Relationship Among Ethical Leadership, Ethical Climate, and Service-Oriented Organizational Citizenship Behavior in The Hospitality Industry

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ABSTRACT

Business ethics has been cited as one of the hospitality industry’s most important issues by many practitioners and academics. Yet, further study on business ethics in the industry has been advised. The purpose of this study was to evaluate the relationship among ethical leadership, ethical climate, and service-oriented OCBs. It investigated whether or not ethical leadership and ethical climate has a substantial impact on service-oriented OCBs, in an Asian country such as the Philippines. The current study discovered that ethical leadership is significantly and positively associated with both service-oriented OCBs and ethical climate. There was also a strong positive association between ethical climate and service-oriented OCBs. The present research can help hospitality organizations cultivate ethical leadership, strengthen an ethical climate, and encourage service-oriented OCBs. Based on these analyses, academics and scholars would benefit from having a deeper understanding of the relationship between ethical leadership, ethical climate, and service-oriented OCBs.

Keywords: Ethical Leadership; Ethical Climate; Service-Oriented OCBs; Hospitality Industry

INTRODUCTION

In recent years, there has been an increasing emphasis on the importance of business ethics in the hospitality industry because of its fast-changing and highly competitive environment (Garba et al., 2018; Schwepker & Dimitriou, 2021; Kim & Brymer, 2011). Teng & Cheng (2021) pointed out that ethical concerns in the hospitality industry have gotten more difficult and crucial. Business ethics has recently become a hot topic of debate. The authors further argued that employees in the hospitality industry face ethical decision-making and ethical difficulties because of the high amount of customer interaction and the high-stress nature of the profession, which is especially widespread in the industry (Jung & Yoon, 2018; Wang et al., 2020). Researchers have also discovered that management does not always prioritize ethics (Teng et al., 2018).

The hospitality industry is a large component of the service industry and is organized into four key categories: food and beverage, travel and tourism, lodging, and leisure. It is well-known for being one of the sectors most subject to external forces (Hospitality Industry: All Your Questions Answered, n.d.). In comparison to other sectors, it has a distinct culture. It is an industry with regular interactions between customers and employees, where frontline employees play an important role in service delivery (Terglav et al., 2019). Today’s global hospitality industry is plagued by a number of unethical practices and behaviors (Lee & Tsang, 2014), ranging from overcharging, pushing the consumption of superfluous services, and overbooking to mistreatment of individuals, racial bias,
and theft (Dimitriou & Schwepker, 2019; Teng et al., 2020; Yan et al., 2021). The intangible features of customer service, when paired with long working hours, demanding and even “difficult” customers, and emotional labor, indicate how complicated and tough the hospitality industry setting is (Schwepker & Dimitriou, 2021). When this is combined with insufficient direction and assistance from higher administration, a lack of continual monitoring, a scarcity of good role models, and clearly defined ethical standards and procedures, it is easy to see how vulnerable and misled hospitality sector personnel may feel on the job (Schwepker & Dimitriou, 2021).

Many practitioners and professionals in the hospitality industry have noted that business ethics is one of the industry’s most important issues. This is due to the fact that the circumstances that govern ethical behavior in a workplace setting with a variety of people can frequently be quite complex (Knani, 2014; Myung, 2017). According to Dimitriou & Schwepker (2019), one of the most significant problems that the hospitality industry is now facing is unethical behavior on the part of its personnel. Because of the prevalence of issues in the hospitality industry (Teng et al., 2018), it has been advised that further research be conducted on the subject of business ethics in the hospitality industry. Moreover, Knani (2014) states that “ethics is one of the most critical challenges that hospitality practitioners confront, however little focus has been made to the subject.”

