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(Original Article)

The Traumatic Effect of Instrumental Ethical climate on Contextual Performance of Bank Personnel

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Abstract

Background: Instrumental ethical climate can affect human resources both physically and mentally in the workplace. This trauma may affect contextual performance or behavior of personnel. The purpose of this study is to investigate the effect of instrumental ethical climate on contextual performance of human resources in banks and financial institutions.

Method: Research method was mixed. In qualitative section; Theme analysis and Delphi methods have been used .Statistical population was bank's expert. The sample size included 11 people who were chosen purposefully and then interviewed by a semi-structured questionnaire. The correlational descriptive method was used for quantitative section. The statistical population consisted of bank's staff and the sample was 384 people based on Morgan table, who were selected randomly. A researcher-made questionnaire was used.

Results: According to library studies, 4 indicators for measuring ethical climate and 18 indicators for contextual performance of human resources were identified. Two additional indicators have also been added after interviewing the experts. In the quantitative section, the instrumental climate had the greatest impact on the bank's working environment and its effect on the staff's behavior was negative and significantly negative?

Conclusion: Instrumental ethical climate has a direct and traumatic effect on human resource performance. In order to increase the level of mental health of employees and the development of the organization, it is necessary to prevent the growth of instrumental ethical climate through educational programs.

Keywords: Trauma, Instrumental ethics, Contextual performance, Bank, mixed method

Introduction

An examination of the human failures and financial failures in society suggest that the common element of these failures is violation of ethics (1). Ethics determines the standard of behavior: as right and

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wrong behaviors (2). The ethical climate encompasses signals which guide employee's behavior and reflect the ethical character of the organization (3). Three ethical levels are defined in organizations. The first ethical level that is called Pre-conventional reasoning, human resources do not embody any moral values. At this level, the organization is driven by its own interests and is always looking to earn profit by looking at the law to avoid punishment. In these organizations, two ethical ways of promoting employees exist. The first method, called avoidance method, involves employees doing their work out of fear and coercion. They protect themselves from threats and avoiding punishment. The second is the rewarding method; people try to take advantage of opportunities and always pursue their desires. They are speculators who cooperate for own interest and benefit. Therefore; even if, they respect the rules. It is just to get encourage and rewarded.

Two other levels of ethics which named the level of conventional reasoning and the post-conventional reasoning, have been introduced. Human resources are gradually adopting more positive ethical approaches. At the level of conventional reasoning, personnel are subordinate to internal norms that are essentially imposed on them by others and the environment. In this level people have two behavioral modalities. In first approach, staff are aware of the consequences of their behavior and strive to look good in others' eyes. They show a consistent face and Pretend to be friend with others. The second approach at this level is to obey the law, but not for fear.

At the level of post-conventional reasoning, two methods are employed by the staff. One is the way that people are able to discuss and criticize conventions, laws and what is common in society without fear of self-interest or community taboos. They seek to eliminate discrimination and promote freedom. In other way, called the Universal Ethical Principle which is the highest stage of ethical behavior, employees personally select principles and adhere to them in every situation. At this point, if the law contradicts one's chosen principles, they will not follow the law. They do what is right by itself at the moment, not because society accepts it as right. Only %10 of organizations and individuals reach the third and final level of behavior, which is the most the ideal stage of ethics development appeared in extraordinary individuals such as Gandhi, Martin Luther King and Mother Teresa and religious leaders. Another model defines; five dimensions of ethical climate includes, instrumental climate, caring climate, Professionalism climate, Rules climate, and Independence climate (4).

In instrumental climate; People make decisions to maximize personal gain Selfishness. A workplace with a less instrumental climate, has more people talking to each other. Although, in the instrumental climate, people are silent because they think that talking to a selfish person has no effect. The organizational silence and deception of the organization has become pervasive (5). In caring climate; employees are seeking for prosperity inside and outside of the Organization. Such as semi-autonomous working groups or collaborative working groups (6). In the Professionalism climate, employees make decisions based on external systems such as the Bible or universal professional regulations, such as doctors and lawyers. In the rule's climate, people who follow organizational law more and better is considered more moralist, such as bureaucratic organizations. In independence climate; individuals act in accordance with ethical beliefs and accepted personal principles, such as professionals in semi-structured organizations in which creativity and innovation are important (7). In some studies, Professionalism climate is the highest level of ethics and the lowest one is instrumental climate that is harmful (8).

