

**Figure 3:** Conceptual model of this study.

**H4:** Organizational Commitment has a positive influence on Organizational Citizenship Behavior

There is no direct influence between the institutionalization of ethics towards organizational citizenship behavior. But in Maignan literature, Ferrel, and Hult (1999) find that proactive citizenship behavior where ethics is the responsibility of being part of the organization can increase the level of commitment of employees to the company. It also found a positive relationship between explicit ethics institutionalization and implicit ethics institutionalization with organizational commitment (Lee et al, 2018) and a
positive relationship between organizational commitment and organizational citizenship behavior in the Obedgiu and Bagire (2017) research.

**H5**: Organizational commitment mediates the positive influence of the Explicit Ethics Institutionalization on Organizational Citizenship Behavior

**H6**: Organizational commitment mediates the positive influence of the Implicit Ethics Institutionalization on Organizational Citizenship Behavior

### 2.4. Psychological Empowerment

Psychological empowerment (PE) is defined as an increase in intrinsic task motivation, manifested in a series of four cognitions, which reflect an individual’s orientation to the role of his work: meaningfulness, competence, self-determination and impact (Thomas and Velthouse, 1990). The concept of PE is rooted in the theory of PE (Rappaport, 1987) which suggests a mechanism to promote the contribution of those living in a community to meeting their needs and defending their rights (Lee, 2001). Relying on PE theory, Spreitzer (1995) operationalizes multifaceted PE construction in a work context.

Employees who are committed to the company will have organizational values that have been internalized within themselves, sense of belonging, and are willing to invest their personal efforts for the organization, while psychological empowerment facilitates the realization of this willingness (Farzaneh et al, 2014). People who are empowered are aware of the factors that affect their individual and organizational well-being (interactional components), perceive higher self-capacities, and are willing to exercise control over organizational problems. Psychological empowerment strengthens employees who are committed to the organization to help others overcome their problems (behavioral components) (Zimmerman, 2000). Therefore, psychological empowerment is able to be the right construction to increase employee motivation in showing organizational citizenship behavior. Also, an individual with a greater level of psychological empowerment will be more suitable to show higher organizational commitment and will eventually be involved in organizational citizenship behavior (Farzaneh et al, 2014).

**H7**: Psychological empowerment moderates the relationship between Organizational Commitment and Organizational Citizenship Behavior, where the higher the psychological empowerment the relationship will be stronger and conversely the lower the psychological empowerment the relationship will be weaker.
3. Methodology

3.1. Survey Design

The conceptual model as shown in Figure 3 was tested through a web-based self-administered questionnaire. The participants are the employee of the XYZ Institution as one of the public institutions engaged in social security. The XYZ Institute has compiled various regulations where one of them is an institution’s code of ethics which contains guidance for all institutional personnel in carrying out their duties professionally and responsibly, procedures for interacting with other parties, work ethics that must be adhered to in order to achieve the institution’s goals. In its implementation, the ethical code of conduct that is clearly understood by agency employees is able to drive ethical behavior that is implicitly indicated by each individual. The main factor that supports the improvement of services in a public organization is by adjusting the capabilities of agency employees in providing excellent service.

As part of the cover letter and the instructions, respondents were informed that the main purpose of this study is to collect data knowing effect Institutionalization Of Ethics on Organizational Citizenship Behavior in XYZ Institution. The letter also informed them that the researchers were only interested in their opinions, and their opinions would be treated confidentially and anonymously.

Of the 100 letters delivered inviting them to access the survey questionnaire, 61 persons responded for an effective response rate of 61%. Among the 61 respondents, 63.9% were male and 36.1% were female. In terms of age, the respondents were 21-30 years old (80.3%), 31–40 years old (13.1%), and 41–50 years old (6.6%). In terms of education, 78.7% of the respondents reported as college education, the rest are magister education. The years of business experience were 2-5 years (72.1%), 6–10 years (18%), 11–15 years (6.6%), and over 15 years (3.3%). In terms of position in company, respondents were working as staff (80.3%), supervisor (14.8%), and manager (4.9%).