Numerous ethical issues, such as the need to strike a balance between doing well financially and doing good, affect the hospitality industry (Garba et al., 2018). Because of this, it has been discovered that one of the leadership philosophies that is very significant is ethical leadership (Kincaid et al., 2008). Given the unique character of ethical leadership, it merits scholarly attention, particularly in the hospitality sector, where a rising number of ethical scandals and unethical actions and behaviors are a direct result of its absence and execution (Schwepker & Dimitriou, 2021). In relation to this, multiple studies have been conducted to investigate the influence of ethical leadership on employee ethical behavior as well as the critical components of hotel employee ethical behavior. Several management studies have demonstrated a constant link between morally acceptable ethical subordinate conduct and ethical leadership (Huang & Paterson, 2017; Newman et al., 2014; Wang & Sung, 2016; Bavik et al., 2018). The role of ethical leaders in creating an ethical climate is crucial for generating ethical behavior in business (Kia, Halvorsen, & Bartram, 2019). A sample of 295 employees from various Iraqi firms revealed a positive relationship between leaders’ ethical behavior and employees’ ethical behavior in an ethical climate (Al Halbusi et al., 2020). Schwepker & Dimitriou (2021) investigated how ethical leadership affected job stress and performance quality in the hospitality industry. According to the findings of their study, customer-service employees’ perceptions of their supervisor’s employment of ethical leadership behaviors are associated with reduced levels of ethical ambiguity and workplace stress. It was also shown that perceived ethical leadership practices increased performance quality favorably. Eluwole et al., (2022), on the other hand, carried out an experiment in order to investigate the connections between ethical leadership, organizational confidence, social loafing, and service recovery performance in hotel customer-contact personnel in Nigeria. It was demonstrated that ethical leadership raised the number of employees who trusted the company, enhanced the efficiency of service recovery, and reduced the number of employees who missed work.

Furthermore, prior research has revealed that the relationship between ethical leadership, ethical climate, and service-oriented OCBs warrants more investigation. Exploring the potential link between ethical leadership (managers and supervisors), the ethical climate of hotel organizations, and hotel employees’ service-oriented organizational citizenship behavior (OCB) is one way to bridge this gap. An organization’s ethical climate is strengthened by ethical leadership: the more ethical the leader, the stronger the ethical climate (Aryati et al., 2018). It has also been said that ethical leadership is particularly crucial for OCBs since it focuses on the true management of employees’ ethical behavior and has the capacity to elevate employees’ worries about their business and coworkers (Mostafa, 2018). Tuan & Ngan (2021) examined how and when the ethical leadership of sales managers prompted service-oriented OCBs among salespeople in the tourism industry. Based on the dataset of managers and workers from sales divisions of tour companies in Vietnam, the findings indicated that ethical leadership had a positive and significant link with service-oriented OCBs among salespeople.

In addition, several business and hospitality scholars have looked at the impact of leadership styles on individual and organizational performance (e.g., al Halbusi, Williams, Ramayah, Aldieri, & Vinci, 2020; Aloustan et al., 2020; Brown & Trevino, 2013; DeConinck, 2015; Demirtas & Akdogan, 2014; Dimitriou & Schwepker, 2019; Dinc, 2018; Karim & Nadeem, 2019). Ethical leadership is important for improving organizational climate and may have an impact on citizenship behavior. In their study of the relationship between ethical leadership, ethical climate, and organizational citizenship behavior from the perspective of nurses, Aloustan et al., (2020) found out that it had a positive impact on citizenship behavior. Fan, Li, Mao, and Lu (2021) recruited 234 hotel workers in Southeast China in order to study how hotel employees’ perspectives of ethical leadership may inspire
a set of employee attitudes. They discovered a significant positive correlation between ethical leadership and the loyalty of employees. The existence of an ethical leadership style encourages the development of positive attitudes and behaviors (Wang & Xu, 2021), which is essential in an organization where customer satisfaction is achieved via the effective management of complaints and the provision of services (Eluwolé et al., 2022).

All these studies (al Halbushi, Williams, Ramayah, Aldieri, & Vinci, 2020; Aloustani et al., 2020; Aryati, Sudiro, Hadiwidjaja, & Noermijati, 2018; Dinc, 2018; Fan, Li, Mao, & Lu, 2012; Karim, 2019; Kia, Halvorsen, Bartram, 2019; and Teng & Cheng, 2021) indicated that there is a relationship among ethical leadership, ethical climate, and OCB. Ethical leaders instill in their followers moral personal resources such as integrity, honesty, and care for stakeholder interests and sustainability (Brown et al., 2005; Peng & Lin, 2017). Through this, ethical leaders may promote suitable behavioral standards to workers (Brown & Trevino, 2014) and establish an ethical climate in which employees care about the welfare of others (Friend et al., 2020), which in turn promotes OCBs (Zappala & Toscano, 2020).

