Moderating Role of the Ethic

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Abstract: The aim of this study was to determine the effect of the employees’ performance goal orientation on the development of the innovative behaviors that have a great importance for the businesses and the moderating role of the ethic in this effect. According to the study carried out on 593 employees, it is found that the performance goal orientation affects the innovative behavior of the employees positively and significantly, that the PGO have positive effect on the ethical behavior and that the ethical behavior has no effect on the innovative behaviors of the employees.

Key words: Performance goal orientation, innovative behavior, ethical behavior, moderating role

INTRODUCTION

The importance of the innovativeness becomes greater for the businesses to continue their existence in today’s world where the rivalry gets much fiercer and the needs are changing much more rapid day-by-day (Caldwell and O’Reilly, 2003). The innovativeness defined by Kanter (1983) as the produce, acceptance and application of new ideas, processes, products or services is seen as an important performance criterion for the employees and an important job output expected from the employees. However, the innovative behaviors can be affected from many factors regarding the job and organization as well as the personal features (Carmeli et al., 2006).

Today it is known the goal orientation is one of the important factors affecting the employee behavior and their look for the job. The educational sciences sourced goal orientation is examined in two-sub dimensions as learning orientation and Performance Goal Orientation (PGO) (Bell and Kozlowski, 2002). It is usually stated by the researchers that an individual who takes risks and tries to become skilled by improving himself/herself is learning oriented and the individual who desires to be liked by the others and to progress is performance oriented (Janssen and van Yperen, 2004). In this research, the main reason why PGO is addressed is the fact that there are not so many studies researching the effect of the performance goal orientation on innovative behaviors. Another reason is to search whether the employees in the tourism sector, unlike other sectors, who are performance goal oriented and seasonal workers and not qualified enough, display innovative behaviors or not.

The fact that whether there is an effect of the suitable conditions created by PGO on the employees’ Innovative Behaviors (IB) and the moderating role of the ethical behaviors (E) is the problematic of this research. It is thought that the outcomes of the research shall contribute to the field as any study aiming to determine the effect of the independent variables on the innovative behaviors that are dependent variables. As it is thought that the behaviors of the individuals are filtered with an ethical filter regardless of its source (Spangenberg and Theron, 2005), the determination of the moderating effect of the ethical behavior in this effect increases the importance of the research. Apart from these, it is believed that this research shall reveal important results for the officers as the study is made on the service sector which is an ever-increasing sector.

Performance goal orientation (PGO): The PGO comes from the educational sciences literature in essence and it is a sub dimension of the orientation examining the students’ attitudes towards the lessons (Dweck, 1989). Generally, the goal orientation is examined in two sub dimension: learning orientation and PGO. The individuals that are learning oriented generally focus on the improvement of their skills, increase in their abilities and making anything in the best way. On the other hand, the performance goal oriented individuals focus on being praised by the others and trying to establish superiority onto the others (Janssen and van Yperen, 2004).

The goal orientation of the individuals differentiates their responses for the difficulties of the job and failure (Dweck et al., 1993). It is seen that while the learning oriented individuals are generally enthusiastic and
resolved to achieve difficult jobs, the performance oriented individuals tend to avoid from the jobs which have high failure possibility and to make jobs which have low level of difficulty (Bell and Kozlowski, 2002). For this reason, it can be seen that while the behaviors of the learning oriented individuals are explained by the adaptive response pattern, the behaviors of the performance oriented individuals are explained by the maladaptive response pattern.

**Ethical behavior (EB):** The word of ethic is derived from “ethos” meaning “character” in Greek. The ethic is defined as “systematic thought on the moral aspect of the decisions”. The moral aspects, on the other side, are seen as the potential of any of the stakeholders consisted of the persons in or out of the organization whom are thought to have the possibility to be affected from the decisions taken within the organization to be harmed (Gary and Saks, 2005).

The King Committee on Corporate Governance defines the ethic as “The principles, norms and standards developed by basing on the values guiding the human behaviors” (KCCG, 2002; Spangenberg and Therón, 2005). Pastin (1984) defines the ethic as the series of basic rules which are taken into consideration by the individuals to make right decisions. Hitt (1990) uses the lexical meaning of the ethic and defines as “a series of moral principles and values”. Another definition for ethic is the “motivation based on the thought of right and wrong” (Minett et al., 2009).