3.2. Measures

Responses were captured on a 7-point rating scale varying from “strongly disagree” to “strongly agree.”
3.2.1. Ethics Institutionalization

We used the institutionalization of ethics measure developed by Singhapakdi and Vitell (2007). This measure consists of two dimensions: explicit institutionalization (seven items) and implicit institutionalization (nine items). An example of an explicit ethical institutionalization survey item is "Top management evaluates the ethics training programs on a regular basis"; an example item of implicit ethics institutionalization is "Top management has established a legacy of integrity for the organization.".

3.2.2. Organizational Commitment

Organizational commitment was measured with seven item scales developed by Jaworski and Kohli (1993). The measure was designed to tap "the extent to which a business unit’s employees were fond of the organization, and were willing to make personal sacrifices for the business unit" (Jaworski and Kohli, 1993). An example of an organizational commitment item is "Employees often go above and beyond the call of duty to ensure this business unit’s well-being.".

3.2.3. Psychological Empowerment

The Psychological Empowerment variable operationalized by reference from Spreitzer (1995) has twelve items of scales. Where Psychological Empowerment has four dimensions, namely: Meaning (three items) with an example item "The work I do is very important to me."; Competence (three items) with an example item "I am confident about my ability to do my job."; Self Determination (three items) with an example item "I have autonomy in determining how I do my work."; and Impact (three items) with sample items "My impact on what happened in my work unit is large."

3.2.4. Organizational Citizenship Behavior

Referring to the references from Posdakoff and Mackenzie (1994), Organizational Citizenship Behavior consists of three dimensions namely Helping (seven items), Civic Virtue (three items), and Sportmanship (four items). An example of an Helping survey item is "a Voluntarily gives time to help other colleagues who have work-related problems."; an example item of Civic Virtue is "Attending activities that are not needed but
can help the company’s image.”; and an example item of Sportmanship is “Spending a lot of time complaining about small things at work.”.

4. Results and Discussion

4.1. Testing the Measurement Model

In testing the validity and reliability based on Confirmatory Factor Analysis (CFA), the Organizational Citizenship Behavior variable was tested using the standardized loading factor (SLF) value. Based on the results of the first test, the HL2 indicator has a loading value of 0.44, HL4 of 0.49, HL5 of 0.43, and SP3 of 0.48. The loading value of less than 0.5 for that must be dropped because it is invalid in measuring the Organizational Citizenship Behavior variable. Organizational Citizenship Behavior variable in the path diagram is valid because it has an SLF value of 0.50 and good reliability with CR values ≥0.70 and VE ≥0.50. In the Explicit Ethics Institutionalization variable, the Implicit Ethics Institutionalization, and Organizational Commitment have a loading value of 0.50 for all items, and have a CR value of ≥0.70 and VE ≥0.50. While testing on the Psychological Empowerment variable, item ME1 has a loading value of 0.37, ME2 of 0.41, ME3 of 0.38, CO1 of 0.31, and CO2 of 0.37 which means less than 0.5 so it is considered to be a non-valor Psychological Empowerment variable. The Psychological Empowerment variable on the path diagram is valid because it has an SLF value of 0.50 and good reliability with CR values ≥0.70 and VE ≥0.50.

4.2. Descriptive Analysis

Class limit calculations in this study used formulas from Levine’s literature, Stephan, Krehbiel, and Berenson (2008), so that class boundaries were (7-1) / 3 = 2. After calculating class boundaries, researchers divided the class into 3 parts, as follows:

Low: 1 - 3
Medium: 3.1 - 6
High: 6.1 – 7

The OCB variable in this study consisted of fourteen indicators. The SP3 indicator has the highest average value which is included in the high category and the SP2 indicator has the lowest average value included in the medium category. Overall indicators, the average value of this variable is included in the medium category. So it can be concluded
that employees in this company have relatively innovative and spontaneous behavior outside of their main work.