On the other hand, the concept “organizational citizenship behavior” (OCB) refers to the voluntary involvement that an employee has inside an organization that goes beyond the obligations that are outlined in his or her employment contract (Organ, 1988). The worker makes the conscious decision to perform additional, non-required duties in addition to those associated with his or her professional job function (Haldoria et al., 2022). As the service industry developed, academics came to the conclusion that some OCBs were more appropriate for certain categories of enterprises (Chen, Hu, & King, 2018). In addition, the hospitality sector is placing a greater emphasis on the topic of service-oriented OCBs, which has substantial implications for businesses, the employees of those businesses, and the customers such businesses serve (Kang & Jang, 2019). The vast majority of service-oriented OCBs are guided by customers and are carried out by staff who interact directly with customers (Bettencourt et al., 2001).

In the Philippines, current literature has failed to present research or studies that explore the relationship among ethical leadership, ethical climate, and service-oriented OCBs. While there is a wealth of research on ethical leadership, ethical climate, and service-oriented OCBs in the hospitality industry, the current study adds to that body of knowledge by investigating whether or not ethical leadership and ethical climate are associated with service-oriented OCBs in an Asian country such as the Philippines. As evidenced by this study, academics and scholars would benefit from a deeper understanding of the relationship between ethical leadership, ethical climate, and service-oriented OCBs.

Furthermore, following a study of related literature, the researcher identified a lack of research and studies on the link between ethical leadership, ethical climate, and service-oriented OCBs in the hospitality industry in the Philippines, particularly in the City of Baguio. Accordingly, the goal of this study was to delve deeper into the link between ethical leadership, ethical climate, and service-oriented OCBs by exploring the mechanisms involved in these relationships. It also investigated whether or not service-oriented OCBs were associated with ethical leadership and an ethical climate. The purpose of this study was to investigate the relationship between workers’ service-oriented OCBs and ethical leadership. According to the current study, managers and supervisors have moral authority over their employees’ service-oriented OCBs since they are viewed as role models in the hospitality industry. As a result, the current study can assist hospitality firms in understanding how to build service-oriented OCBs while avoiding unethical behavior.

The objectives of the current study are the following:

1. To determine the significant relationship between ethical leadership and service-oriented OCBs;
2. To determine the significant relationship between ethical leadership and ethical climate;
3. To determine the significant relationship between ethical climate and service-oriented OCBs;
4. To determine the significant difference in the perceived ethical leadership and service-oriented OCBs when demographic characteristics of hospitality employees are considered.

Hypothesized Relationships

**Ethical leadership and service-oriented OCBs**

Researchers have repeatedly claimed that organizational managers have a major effect on organizational employees’ service-oriented organizational citizenship behaviors (OCBs) (Aloustani et al., 2020; Neubert et al., 2009; Smith, Organ, & Near, 1983). Ethical leaders are viewed as trustworthy, courteous, and principled individuals who make wise decisions (Bedi, Alpaslan, Green, 2015; and Brown & Trevino, 2006). It is expected that they would display high levels of ethical behavior and moral standards in their activities, behavior, and decision-making.
making (Al Halbusi et al., 2020). They will serve as a role model for the employees, demonstrating normatively appropriate behavior and indicating what behavior is acceptable (Smith, Organ, & Near, 1983). According to the social learning theory, modeling influences followers’ behavior because they are regarded as trustworthy, which may inspire them to undertake more service-oriented OCBs.