Hitt (1990) presents four dimensions of the ethic. These are end-result ethics, rule ethics, social contract ethics and personalistic ethics. The end-result ethics is defined by Mill (1969) as a theory based on the principle in which the right movements creates happiness and the wrong movements causes a situation contrary to the happiness. The happiness, on the other side, is defined as a situation in which there is no pain. Kant (1969) stated that according to the rule ethics, the moral rightness of an action is determined by laws and standards. According to Krammick (1997), the social contract ethics bases on the writings of Jean Jacques Rousseau. Thus, each individual who makes everything on his/her own sees himself/herself as an important piece of his/her own life. Here the important factor is the active participation of the individuals in the management of the organization. The personalistic ethics enact behaviors by listening to the voice of conscience without any external pressure.

**Innovative behavior (IB):** Considering that the knowledge and innovativeness are important powers in modern days, it is getting harder day-by-day for the businesses that cannot compete with the rivals regarding the innovativeness (Drucker, 1998). Thus, the businesses show maximum efforts for the development of the innovativeness abilities (Caldwell and O’Reilly, 2003).

There are many different definitions about the innovation or innovativeness. It is thought that this situation results from the rise of the need of innovativeness in many areas along with the product (product, production, organizational structure, marketing, human resources, information technologies, accounting, finance, technological product and technological process innovation etc.) (Liu and Tsai, 2007; Shervani and Zerrillo, 1997; OECD, 1997). For example, while Garett (2001) who evaluates the innovation as mostly product innovation defines the innovation as “making new developments for the new product development or production and operating systems in both the service sector and industry businesses”, Samuel (2000) defines it as “the use of new methods in the production of the product and services and the development of new methods in the working conditions”, just considering the production processes. Backler (1996) defines the innovativeness by considering it from the aspect of the environmental compliance as “adding value to the culture of organization for the business to comply with the changes occurring in the environment” (Ahmed, 1998). Kanter (1983) defines the innovativeness as “the production, acceptance and application of new ideas, processes, products or services”.

Another concept similar to the innovativeness in the organizations is the “creativity”. Despite the fact that both concepts have similar meanings and even used by some authors interchangeably, these concepts have different meanings from each other. The innovativeness is the intentional display and the presentation of the ideas, processes, products and procedures of the roles, groups and organization (West and Farr, 1990). The creativity, however, is to produce unusual and convenient ideas. The creativity is to think different. The innovation is, however, the ideas connecting in a same point (Gurteen, 1998). Thus, it would be correct to evaluate the creativity as the source of the innovativeness and the innovativeness as the application of the creative ideas (Pirola-Merlo and Mann, 2004).

According to Kanter (1988), the personal innovativeness in the business office is constituted of three-phased complex behaviors. In the first phase of the IB, the individual notices the problem and comes up with new solution offers for that problem. It is not important for the ideas to be new or adaptive in this phase. The individual, in the second phase, who comes up with the innovation idea, search for supports which back up and
legitimize his/her ideas and solution offers in and out of the organization. Finally, in the third and last phase, the idea is made tangible by producing model and prototype for the presented solutions to be applied and tested by the individual in the organization (Carmeli et al., 2006).

The display of the IB’s of the employees can be affected from the culture of the business (Okafor, 2008). The intolerant conducts for the changes in the business; ongoing status, specialty and habits; the sense to be under threat with arrival of the innovation; attitude of avoiding from risk; extreme bureaucratic and centralized structure are the organizational obstacles before the innovative behaviors. The innovative businesses are the businesses that are far from the centralization, give much more freedom of decision making to their employees (Ciavolino, 2011), enable much more participation and authority sharing and thus make their employees much more powerful (Janssen and van Yperen, 2004).

**Hypothesis**

**Performance goal orientation, ethical behavior and innovative behavior:** The researchers in the management sciences generally study what to do for people to be happy in their work and display a higher performance (Akinleye, 2007). In fact the goal orientation theory does answer this question. The goal orientations believed to create a different perceptual-cognitive framework regarding how individuals interpret success, how they approach and how they respond (Janssen and van Yperen, 2004) are thought to affect the job performance and job satisfaction of the employees (Van Yperen and Janssen, 2002).