Furthermore, in the EEI variable it can be seen that the EE6 indicator has the highest average value included in the medium category and the EE2 indicator has the lowest average value which is also included in the medium category. So it can be said that employees in this company have the perception that the organization has an ethical committee or a team that handles problems related to the code of ethics in the organization, but related to the evaluation process of training programs on the code of ethics; top management does not do it regularly. Overall indicators, the average value of this variable is included in the medium category. So that it can be concluded that employees feel enough that there are guidelines for ethical behavior that are formally expressed.

The IEI variable has the IE3 indicator as an indicator with the highest average value included in the high category and the IE6 indicator which has the lowest average value included in the medium category. Where it can be said that the sense of responsibility among employees to maintain the reputation of organizational ethics is quite high, but it is still believed that some employees in the organization are permitted to take actions that are doubtful because they succeed in achieving other organizational goals. The average value of this variable as a whole belongs to the medium category, which means that ethical behavior implied and not directly expressed is sufficiently understood by employees.

The indicators for OC variables that have the highest average value are OC4 which falls into the high category, and OC3 has the lowest average value which falls into the medium category. This shows that in general, employees are proud to work for the organization but have a fairly weak bond between the organization and employees. Overall indicators, the average value of this variable is included in the medium category. So it can be concluded that employees have sufficient attachment to the organization.

While the PE variable which has a total of 12 indicators, it was found that the CO2 indicator has the highest average value in the low category. Where this shows employees are confident in their ability to carry out work-related activities. In addition, the indicator that has the lowest average value in this variable is IM2 which is in the medium category, it can be said that employees feel that they have great control over what happens in their unit. The overall value of this variable as a whole is included in the medium category, which means that employees have sufficient motivation for their respective work tasks.
4.3. Structural Model Analysis

In this hypothesis testing phase will be done to see the influence between variables explicit ethics institutionalization, implicit ethics institutionalization, organizational commitment and organizational citizenship behavior. The entire variable is represented by 28 indicators with specifications: explicit institutionalization ethics of 7 indicators, implicit ethics institutionalization in a number of 9 indicators, organizational commitment for 7 indicators, and organizational citizenship behavior with 3 dimensions for 10 indicators. Table 4.1 presents the path coefficient value to determine the magnitude of the influence and $T$ Calculate to determine the significance of the influence.

Hypothesis 1 which tests that explicit ethics institutionalization has a positive influence on implicit accepted institutionalization ethics, because based on the results of model testing it can be seen that the value of $t$-value is 5.24 and fulfills the requirements above 1.96. Hypothesis 2 which tests that explicit ethics institutionalization has a positive influence on organizational commitment is rejected, because based on the results of model testing, it can be seen that the $t$-value is -2.72 which means it does not meet the requirements above 1.96. It is different from Hypothesis 3 which tests that implicit institutionalization ethics has a positive influence on accepted organizational commitment, because based on the results of model testing it can be seen that the $t$-value is 4.46 and meets the requirements above 1.96. Hypothesis 4 which tests that organizational commitment has a positive influence on organizational citizenship behavior is accepted, because based on the results of testing the model it can be seen that the $t$-value is 4.54 and fulfills the requirements above 1.96.

Hypothesis 1 which tests that explicit ethics institutionalization has a positive influence on implicit accepted institutionalization ethics, because based on the results of model testing it can be seen that the value of $t$-value is 5.24 and fulfills the requirements above 1.96. Hypothesis 2 which tests that explicit ethics institutionalization has a positive influence on organizational commitment is rejected, because based on the results of model testing, it can be seen that the $t$-value is -2.72 which means it does not meet the requirements above 1.96. It is different from Hypothesis 3 which tests that implicit institutionalization ethics has a positive influence on accepted organizational commitment, because based on the results of model testing it can be seen that the $t$-value is 4.46 and meets the requirements above 1.96. Hypothesis 4 which tests that organizational commitment has a positive influence on organizational citizenship behavior is accepted, because based on the results of testing the model it can be seen that the $t$-value is 4.54 and fulfills the requirements above 1.96.
**Table 1: Hypothesis Test.**