Researchers believe that ethical leadership is particularly crucial in the hospitality industry (Celik et al., 2015; Kim & Brymer, 2011; Qin et al., 2014; Zogbhi-Manrique-de-Lara & Suarez-Acosta, 2014). This is because ethical leadership is likely to encourage employees to reciprocate extra-role behaviors by going beyond their main task descriptions to engage in service-oriented OCBs. Furthermore, ethical leadership and service-oriented OCBs are conceptually connected in the notion that OCBs result in an increase in social good and, as a consequence, may be perceived as reflecting an ethical code of behavior (Organ, Podsakoff, & MacKenzie, 2006). Thus,

Hypothesis 1: There is a significant relationship between ethical leadership and service-oriented OCBs.

Ethical leadership and ethical climate

The ethical climate of an organization can be defined as the body of knowledge that its members share regarding the procedures, policies, and practices of the organization, as well as their consensus regarding the kinds of behaviors that are considered morally acceptable and commensurate with the culture of the company (Kim, Lee, & Yi, 2017). The ethical climate of a company has an effect on the ethics of its employees through the organization’s ethical principles and behaviors (Aloustani et al., 2020). As a consequence of this, ethical leaders demonstrate the importance of setting a good example by articulating and adhering to transparent ethical procedures, standards, and practices. They also inform their employees of these ethical standards, and they urge their employees to adhere to them by rewarding those who already do so and providing guidance to those who do not (Aloustani et al., 2020).

Furthermore, strong ethical climates have been linked to leadership because it is fundamentally linked to ethical concerns (Engelbrecht et al., 2018). Therefore, it is possible to see positive impressions of leaders’ ethical behavior as being crucial for the creation of an ethical climate that represents the organization’s goals and norms (Brown, 2007; Pimental et al., 2013). From the premise of social learning, Brown & Trevino (2006) stated that stronger ethical climates enhance the formation and maintenance of ethical leadership in organizations. Such organizations provide more explicit regulations as well as informal norms that encourage and promote ethical behavior (Engelbrecht et al., 2018). In fact, ethical leaders who govern their behaviors and decisions by rules and ethical standards build a healthy workplace, which may contribute to a better ethical climate (Eluwole et al., 2022). As a result, the following hypothesis was developed:

Hypothesis 2: There is a significant relationship between ethical leadership and ethical climate.

Ethical climate and service-oriented OCBs

The corpus data culled from academic research prove that the ethical climate of a company has a major impact on the ethical behavior of the organization’s employees (Luria & Yagil, 2008; Deshpande & Joseph, 2009; Trevino et al., 2014; Al Halbusi & Amir Hamid, 2018). When the ethical climate is strong, subordinates are more likely to provide services and act in a positive manner inside the business. This is because these employees believe the present ethical climate has an impact on the rules, processes, and renumeration system of the organization (Lu & Lin, 2014; Demirtas & Akdogan, 2015; Al Halbusi & Tehseen, 2017).

Based on the concepts of social learning theory, ethical climate has the capacity to impact followers’ attitudes and behaviors because the climate of an organization taps into the critical social learning processes of external and vicarious reinforcement (Bai et al., 2017). According to research conducted by Cavus & Develi (2007), extra-role behaviors are more likely to occur in workplaces with an ethical philosophy. In their research study, they discovered that when a firm has an ethical climate, employee energy improves, which influences organizational citizenship behavior. Thus,

Hypothesis 3: There is a significant relationship between ethical climate and service-oriented OCBs.

Moderation: demographic characteristics

Many studies claim that demographic parameters including age, gender, and tenure are important in predicting employee behavior. Past research (Akaah, 1989; Brady & Wheeler, 1996; Foster, 2017; Ruegger & King, 1992) has stated that the background characteristics of employees affect their ethical behavior. According to Foster (2017), the gender of employees in the hotel industry has been shown to affect the ethical behavior and conduct of employees. Employee gender is characterized as “an individual differentiation trait that may have
an influence on the organizational outcomes that workers value the most” (Eagly & Crowley, 1986). Heilmen & Chen (2005) and Kidder (2002) have highlighted that gender may alter the meaning assigned to OCB by coworkers who watch or benefit from it. Tenure, on the other hand, is a predictor of OCB (Morrison, 1994), which may add to employees’ perception of their duty to engage in extracurricular activities. Despite several studies on the association between demographic characteristics and business ethics, McCabe, Ingram, & Datoo (2006) give ambiguous evidence on whether or not there is a difference in business ethics. As a result, the following hypothesis was developed:

**Hypothesis 4**: There is a significant difference in the perceived ethical leadership and service-oriented OCBs when demographic characteristics of hospitality employees are considered.

