

The effect of organizational behaviors on employee job performance:

The moderating role of CSR and cultural values

Shuyang Wang^{a*}, Hoi In Veronica Fong^a, IpKin Anthony Wong^b

^a Macau University of Science and Technology, China

^b Wong, IpKin Anthony, City University of Macau, China

*Corresponding author: Shuyang Wang, Lecturer, sywang@must.edu.mo

Abstract

Employee performance significantly affects the growth and profits of firms in the service firms because of their service quality. This study aims to fill the gap in the literature by presenting an empirical framework delineating how organizational attributes, such as corporate culture, leadership behavior, and organizational support, influence service employees' job performance. This study also explores the plausible moderating role of CSR on the relationships among the three organizational variables and the moderating role of cultural value on the relationship between organizational support and employee job performance.

Key words: *CRS, culture values, service firms, job performance, corporate culture, leadership behavior, organization support*

1 Introduction

Service firms rely on their employees to performance their job well in order to deliver a high level of service quality. The service-profit chain suggests customer satisfaction depends on employee productivity and their job performance. Despite much research focuses the role of organizational support and other organizational attributes on employees, the relationship between organizational behaviors and employee job performance among service firms is sparse. In addition, the role of CSR and cultural value on this relationship remain unclear. We develop 6 hypotheses which is shown in Figure 1 to test these limitations in the service literature.

Hypothesis 1: Corporate culture is positively related to organization support.

Hypothesis 2: Corporate culture is positively related to leadership behavior.

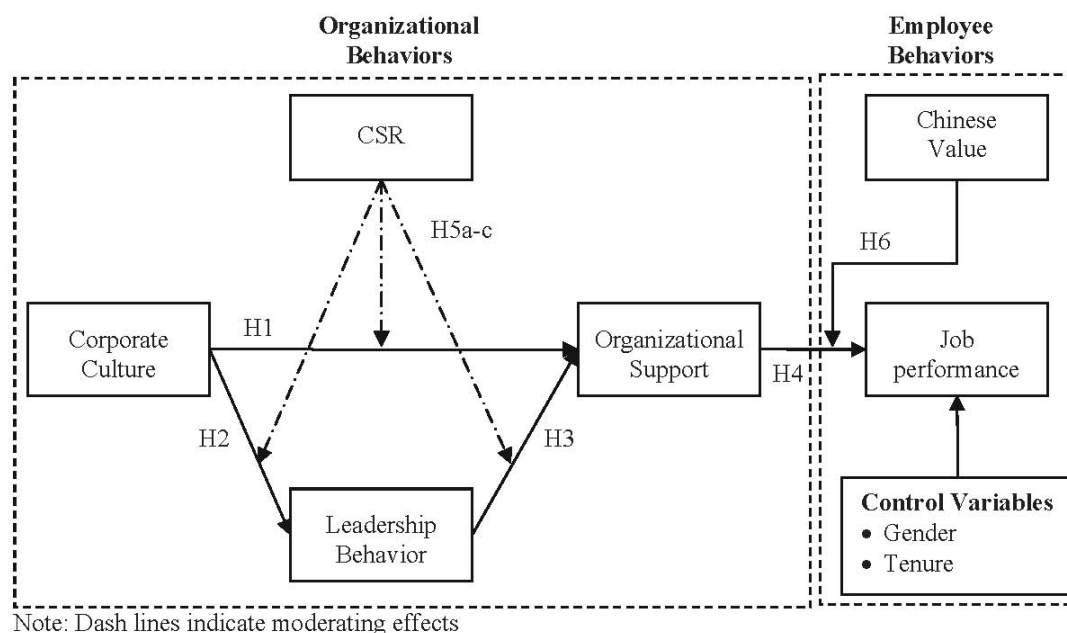
Hypothesis 3: Leadership behavior is positively relate to organization support.

Hypothesis 4: Organization support is positively related to job performance.