| Path | Path Coefficient | T Value | Result          |
|------|------------------|---------|-----------------|
| EEI  | \[\gamma_1\]    | 0.81    | Significant     |
| IEI  |                  |         | H1 accepted     |
| EEI  | \[\gamma_2\]    | -0.58   | Not Significant |
| OC   |                  | -2.72   | H2 rejected     |
| IEI  | \[\beta_1\]     | 1.33    | Significant     |
| OC   |                  | 4.46    | H3 accepted     |
| OC   | \[\beta_2\]     | 0.73    | Significant     |
| OCB  |                  | 4.54    | H4 accepted     |

Figure 4: Standardized Loading Factor.
Based on the path coefficient, explicit ethics institutionalization has a relatively greater influence on implicit ethics institutionalization compared to its effect on organizational commitment which actually has a negative influence.

4.4. Hypothesis Test of the Effect of Mediation

From the results of LISREL output, it can also be known the magnitude of the effect of mediation (indirect effect) on the dependent variable simultaneously based on the research model. The direct effect value is obtained based on the trajectory coefficient
according to Figure 4. While the value of the total effect is obtained based on the sum between the direct influence and indirect influence. Table 4.2 summarizes the magnitude of the influence of explicit ethics institutionalization as well as implicit ethics institutionalization on organizational citizenship behavior.

Based on the comparison of the influence between implicit ethics institutionalization and organizational commitment to organizational citizenship behavior, the improvement of organizational citizenship behavior is better centered on the implicit ethics institutionalization because direct influence is greater than indirect influence. While from the point of view of explicit institutionalization ethics, increasing organizational citizenship behavior needs to be through organizational commitment because the direct influence of explicit ethics institutionalization on organizational citizenship behavior is not significant.

| Path  | Direct Effect | Indirect Effect | Total Effect |
|-------|---------------|----------------|--------------|
| EEI   | -0.12         | 0.10           | -0.02        |
| IEI   | 1.35          | -0.44          | 0.91         |

4.5. Discussion

4.5.1. Effect of Explicit Ethics Institutionalization on Implicit Ethics Institutionalization

According to the results of hypothesis 1 testing, explicit ethics institutionalization has a positive and significant influence on implicit ethics institutionalization. So, the more ethical behavioral guidelines compiled by institutions are formally expressed will enhance ethical behavior implied and not disclosed directly by employees. This result is consistent with the research of Singhapakdi, Sirgy, and Lee (2010), that explicit ethics institutionalization has a significant influence on implicit ethics institutionalization, not vice versa. Thus, the explicit form of ethics institutionalization has a positive influence on the implicit ethics institutionalization for the following reasons. First, explicit ethics institutionalization must give employees a clear understanding of what employee behavior is ethical and which is not. This type of institutional ethics must provide specific guidance regarding ethical behavior to employees so that it can foster an ethical climate in the organization (Schwartz 2001). Second, explicit ethics institutionalization must increase ethical sensitivity among
employees (Vitell, Singhapakdi, and Nishihara. 2015) with the aim of fostering an implicit ethical ethical climate. After ethical values were internalized within the organization, an implicit form of ethics institutionalization became increasingly dominant in decision making throughout the organization.

4.5.2. Effect of Implicit Ethics Institutionalization on Organizational Commitment

Based on the results of hypothesis 3 testing, implicit institutionalization ethics has a positive and significant influence on organizational commitment. So, the more ethical behavior implied and not expressed directly by employees will increase the attachment between employees and institutions. This shows that conformity with the results of research conducted by Valentine and Barnett (2003) shows the belief that organizations that have strong ethical values can increase OC. Also presented in Ferrell, Fraedrich, and L (2002) literature where ethics in organizations such as fairness in work, attention and concern for employees, trust in employees, and organizational reputation are factors that influence Organizational Commitment (OC) for employees.