The conceptual paradigm that the researcher has constructed for the current research study is shown in Figure 1 below. The paradigm depicts the link among ethical leadership, ethical climate, service-oriented OCBs, and demographic variables. The conceptual paradigm was developed by Aloustani et al., (2020), who sought to define ethical leadership and ethical climate, as well as their relationship to OCB, from the perspective of nurses. The researchers discovered a link among management ethics, ethical leadership, organizational environment, and ethical climate. The regression analysis found out that ethical leadership and an ethical climate are determinants of OCB. Although the study was conducted in the healthcare industry, the current study in the hospitality industry will benefit from their conceptual paradigm because the current research aims to investigate the relationship among ethical leadership, ethical climate, service-oriented OCBs, and demographic characteristics as well.

![Figure 1. Modified Conceptual Paradigm Model](image-url)

After a thorough review of related literature, the researcher included demographic characteristics (age, gender, and years of experience) as the moderating variable. Dimensions for ethical leadership, ethical climate, and service-oriented OCBs were also included in the study at hand. Ethical leadership has seven dimensions, namely: ethical guidance, power sharing, integrity, fairness, people orientation, concern for sustainability, and role clarification. The ethical climate has five dimensions: caring, instrumental, rules, law and code, and independence. Service-oriented OCBs have three dimensions: loyalty, participation, and service delivery. Finally, demographic characteristics have three dimensions: age, gender, and years of experience.
It was likewise decided to include dimensions in order to help meet the goals of the current study, which are to investigate the relationship between ethical leadership, ethical climate, and service-oriented organizational citizenship behaviors (OCBs); to determine whether demographic characteristics of research participants, such as age, gender, and years of experience, will result in a significant difference in perceived ethical leadership and service-oriented OCBs; and to fill gaps identified in the review of related literature. The decision to include dimensions was made in order to help meet these goals.

**METHODS**

To examine and investigate the relationship among ethical leadership, ethical climate, and service-oriented OCBs in the hospitality industry the study utilized a correlational design. For this type of research design, a survey research using three previously established survey questions were used to collect data for the current research study. The scales used in this study were the ethical leadership scale established by Kalshoven et al., (2011), the ethical climate scale developed by Victor & Cullen (1988), and the service-oriented organizational citizenship behavior scale developed by Bettencourt et al., (2001). In addition, all the survey items were graded on a 4-point Likert scale (1 = strongly disagree, 4 = strongly agree). On the other hand, the socio-demographic questions focused on the respondent’s age, gender, and years of experience in the hospitality industry.

Prior to conducting the study, plans were developed to collect data. First, initial contact was made with the hotel concierges of all 70 hotels to request permission to conduct the research. The researcher asked human resources (HR) professionals to choose employees at random based on the quantity of employees required. To prevent response bias due to uncontrolled contextual factors, the researcher conducted the survey during the respondent’s free time at work. Respondents was selected using a stratified random sampling approach and they were drawn from hotel departments that employ the vast majority of hotel workers, namely food and beverage (F&B), front office, and housekeeping (Chen, Hu, & King, 2018). The decision to recruit respondents from the different hotel departments assured that the current study had a comprehensive understanding of the various hotel business operations, services provided, and service-oriented OCBs.