There are different views on the subject of the effect of the PGO on the IB of the employees. The first view states that the performance oriented employees who are in an effort to decrease the possibility of failure to the lowest level would not display so much IB (Elliot and Harackiewicz, 1994; Vandewalle et al., 1999). According to this view, the employees, who are in a tendency to see the requirements of the in-role performance as the competitive standards motivating about getting positive results from the reward system and performance assessment system of the organization and about getting ahead of the others, make rehearsals until the works become a reflex and he/she makes the work in an efficient and effective way (Fisher and Ford, 1998) and are reluctant to try new things (Steele-Johnson et al., 2000). The performance oriented employees concentrate much more on the superficial applications (Elliot and McGregor, 2001) and repeat the in-role behaviors which assist them to gain superiority over the others.

There are also some researchers thinking that the PGO does not provide the required motivation for the IB and thus the performance oriented individuals do not display IB. These researchers states that as the performance oriented individuals tend to be successful in the work in a way to get superiority over the others, they have external motivation and that the innovative behaviors getting energy from the internal motivation (Redmond et al., 1993) are not preferred by the performance oriented individuals as these behaviors pave the way for negative results such as misfortunes, risk of failure, threat for the acquired rights and humiliation (Frost and Egri, 1991).

One of the other reference points of the researchers thinking that the performance oriented individuals cannot display IB is the findings stating that the PGO affects the individuals’ self-efficacy (Ford et al., 1998) and self-confidence (Button et al., 1996) negatively. The performance oriented individuals should not find the power and courage in them to display innovative behaviors as the innovative job performance requires fighting against the obstacles arising with strategies and knowledge to be newly learned.

There are also some researchers thinking that the PGO does not always affect the IB in a negative way. According to these researchers, all dimensions of the goal orientation are hand in hand, intertwined with the human and are not in contradiction with each other. For example, trying to acquire skills with the learning orientation is not always inconsistent with displaying performance much more than the others. The people tend to attain each of the performance objectives on a certain level. The achievement goal theory suggests that both the performance oriented individuals and learning oriented individuals are highly motivated for reaching their own performance standards (Janssen and van Yperen, 2004). However, the individuals in the workplace and organization who are performance oriented and learning oriented differ from each other with their viewpoint for their focused job performance. The job performance is evaluated in two basic viewpoints as the in-role behaviors which are necessarily required by the organization and extra-role behaviors which are developing by itself such as the innovativeness (Katz, 1964). In this situation, if displaying innovative behaviors is a requirement of work, performance oriented employees can display IB.

The most important subject for the performance oriented individuals is to gain appreciation from others by reaching the required standards (Janssen and van Yperen, 2004). Thus, these individuals may try easier ways rather than advancing their capabilities so as to reach their goals. As a performance oriented student may try some
ways which push the ethical limits including cheating, rather than having good grades by reaching the sufficiency in his/her lessons, the similar conditions for the employees can be valid, as well (Schwitzer et al., 2004).

The hypothesis developed to be tested in accordance with the aforementioned theoretical facts and empirical research is as follows:

**Hypothesis 1:** The PGO has negative and significant effect on the IB of the employees

**Hypothesis 2:** The PGO has negative and significant effect on the EB of the employees

The ethic is defined by Hitt (1990) as “a series of value shaping the life of a human” and it is stressed that the ethic definition of an individual is shaped with his/her values (Minett et al., 2009). The ethical values, on the other side, are a kind of the values affecting the human behaviors (Lovelace and Rosen, 1996). The ethical values affect the ethical climate and culture as well (Srivastava, 2012). Regardless of the reason, the violation of ethic by the employees can cause distressing results if these are maladaptive with the organizational values. It is thought that the ethical values have a role on the behaviors of the performance oriented employees who try to increase the risk in their jobs to the lowest level.

It can be said that one of the most important obstacles before the innovativeness and the creativity is the mental models of the individuals (Pontikoski and Asakawa, 2009). These mental models, in other words paradigms are defined as the mode of the perception of world and are shaped by the values and beliefs (Brown and Harris, 1992). As the ethic itself is a value, it can be effective on shaping the paradigm. The paradigm can shape the ideas of the individuals in a format. However, the innovativeness and creativity are to think beyond the normal forms (Dufy, 2010). Thus, it is thought that the ethical limitations can negatively affect the innovativeness.