4.5.3. Effect Organizational Commitment on Organizational Citizenship Behavior

The results of the hypothesis 4 test show organizational commitment has a positive and significant influence on organizational citizenship behavior. Thus, the higher the level of attachment between employees and institutions will increase the innovative and spontaneous behavior of employees outside of their job descriptions. These results are in accordance with the research conducted by Brief and Motowidlo (1986) where the component of commitment is pro-social or citizenship behavior. For this reason, other literature also concluded that OC and OCB had a positive relationship (Moorman, Niehoff, and Organ, 1993; Organ and Ryan, 1995).

5. Conclusion

Based on research on the effect of the institutionalization of ethics on organizational citizenship behavior where organizational commitment as a mediating variable and psychological empowerment as a moderating variable can be obtained six main conclusions, namely: (1) Explicit Ethics Institutionalization has a positive influence on Implicit...
Ethics Institutionalization, (2) Explicit Ethics Institutionalization does not have a significant influence on Organizational Commitment, (3) Implicit Ethics Institutionalization has a positive influence on Organizational Commitment, (4) Organizational Commitment has a positive influence on Organizational Citizenship Behavior, (5) Organizational Commitment mediates the positive influence of Explicit Ethics Institutionalization on Organizational Citizenship Behavior, (6) The Organizational Commitment partially mediates the positive influence of the Implicit Ethics Institutionalization on Organizational Citizenship Behavior, and (7) Psychological Empowerment moderates the relationship between Organizational Commitment and Organizational Citizenship Behavior, where the higher the Psychological Empowerment, the stronger the relationship will be and conversely the lower the Psychological Empowerment, the relationship will be weaker.

Based on the structural model, the Implicit Ethics Institutionalization trajectory of the Organizational Commitment is greater than the Explicit Ethics Institutionalization of the Organizational Commitment. In this research propose that organizations need to create an environment that encourages ethical behavior, thus, in the context of implicit institutions, ethics is inherently incorporated or embedded in organizational culture in order to shape the commitment of employees in maintaining their membership in the organization.

References

[1] Singhapakdi, A., & Vitell, S. J. (2007). Institutionalization of ethics and its consequences: a survey of marketing professionals. *Journal of Academy of Marketing Science, 35*, 284–294.

[2] Vitell, S. J., & Singhapakdi, A. (2008). The Role of Ethics Institutionalization in Influencing Organizational Commitment, Job Satisfaction, and Esprit de Corps. *Journal of Business Ethics, 1994*, 343–353.

[3] Brenner, S. N. (1992). Ethics programs and their dimensions. *Journal of Business Ethics, 11*, 391–399.

[4] Singhapakdi, A., Sirgy, M. J., Lee, D.-J., & Vitell, S. J. (2010). The effects of ethics institutionalization on marketing managers: The mediating role of implicit institutionalization and the moderating role of socialization. *Journal of Macromarketing, 30*, 77–92.

[5] Majluf, N. S., & Navarrete, C. M. (2011). A two-component compliance and ethics program model: An empirical application to Chilean corporations. *Journal of Business Ethics, 100*, 567–579.
[6] Lee, D. J., Yu, G. B., Sirgy, M. J., Singhapakdi, A., & Lucianetti, L. (2018). The Effects of Explicit and Implicit Ethics Institutionalization on Employee Life Satisfaction and Happiness: The Mediating Effects of Employee Experiences in Work Life and Moderating Effects of Work– Family Life Conflict. *Journal of Business Ethics, 147*(4), 855–874.

[7] Schwartz, M. (2001). The nature of the relationship between corporate codes of ethics and behavior. *Journal of Business Ethics, 32*, 247–262.

[8] Vitell, S. J., Singhapakdi, A., & Nishihara, C. M. (2015). The influence of ethics institutionalization on ethical decision-making in marketing. *Handbook on ethics and marketing*, 61–88.