The number of hotels that were asked to participate in the study was determined based on the assumed number of employees per department (food and beverage (F&B), front office, and housekeeping) in each of the seventy (70) hotels. To determine the sample size for the current research, the confidence level was set at 95%, confidence interval at +/- 5%, and the population unknown. Using a sample size calculator, the sample size needed for the current research study was 385. A total of 43 hotels (61.43%) accepted the request, and 385 employees participated in the study. Further analysis revealed that 184 respondents were male and 201 were female, with an average age of 27.41 years and 3.79 years of work experience. Table 1 contains a summary of the demographic information of the respondents.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>184</td>
<td>47.79 %</td>
</tr>
<tr>
<td>Female</td>
<td>201</td>
<td>52.21 %</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td>27.41 average age</td>
</tr>
<tr>
<td>20 to 29</td>
<td>290</td>
<td>75.32 %</td>
</tr>
<tr>
<td>30 to 39</td>
<td>71</td>
<td>18.44 %</td>
</tr>
<tr>
<td>40 to 49</td>
<td>18</td>
<td>4.68 %</td>
</tr>
<tr>
<td>50 and above</td>
<td>6</td>
<td>1.56 %</td>
</tr>
<tr>
<td>Years of Experience</td>
<td></td>
<td>3.79 average years of experience</td>
</tr>
<tr>
<td>1 to 5</td>
<td>306</td>
<td>79.48 %</td>
</tr>
<tr>
<td>6 to 10</td>
<td>62</td>
<td>16.10 %</td>
</tr>
<tr>
<td>11 to 15</td>
<td>12</td>
<td>3.12 %</td>
</tr>
<tr>
<td>16 and above</td>
<td>5</td>
<td>1.30 %</td>
</tr>
</tbody>
</table>
After the questionnaires were sent to the respondents, the data were subjected to the appropriate statistical techniques for examination. The data relevant to all of the variables (ethical leadership, ethical climate, and service-oriented organizational citizenship behavior) do not follow a normal distribution. Nonparametric statistical tools were utilized.

For the descriptive analysis, the researcher employed frequency count, relative frequency, and weighted mean. Table 2 presented the weighted mean and the qualitative description as follows: Very low level (1.00 – 1.74), Low level (1.75 – 2.49), High level (2.50 – 3.24), and Very high level (3.25 – 4.00).

<table>
<thead>
<tr>
<th>Likert-Scale Description</th>
<th>Likert-Scale</th>
<th>Likert Scale Interval</th>
</tr>
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<tbody>
<tr>
<td>Very Low Level</td>
<td>1</td>
<td>1.00 – 1.74</td>
</tr>
<tr>
<td>Low Level</td>
<td>2</td>
<td>1.75 – 2.49</td>
</tr>
<tr>
<td>High Level</td>
<td>3</td>
<td>2.50 – 3.24</td>
</tr>
<tr>
<td>Very High Level</td>
<td>4</td>
<td>3.25 – 4.00</td>
</tr>
</tbody>
</table>

When respondents were grouped according to age, gender, and years of experience, the Kruskal-Wallis and Mann-Whitney tests were employed to examine the difference between ethical leadership and service-oriented OCBs. The Kruskal-Wallis Test, in particular, was used to investigate the associations between ethical leadership and age, ethical leadership and years of experience, service-oriented OCBs and age, and service-oriented OCBs and years of experience. The Mann-Whitney Test was used to investigate the associations between ethical leadership and gender, as well as between service-oriented OCBs and gender.

Furthermore, the Spearman rho correlation coefficient was used to investigate the strength of the relationships between the variables - ethical leadership, ethical climate, and service-oriented organizational citizenship behavior. Finally, the Shapiro-Wilk Test of Normality was employed to determine the normality of the data for all three variables (ethical leadership, ethical climate, and service-oriented OCBs).

RESULT AND DISCUSSIONS

To determine if a significant relationship existed between the variables of ethical leadership, ethical climate, and service-oriented OCBs, the relationship of these variables was explored. According to the correlational analysis, the three variables have a significant positive correlation, indicating a direct linear relationship, demonstrating that when a variable increases, the other variable increases as well (Table 3).