Hypothesis 5: CSR moderates the relationships (a) between corporate culture and organization support, (b) between corporate culture and leadership behavior, and (c) between leadership behavior and organization support in that these relationships should be more positive for firms with high CSR.

Hypothesis 6: Chinese value moderates the relationship between organization support and job performance in that the relationship should be more positive for employees with high Chinese value.

Figure 1-Conceptual Framework



2 Methods

Data was obtained from employees and their corresponding employers in the service industry in southeast China. Two questionnaires were prepared for the employees and their superior independently. A pilot study of the survey was conducted. Data were collected by means of self-administered survey. Questionnaires were distributed to both employees and their corresponding superiors to assess job performance. A total of 379 complete responses were returned. Of the respondents, 77% were women and the average total working experience was 2.2 years.

3 Findings

We tested the proposed framework using path analysis in LISREL 8.8. Tables 1 and Table 2 present results of Hypotheses 1 – 7. We followed *B.M. Baron & D.A. Kenny*¹ procedure and tested the first three hypotheses in Models 1 – 3. We examined whether employees' perception of the corporate culture positively related to organizational support (Hypothesis 1) and leadership behavior (Hypothesis 2) and whether leadership behavior positively related to organizational support (Hypothesis 3). Results in Models 2 and 3 show that corporate culture is significantly related to organizational support ($b = .48, p < .001$) and leadership behavior ($b = .45, p < .001$), whereas leadership behavior is significantly related to organizational support ($b = .79, p < .001$); in support of Hypotheses 1 – 3. The results also suggest that leadership behavior partially mediates the relationship between corporate culture and organizational support with a significant indirect effect ($b = .33, p < .001$).

Table 1- Results of Path Estimates: Model 1 – Model 4

Results of Path Estimates: Model 1 – Model 4						
	Model 1	Model 2	Model 3		Model 4	
	Organization Support			Leadership behavior	Organizational support	Job performance
Gender						.14
Job tenure						.00
Corporate culture	--	.79***	.45***	.56***	.33**	--
Leadership behavior	.88***	--	.48***	--	.41***	--
Organizational support	--	--	--	--	--	.25***
CSR	--	--	--	.24**	.27*	-.03
Corporate culture × CSR	--	--	--	.07†	.09	--
Leadership behavior × CSR	--	--	--	--	-.03	--
Organizational support × CSR	--	--	--	--	--	-.05
R ²	.48	.48	.54	.65	.55	.12

Noted: Note: † $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.
Unstandardized results are presented.
CFI = .98, GFI = .96, SRMR = .03.

We examined whether employees' perceived organizational support is related to their performance in Model 4. The results reveal a significant relationship between the two variables ($b = .25, p < .001$), in support of Hypothesis 4. Model 4 also shows the interaction effects of CSR. The results reveal a significant moderating effect of CSR ($b = .07, p < .10$) on the relationship between corporate culture and leadership behavior; supporting Hypothesis 5b. To illustrate the interaction effect graphically, we followed *Aiken* and *West's*² procedure, defined the moderator as high and low CSR by plus and minus one standard deviation from the mean. However, results of the other proposed moderating effects of CSR are not significant. We tested a competing model by examining the proposed hypotheses for low

Chinese value group (LCV) and high Chinese value (HCV) group³, see Model 5. We examined group invariance testing the significance of chi-square change. Results in Model 5 reveal that the relationship between organizational support and job performance is only significant for the high Chinese value group ($b_{LCV} = .10$, *n.s.* vs. $b_{HCV} = .44$, $p < .001$; $\Delta\chi^2 = 7.59$, $p < .01$), supporting Hypothesis 6.