The hypothesis developed to be tested in accordance with the aforementioned theoretical facts and empirical research is as follows:

**Hypothesis 3:** The EB of the employees have negative and significant effect on the IB

**Hypothesis 4:** The EB has a moderating effect in the effect of the PGO on the IB of the employees

**METHOD OF RESEARCH**

In this research in which the effect of the PGO on the IB of the employees and the moderating role of the EB in this effect, firstly the information about the sampling and scales is given. Then, analyses for the model created in the light of the data about that sampling were made. In this context, initially the confirmatory factor analysis of each variable was carried out and then the correlation between the variables was determined. Afterwards, the hypotheses and the moderating role of the conducted three phased hierarchical regression analysis. In addition, the regression trends are drawn by following the process advised by Cohen et al. (2003) in order to make a detailed examination about the direction of the moderating relation. Some recommendations are given for the administrators and the researchers by comparing the current literature with the findings derived from all these analyses. The research model created in the light of the theory and the empirical researches is presented in Fig. 1.

**Participants:** The research population is constituted of the employees of the service sector in the accommodation agencies of the tourism sector in the Antalya and Mugla provinces in Turkey. Approximately 21,000 individuals, most of which is seasonal, work in this sampling. In these circumstances, it is planned to conduct a questionnaire to totally 1,000 individuals chosen by random selection with cluster sampling method. Six hundred of the sent questionnaires have returned and 593 of them are evaluated as appropriate for the analysis. The 62% of participants are male (n = 362) and 44% of them is married.

**Scales:** The required information for the scales used in the research, in which the effect of the PGO on the IB of the employees and the moderating effect of the EB in this effect are tried to be determined, is given below. A path analysis is conducted with latent variable in order to test the models created in the research and hypotheses. It is required that all measurement tools used in measuring the variables in the model should be valid and reliable in order to conduct a path analysis with latent variables (Simsek, 2007). To that end, the results of the conducted validity and reliability studies on all used scales are given at the end of each scale section.

**Performance goal orientation scale:** The six-point PGO Scale that is developed by Sujan et al. (1994) by basing

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**Fig. 1: Research model**
on the study of Ames and Archer (1988) in order to determine the level of the employees in the businesses and that is also used by Bettencourt (2004) is used in the research. The questions in this scale are "I feel good when I know that I have displayed a higher performance than the others” and “I evaluate myself with the criteria’s of my administrator”. The answers in the scale is taken with the five-point likert scale (1 = Strongly disagree, 5 = Strongly agree).

The Turkish validation of the scale used in the study of Bettencourt (2004) is conducted by us and then used in this study. The English to Turkish and Turkish to English translations of the scale in accordance with the scale validation procedures is conducted with the experts in their fields and the exploratory factor analysis and confirmatory factor analysis are conducted by applying it on the pilot and basic samples. The Cronbach Alfa reliability coefficient is found 0.65 as a result of the reliability analysis conducted by Bettencourt (2004).

Firstly an exploratory factor analysis is conducted in the research in order to test the construct validity of the scale. It is found that the data comply with the single factorial structure of the scale and the factor loads of the six-point scale are defined between 0.59 and 0.79. The KMO analysis result of the scale is found 0.84 and the Bartlett test is defined as significant (p = 0.000). The confirmatory factor analysis is conducted with the AMOS 6.0 software package. It is found as a result of the analysis that the data comply with the single factorial structure of the scale and the factor loads are defined between 0.51 and 0.72. The goodness of fit values of the scale is presented in Table 1 with the other scales. The total Cronbach Alfa reliability coefficient is found 0.81 as a result of the reliability analysis.

**Ethical behavior scale:** The five-point EB scale, which is developed by Ferrell and Skinner (1988) and also used by Baker et al. (2006) in order to determine the tendency of the employees to EB in the businesses, is used in the research. The questions in this scale are “Sometimes I report just the right matters to my administrator (T)” and “Sometimes I claim something I have not made as if I made.” The answers in the scale is taken with the five-point likert scale (1 = Strongly disagree, 5 = Strongly agree).