<table>
<thead>
<tr>
<th>Ethical Leadership</th>
<th>Ethical Climate</th>
<th>Service-Oriented Organizational Citizenship Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Leadership</td>
<td>Ethical Climate</td>
<td>Service-Oriented Organizational Citizenship Behavior</td>
</tr>
<tr>
<td>1</td>
<td>0.588 (&lt;=0.001)</td>
<td>0.508 (&lt;=0.001)</td>
</tr>
</tbody>
</table>

The main findings included: (a) ethical leadership has a substantial association with service-oriented OCBs; (b) there is a strong correlation between ethical leadership and ethical climate; (c) employees tend to display more service-oriented OCBs when there is an ethical climate present in organizations; and (d) there was no significant difference in the perceived level of ethical leadership and service-oriented OCBs when respondents were grouped according to age, gender, and years of work experience.

Ethical Leadership and Service-Oriented OCBs

Hotel employees provided evidence for a substantial association between ethical leadership and service-oriented OCBs, demonstrating that when an ethical leader is present, employees participate in more service-oriented OCBs. Because of managers and supervisors varied characteristics, ethical leaders will motivate employees to engage in more service-oriented OCBs that are centered on providing service.
According to the findings of the recent study, respondents saw their leaders as respectable and appealing role models who drew and held their attention to ethical standards and what is considered to be the normatively correct way to act. As a result, followers of ethical leaders should identify with them and emulate their acts by engaging in extra-role behaviors. Therefore, ethical leadership is capable of fostering service-oriented OCBs because of its honesty, integrity, care and concern for employees, and fair and moral decision-making (Brown et al., 2015).

Ethical Leadership and Ethical Climate

As predicted, there is a strong correlation between ethical leadership and ethical climate, demonstrating that having a strong ethical climate also helps organizations generate and retain ethical leadership. The findings highlight the relevance of ethical leadership in developing an ethical climate, lending credence to the idea that a leader’s ethical attitude is an essential aspect in the production of an ethical corporate culture (Shin, 2012; Trevino, 1986, 1990). Ethical leadership has the potential to motivate employees as a whole to engage in ethical behavior, which, in turn, will result in an ethical climate that is characterized by ethical work standards and attitudes that are held by all.

As a consequence of this, the actions of an ethical leader are significant factors in determining the ethical climate of a company. The findings suggest that ethical leaders may create and support an organization’s ethical climate by instituting policies and practices that promote ethical conduct. Respondents viewed their managers and supervisors as leaders who possessed and displayed ethical leadership traits that fostered an ethical climate that placed a premium on doing the right thing.

Service-Oriented OCBs and Ethical Climate

Respondents demonstrated that when there is an ethical climate in the hotel organization, they exhibit more service-oriented OCBs. This research implies that when employees are exposed to a high degree of ethics, they are more inclined to engage in service-oriented OCBs in exchange for the firm treating them ethically and fairly. As a consequence, the ethical climate of a hotel business will influence the ethical standard perceived in the workplace, and the norm will urge workers to act appropriately. The presence of a more established ethical climate inside an organization has a positive influence on the service-oriented OCBs of its members. The quality of the surrounding environment is affected by the ethical climate that is formed when proper attitudes and behaviors are demonstrated. It is possible to argue, given the disruption of tasks in the defining of roles in today’s economy, that workers’ extra-role activities are influenced by the ethical climate they perceive either directly or indirectly (Cavus & Develi, 2017).

The presence of an ethical climate inside hotel organizations may have a significant influence on both understanding and explaining individual behavior. As a result, when the ethical environment is both good and robust, it is predicted that employees will continuously engage in positive work behaviors, in this case, service-oriented OCBs. In conclusion, when the ethical climate is strong, employees are more likely to properly grasp the behavior that is expected of them. It is proven by this study that employees will likely display more service-oriented OCBs when there are clear expectations and agreed-upon standards. For these reasons, an ethical climate is generally accepted to have a positive relationship with service-oriented OCBs.

Ethical Leadership and Service-Oriented OCBs Not Affected by Demographic Characteristics

Previous research (Akaah 1989; Ruegger & King, 1992; Brady & Wheeler, 1996; Frempong; 2017) has shown that demographic or background characteristics of hospitality employees, such as race, gender, age, religion, and others, influence their ethical behavior when providing service to customers. Despite this acknowledgement, relatively few empirical studies have been conducted to study the relationship between perceived ethical leadership, service-oriented OCBs, and demographic characteristics such as age, gender, and years of experience. The findings of this study provided empirical evidence suggesting that demographic characteristics such as age, gender, and years of experience may not have a direct significant difference on perceived ethical leadership and service-oriented OCBs in the context of hospitality employees who belong to the front office, food and beverage, and housekeeping departments of various hotels in the City of Baguio.