We conducted a few supplementary analyses to explore the potential moderating effect of Chinese value and the validity. The results show that the relationship between corporate culture and organizational support is significant only for high Chinese value group ($b_{LCV} = .07$, *n.s.* vs. $b_{HCV} = .47$, $p < .001$; $\Delta\chi^2 = 2.73$, $p < .10$), partially supporting Hypothesis 1. The relationship between corporate culture and leadership behavior is significant for both groups ($b_{LCV} = .58$, $p < .001$ vs. $b_{HCV} = .54$, $p < .001$; $\Delta\chi^2 = .02$, *n.s.*); the results further support Hypothesis 2. The relationship between leadership behavior and organizational support is also significant for both groups ($b_{LCV} = .67$, $p < .001$ vs. $b_{HCV} = .35$, $p < .001$; $\Delta\chi^2 = 1.64$, *n.s.*), further supports Hypothesis 3. These findings suggest that the leadership behavior full mediates the relationship between corporate culture and organizational support in the LCV group, but partially mediates this relationship in the HCV group.

Table 2 - Results of Path Estimates of High and Low Chinese Value

Results of Path Estimates of High and Low Chinese Value							
	Model 5: Low Chinese Value			Model 5: High Chinese Value			$\Delta\chi^2_{(1)}^c$
	Leadership behavior	Organizational support	Job performance	Leadership behavior	Organizational support	Job performance	
Gender	--	--	.22	--	--	.09	
Job tenure	--	--	-.03 ^a	--	--	.11 ^{ab}	7.29**
Corporate culture	.58***	.07 ^a	--	.54***	.47*** ^b	--	2.73†
Leadership behavior	--	.67***	--	--	.35*	--	
Organizational support	--	--	.10	--	--	.44***	7.59**
CSR	.08	.42*	.24† ^a	.29**	.16	-.24 ^{ab}	6.57*
Corporate culture × CSR	-.06	.41† ^a	--	.10*	.01 ^b	--	2.71†
Leadership behavior × CSR	--	-.25	--	--	.04	--	
Organizational support × CSR	--	--	-.17	--	--	.01	
R ²	.55	.50	.14	.72	.63	.25	

Noted: Note: † $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.
Unstandardized results are presented.
CFI = .96, GFI = .90, SRMR = .04.
Coefficients with different subscript significantly differ, Chi-square difference test.
Gender: male = 1, female = 2.
c. insignificant results are not reported

In addition, we also explored the moderating effect of Chinese value on the control variables. Although the relationship between job tenure and job performance is not significant in Model 4, results from Model 5 show that this relationship is moderated by Chinese value in that the relationship is only significant for HCV group ($b_{LCV} = -.03$, *n.s.* vs. $b_{HCV} = .11$, $p < .05$; $\Delta\chi^2 = 7.29$, $p < .01$). The relationship between CSR and job performance is not significant in Model 4, however, results from Model 5 show that this relationship is significant and positive for LCV group ($b = .24$, $p < .10$) but is significant and negative for HCV group ($b = -.24$, $p < .05$;

$\Delta\chi^2 = 6.57, p < .05$). Furthermore, the corporate \times CSR interaction effect on organizational support is only significant for LCV group ($b_{LCV} = .41, p < .10$ vs. $b_{HCV} = .01, n.s.$; $\Delta\chi^2 = 2.71, p < .10$). In sum, results presented in Tables 1 and 2 indicate that the proposed models fit the data adequately well with $CFI \geq .96$, $GFI \geq .90$, and $SRMR \leq .04$. In addition, organizational support and the moderating effects of CSR and Chinese value are able to explain 11 percent and 19 percent of the variance in job performance respectively above and beyond that accounted for by controls (total $R^2_{LCV} = .14$ and $R^2_{HCV} = .25$).

4 Discussions

The results indicate a path leading from corporate culture to organizational support through the partial mediating effect of leadership behavior. This mediation is moderated by perceived CSR in that the corporate cultural effect on leadership behavior is more pronounced for high CSR firms. The relationship between organizational support and job performance is also significant. However, this relationship is moderated by employees' cultural value in that the relationship is only significant for high-Chinese cultural value group. The findings suggest that employees' job performance is not only dependent on traditional organizational practices such as good leadership and support from an organization; it also depends on an organization's CSR initiatives as well as employees' cultural value. Service firms may want to select employees with cultural values that align with their organizational value.

Acknowledgement

This work was supported by Macao Foundation.

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