The Turkish validation of the scale used in the study of Baker et al. (2006) is conducted by us and then used in this study. The English to Turkish and Turkish to English translations of the scale in accordance with the scale validation procedures is conducted with the experts in their fields. The exploratory factor analysis and confirmatory factor analysis are conducted by applying it on the pilot and basic samples. The Cronbach Alfa reliability coefficient is found 0.78 as a result of the reliability analysis conducted by Baker et al. (2006).

Firstly an exploratory factor analysis is conducted in the research in order to test the construct validity of the scale. It is found as a result of the analysis that the data comply with the single factorial structure of the scale; however one item is found as having low factor load. The factor loads of the four-point scale are defined between 0.76 and 0.83 as a result of the analysis after taking out that item. The KMO analysis result of the scale is found 0.78 and the Bartlett test is defined as significant (p = 0.000). The confirmatory factor analysis is conducted with the AMOS 6.0 software package. It is found as a result of the analysis that the data comply with the single factorial structure of the scale and the factor loads are defined between 0.67 and 0.78. The goodness of fit values of the scale is presented in Table 1 with the other scales. The total Cronbach Alfa reliability coefficient is found 0.80 as a result of the reliability analysis.

**Innovative behavior scale:** The IB scale that is used by Scott and Bruce (1994) in order to define and then innovative behavior level of the employees in the businesses is used in the research. The questions in this six-point scale are “I research new technologies, processes and techniques and produce new ideas” and “I am innovative”. The reliability coefficient of the scale is found 0.89 and the answers is taken with the five-point likert scale (1 = Strongly disagree, 5 = Strongly agree).

The Turkish validation of the scale in this research is conducted by us and then used in this study. The English to Turkish and Turkish to English translations of the scale in accordance with the scale validation procedures is conducted with the experts in their fields and the exploratory factor analysis and confirmatory factor analysis are conducted by applying it on the pilot and basic samples.
RESULTS AND DISCUSSION

Analysis is conducted on the SPSS program with the findings in consequence of the research. In this context, the mean, standard deviation and correlation values of the data from the PGO, IB and EB perceived by the participants are controlled at first. In the second phase of the analysis, the moderating effects are searched with three phased hierarchical regression analysis. Then, a path analysis for the established model is conducted with the structural equation modeling and a model suggestion for the handled variables is made by defining the most compatible structural modeling. The derived means, standard deviations and correlation values as a result of the analysis are presented in Table 2.

As it can be seen in the Table 2, there are significant relations between all the dependent and independent variables. Accordingly, important effects between the variables can be estimated.

The collinearity is also controlled in order to determine whether there is a multiple linear regression problem in the model within the analysis. The acquired tolerance and VIF values revealed results confirming that there is not a multiple linear regression problem between independent variables (Tolerance > 0.2, VIF<10).

Firstly, the regression analysis conducted to determine the effect of PGO on EB. According to the analysis report, finding support H2 that PGO affects EB negatively and significantly ($\beta = -0.12$, $p<0.01$).

Then, hierarchical regression analysis is conducted in order to test the hypotheses in that research where the effect of the PGO on the IB of the employees and the moderating effect of the EB in this effect are tried to be determined. In the hierarchical regression analysis conducted in order to test the hypotheses, the following factors are added to the model: the control variable (age, working time) of the administrators for the employees and the PGO as independent variables and IB as dependent variable and EB as the moderating variable Table 3. The PGO and EB variables are centralized when being integrated in the model (Cohen et al., 2003).

According to the analysis reports presented in Table 3, it is seen that the relation of the PGO and IB is positive and significant ($\beta = 0.46$, $p<0.001$). The obtained finding does not support the Hypothesis 1. In the light of this result, the PGO is also revealed as a factor increasing the IB in the employees. Again as a result of this analysis, it is found that the ethical behavior does not affect the IB significantly ($\beta = -0.04$, $p>0.5$). This finding shows that the Hypothesis 3 is not supported.