[9] Ferrell, O. C., J. Fraedrich and L. Ferrel. (2002). *Business Ethics: Ethical Decision Making and Cases, 5th ed.* Boston, MA: Houghton Mifflin.

[10] Hunt, S. D., Wood, V. R., & Chonko, L. B. (1989). Corporate ethical values and organizational commitment in marketing. *Journal of Marketing, 53*, 79–90.

[11] Valentine, S. and T. Barnett. (2003). Ethics Code Awareness, Perceived Ethical Values, and Organizational Commitment. *Journal of Personal Selling & Sales Management, 23*, 359–367.

[12] Organ, D.W. and Ryan, K. (1995). A meta-analytic review of attitudinal and dispositional predictors of organisational citizenship behaviour. *Personnel Psychology, 48*(4), 775-802.

[13] García-Carbonell, N., Martin-Alcazar, F. and Sanchez-Gardey, G. (2014). Deepening the consequences of double fit for organisational performance: the moderating role of employees’ perceptions on the human resource management system. *Management Research Review, 37*(12), 1026-1048.

[14] Lo, M.C., Ramayah, T. and Hui, J.K. (2006). An investigation of leader member exchange effects on organizational citizenship behaviour in Malaysia. *Journal of Business and Management, 12*(1), 5-23.

[15] Bolino, M.C. and Turnley, W.H. (2003). Going the extra mile: cultivating and managing employee citizenship behaviour. *Academy of Management Executive, 17*(3), 60-71.

[16] Ling-yee, L. (2009). Encouraging extra-role behaviour in a channel context: the role of economic, social-, and justice-based sharedness mechanisms. *Industrial Marketing Management, 39*(2), 195-201.

[17] Bateman, T.S. and Organ, D.W. (1983). Job satisfaction and the good soldier: the relationship between affect and employee citizenship. *Academy of Management Journal, 26*(4), 587-595.
[18] O’Reilly, C.A. and Chatman, J. (1986). Organizational Commitment and Psychological Attachment: The Effects of Compliance, Identification, and Internalization on Prosocial Behavior. *Journal of Applied Psychology, 71,* 492- 499.

[19] Smith, C.A., Organ, D.W. and Near, J.P. (1983). Organizational citizenship behaviour: its nature and antecedents. *Journal of Applied Psychology, 68*(4), 653-663.

[20] Farzaneh, J., Farashah, A. D., & Kazemi, M. (2014). The impact of person-job fit and person- organization fit on OCB The mediating and moderating effects. *Personnel Review, 43*(5), 672– 691.

[21] Brief, A.P. and Motowidlo, S.J. (1986). Pro social organisational behaviours. *Academy of Management Review, 11*(4), 710-725.

[22] Moorman, R.H., Niehoff, B.P and Organ, D.W. (1993). Treating employees fairly and organisational citizenship behaviour: sorting the effects of job, satisfaction, organisational commitment, and procedural justice. *Employee Responsibilities and Rights Journal, 6*(3), 209- 225.

[23] Podsakoff, N.P., Whiting, S.W., Podsakoff, P.M. and Blume, B.D. (2009). Individual and organisational level consequences of organisational citizenship behaviours: a meta-analysis. *Journal of Applied Psychology, 94*(1), 122-141.

[24] Podsakoff, P. M., Mackenzie, S. B., Podsakoff, P. M., & Mackenzie, S. B. (1994). Organizational Citizenship Behaviors and Sales Unit Effectiveness. *Journal of Marketing Research, 31*(3), 351–363.

[25] Conger, J. and Kanungo, R. (1988). The empowerment process: integrating theory and practice. *Academy of Management Review, 13*(3), 471-482.

[26] Wat, D. and Shaffer, M.A. (2005). Equity and relationship quality influences on organisational citizenship behaviours:the mediating role of trust in the supervisor and empowerment. *Personnel Review, 34*(4), 406-422.

[27] Chiang, C.-F. and Hsieh, T.-S. (2012). The impacts of perceived organisational support and psychological empowerment on job performance: the mediating effects of organisational citizenship behaviour. *International Journal of Hospitality Management, 31*(1), 180-190.