Despite discovering that there is no significant difference in the perceived ethical leadership and service-oriented OCBs of respondents’ demographic characteristics such as age, gender, and years of experience, results showed that three dimensions of ethical leadership namely: people orientation, integrity, and ethical guidance received the highest scores from respondents. This research provides support for the proposition that respondents view their leaders as individuals who engages in the discussion and exchange of ethical ideas, provides explanation
of ethical concepts, and encourages ethical conduct. It is also evident that morally upstanding managers and supervisors engage their personnel in conversations about morality and the ethics of doing business. In addition, respondents also viewed their immediate managers and supervisors as people-oriented who demonstrates true care, respect, support, and concern for the needs of their subordinates. Last but not least, the respondents perceive them as leaders who consistently behave ethically and are considered as trustworthy individuals in the organization because they carry out and show anticipated conduct. This is due to the fact that they carry out and exhibit expected behavior.

Furthermore, this study has also discovered that among the seven dimensions of ethical leadership, concern for sustainability, power sharing, and fairness received the lowest weighted means from respondents. It is evident that respondents see that their leaders lack the awareness for both the environment and the society as a whole. They see that management lacks established environmentally friendly policies. In addition, results show that corporate executives need to develop spaces that are conducive to open communication about the business.

Implications

This paper discusses several implications in the hospitality industry for managers and business administrators. First, the study’s findings indicate that ethical leadership in management and supervision is a key factor in an ethical climate and service-oriented OCBs. Managers and supervisors who practice ethical leadership serve as role models, particularly in terms of ethical ideas and principles, by not only embodying these values and concepts but also communicating them to followers. Training managers on ethical conduct may benefit hospitality companies. In addition to training, incorporating an ethical dimension into the assessment criteria might assist in evaluating ethical leaders’ learning and participation in these activities, as well as encourage their followers to do the same. This might include employing both behavioral modeling and transactional rewards to communicate and support ethical behavior, which could result in an enhanced ethical climate and an increase in service-oriented OCBs.

If hospitality firms wish to develop service-oriented OCBs among their workforce, they should cultivate ethical leadership, as evidenced by the findings of this study. For instance, leadership training should place greater emphasis on characteristics that may predict ethical leadership, such as ethical direction, honesty, and care for others. Furthermore, hospitality managers and supervisors should display ethical leadership while dealing with their personnel. Managers and supervisors should, for instance, create defined ethical standards, especially when engaging with clients. They should demonstrate to their workers that they pay attention to and care about their customers’ desires and values, as well as pay attention to, recognize, and reward their employees’ contributions and efforts for continuous customer service enhancements.

Lastly, despite prior research demonstrating that demographic factors such as gender, age, marital status, education, position, and monthly income moderate the relationship between perceived ethical leadership and service-oriented OCBs (Chen, 2018), this research has shown that when respondents were categorized according to age, gender, and years of experience, there was no significant differences in the perceived level of ethical leadership and service-oriented OCBs.

CONCLUSIONS

In closing, our findings suggest that ethical leadership encourages service-oriented organizational citizenship behavior among hotel personnel and is also essential for building an ethical climate. Managers and supervisors are seen as role models within a hospitality firm. As a result, they contribute significantly to the improvement of service-oriented OCBs among hospitality professionals and is highly likely to foster employee participation in ethical behavior, resulting in an ethical climate characterized by shared ethical standards, ethical regulations, and ethical viewpoints. Also, ethical climate of a hotel business has been found to influence the service-oriented OCBs of its workers. The ethical climate encourages employee attitudes and conduct, which results in more service-oriented OCBs. It further strengthens the findings from related literature which states that individuals who work in an ethical climate are more inclined to participate in service-oriented OCBs.
REFERENCES