The moderating variable is a variable that affects the power and direction of the relation between the dependent and independent variable (Baron and Kenny, 1986). In the last phase, the moderating effect of the EB is analyzed according to the results of the multiple regression analysis in Table 3 in order to test the Hypothesis 4 it is observed that there occur a significant effect on IB when the PGO and EB interact with each other ($\beta = -0.08$, $p<0.05$). Hereunder, the Hypothesis 4 finds support. In other words, there is a moderating effect of the EB in the relation of PGO and IB.

In addition to this, the process suggested by Cohen et al. (2003) is followed in order to make a detailed research in the direction of the relation. In this context, the significance of the relation between the PGO and the IB in the case that the EB, which is a moderating variable, is low and high is tested with the drawn regression trend (Aiken et al., 1991).

According to the analysis results, in case of low EB level the relationship between the PGO and IB is positive and significant ($\beta = 0.61$***, $p<0.001$). Also when EB level is high, the relationship between the PGO and IB is positive and significant too ($\beta = 0.40$***, $p<0.001$). It can be seen these interactions clearly in the Fig. 2. It is found that 29% of the variance of the whole model is explained as a consequence of the interaction of the PGO and EB variables. Under these circumstances, the Hypothesis 4 is accepted. The obtained result confirms the result derived by the regression analysis and the result for the
CONCLUSION

Important results are obtained in consequence of the research conducted on the employees of the service sector in the accommodation agencies of the tourism sector in the Antalya and Mugla provinces in Turkey in order to determine the effect of the PGO on the IB of the employees and the moderating effect of the EB in this effect.

In consequence of the analysis carried out, it has been found that the performance goal oriented employees can display innovative behaviors, it means, PGO is effective on innovative behavior positively and significantly. The result obtained complies with some of the studies, although it conflicts with theory and visual studies broadly (Janissen and van Yperen, 2004; Katz, 1964). It is evaluated that, this result may stem from the fact that it is seen as a performance criteria that the employees of the tourism sector, who are constantly faced with the customers, display innovative behaviors affecting customer satisfaction.

It is seen according to the result of the analysis that the PGO has negative and significant effect on EB. The obtained finding is in coherence with some research findings and the theory (Schweitzer et al., 2004).

The other finding obtained from the regression analysis is, contrary to the suggestions, that the EB of the employees are not effective on the IB. The developed hypothesis suggesting that the ethical behaviors of the employees has negative and significant effect on the IB is confirmed considering that the ethical paradigms of the employees shall limit different thinking. It is thought that having such a result in a model in which all variables are included can arise from the fact that the employees are working seasonally and just the chosen ones among all employees are continuing to work to the end of the season and can be explained with the fact of avoidance of the employees to display IB and the anxiety for committing ethical violation because of the fear for not being preferred.

A three phased hierarchical regression analysis is conducted in order to define whether there is a moderating effect of the EB in the effect of the independent variable on the IB, which is a dependent variable. It is seen according to the result of the analysis that the EB has a moderating effect in the effect of the PGO on IB. The obtained findings are partly supported by the theory and applications (Grosman, 1988; Gary and Saks, 2005; Lovelace and Rosen, 1996).

Finally, it is determined as a consequence of the conducted researches that the level of the PGO has positive and significant effect on the IB and negative effect on EB of the employees and EB has a moderating effect in the effect of the other independent variable on the dependent variable. In addition when the ethical behavior is analyzed exactly, it is seen that it has no effect on the IB.

The findings of the research, in which the results of the research is important for the determination of the variables that are effective on the reveal of the IB thought to be important in the development of the competition skills of the businesses, have importance as these findings have determinations especially for the moderating effect of the ethic, which has global, local and organizational meaning, in this effect. The fact that the performance oriented individuals can also display IB is important result for the authorities. Apart from these, the reveal of the moderating effect in the effect of the level of the EB of the employees on the IB is also an important result for the business administrators.

**Limitations and suggestions for future research:** The most important limitation of the research is that it is conducted in just one sector operating in a limited region. In the future researches, the determination of the variables that can be effective on the IB of the employees in different sectors and the determination of the fact whether the EB have a moderating effect are thought to provide important contributions to the literature.

In addition, the determination of the moderating effect of the EB in the effect of the learning orientation of the employees, which is the other aspect of the goal orientation, on the IB shall be an important field of study for the researchers.
REFERENCES