[28] Peccei, R. and Rosenthal, P. (2001). Delivering customer oriented behaviour through empowerment: an empirical test to HRM assumptions. *Journal of Management Studies, 38*(6), 831-857.

[29] Jose, A., & Thibodeaux, M. S. (1999). Institutionalization of ethics: The perspective of managers. *Journal of Business Ethics, 22,* 133– 143.

[30] Gellerman, S. W. (1986). Why „good“ managers make bad ethical decisions. *Harvard Business Review, 64,* 85–90.
[31] Murphy, P. E. (1989). Creating ethical corporate structure. *Sloan Management Review, 30*, 81–87.

[32] Stevens, B. (1994). An analysis of corporate ethical code studies: Where do we go from here?. *Academy of Management Review, 11*, 601–617.

[33] Robbin

[34] Luthans

[35] Katz, D. (1964). The motivational basis of organizational behaviour. *Behavioral science, 9*(2), 131-146.

[36] Barnard, C.I. (1938). *The Functions of the Executive*. Harvard University Press, Cambridge, MA.

[37] Blau, P.M. (1964). *Exchange and Power in Social Life*. Wiley, New York: NY.

[38] Katz, D. and Kahn, L. (1978). *The Social Psychology of Organizations*. Wiley, New York: NY.

[39] Caldwell, D.F., Chatman, J.A. and O'Reilly, C.A. (1990). Building organizational commitment: a multiform study. *Journal of Occupational Psychology, 63*(3), 245-261.

[40] Haigh, M.M. and Pfau, M. (2006). Bolstering organizational identity, commitment, and organizational citizenship behaviors through the process of inoculation. *International Journal of Organizational Analysis, 14*(4), 295-316.

[41] Moorman, R.H., Niehoff, B.P and Organ, D.W. (1993). Treating employees fairly and organisational citizenship behaviour: sorting the effects of job, satisfaction, organisational commitment, and procedural justice. *Employee Responsibilities and Rights Journal, 6*(3), 209-225.

[42] Maignan, I., Ferrell, O. C., & Hult, T. (1999). Corporate citizenship: Cultural antecedents and business benefits. *Journal of the Academy of Marketing Science, 27*, 455–469.

[43] Obedgiu, V., Bagire, V., & Mafabi, S. (2017). Examination of organizational commitment and organizational citizenship behaviour among local government civil servants in Uganda. *Journal of Management Development, 36*(10), 1304–1316.

[44] Thomas, K.W. and Velthouse, B.A. (1990). Cognitive elements of empowerment: an interpretive model of intrinsic task motivation. *Academy of Management Review, 15*(4), 666-681.

[45] Rappaport, J. (1987). Terms of empowerment/exemplars of prevention: toward a theory for community psychology. *American Journal of Community Psychology, 15*(2), 121-148.
[46] Lee, J.A.B. (2001). The Empowerment Approach to Social Work Practice: Building the Beloved Community. Columbia University Press, New York: NY.

[47] Spreitzer, G. M. (1995). Psychological empowerment in the workplace- dimensions, measurement, and validation.pdf. Academy of Management Journal, 38(5), 1442–1465.

[48] Zimmerman, M.A. (2000). Empowerment theory: psychological, organizational and community levels of analysis. in Rappaport, J. and Edward, S. (Eds). Handbook of Community Psychology. Springer, New York: NY.

[49] Jaworski, B. J., & Kohli, A. K. (1993). Market orientation: Antecedents and consequences. Journal of Marketing, 57, 53–70.

[50] Levine, D. M., Stephan, D. F., Krehbiel, T. C., & Berenson, M. L. (2008). Statistics for managers using microsoft excel (Fifth edition). Upper Saddle River, New Jersey: Prentice Hall.

[51] Schwartz, M. (2001). The nature of the relationship between corporate codes of ethics and behavior. Journal of Business Ethics, 32, 247–262.