Human resources' performance is one of the most important factors which affects organizational efficiency (9). Promoting job performance is one of the goals of managers of organizations, because it increases productivity in the society (10). Human resources, is considered as the most important organizational capital, in addition it is as a valuable national capital which promotes the national economy and improves the quality of productivity (11).

Job performance involves two components. The first component is task performance that reflects job requirements and the second component is

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contextual performance that includes undefined activities such as team working and supporting (12). Contextual performance or situational performance is defined as kind of behavior that affects the context of the social and organizational psychology. In fact, these are activities that informally influence on the effectiveness of the organization however it does not affect the processes of the technical core of the organization directly. Occupational, contextual performance is often also referred to as organizational citizenship behaviors. For example, people can affect others positively by altruism, tendency to team working, modesty, kindness, increasing knowledge and job skills (13). Thus, in today's organizations, the ethical climate in the organization can affect the behavior of staff and the behavior of each employee separately. So, we must seek to create a healthy, stress-free environment. The law "supply health and job security" was passed in 1970 in united stated to assure workers that they work safely (14). It is mentioning in the "Islamic Republic of Iran's Twenty-Year Vision Document in 1404" that Iran must be a country with the highest level of economic, scientific and technological position in the region in year 2025 by proper performance of healthy human resources (15).

Trauma is a kind of damage and shock inflicts on a person from outside of his body. It is a phenomenon that affects ability of individuals to lose their talent and it decreases the energy of the organization (6). One of the tasks of management, is maintaining human resources and striving for employee activation in a long-term in the organization (17). If management ignores the impact of unseen intra-organizational factors such as ethical climate on employee behavior and performance, the organization is going to break up. The organizations which their employees are exposed to psychological and physical injuries due to their working are traumatic organizations (17). Banks and financial institutions the trauma organizations due to; long hours of Work, high signature risks, fraud and document theft, common community abuses of bank employees, legal obligation to negatively respond to poor loan appliers. Characteristics of traumatized human resources include stress, anxiety, depression, fear and anger, frustration, skepticism, lack of motivation, laziness (18), and distrust of employees (15).

Therefore, the present study was conducted for two purposes; first, to identify the strongest ethical climate in the country's banking system, and secondly, what kind of impact the most important ethical climate has on the bank's staff performance.

Material and Methods

This research is in terms of practical and mixed method, combining qualitative and quantitative methods. In the qualitative section, The Theme analysis was used. The statistical population consisted of senior managers of Iranian banks and university professors who had at least a master's degree and a teaching, researching or authoring experience in ethics. The sample was selected randomly and purposefully and was saturated with eleven interviews. Table 1 shows the demographic information of the qualitative sector.

Semi-structured questionnaire was designed based on; Victor and Cullen questionnaire with 18 indicators for ethical climate, 18 indicators for personnel contextual performance. The validity of this questionnaire was approved by 15 professor's university and its reliability was 0/79. The research was done by Delphi method and as a result 2 indicators were added to the contextual performance and 4 indices of ethical climate related to traumatic instrumental climate were identified. Three forms of contextual performance emphasize different characteristics of the psychological, social, and organizational contexts of work. The first, focuses on psychological states, the second on social contexts, and the third on organizational contexts (19). Courtesy and compassion are two dimensions for the psychological component of contextual performance, altruism and sportsmanship are for the social component, conscientiousness and civic virtue are also related to the organizational component.

The quantitative section of this study was correlational descriptive. The statistical population of the bank official staffs was more than 100,000 people and 384 samples were selected based on Morgan table and 336 questionnaires were completed and re-

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turned. Table 1 shows the demographic information of the qualitative sector. The researcher-made questionnaire was developed based on; the indicators obtained from the interview and the Job Performance standard Questionnaire of Podsakoff and Paterson Organizational Citizenship Behavior Questionnaire with 20 indicators as described in Table 3.

According to Table 3, the reliability of the variables was higher than 0/8 and were appropriate. Convergent validity is acceptable because; the Mean variance extracted (AVE) was more than 0/5, the mean of the variance extracted from the square of the maximum squared variance (MSV) is less than all variables, the second root value of the explained variance was greater than all the correlation coefficients of each variable with the other variables. Thus, Divergent validity was also confirmed. Therefore, the model had divergent validity and convergent specificity of structural equation modeling. Structural equation statistical method was performed by Spss and Lisrel software. Also, parametric tests were used.

Table 1: Organizational Demographics Information of Statistical Sample in Qualitative and Quantitative Sections

Title		Quantitative		Qualitative	
category	Variable	Number	Percent	Number	Percent
Sex	Man	8	72/7	224	66/7
	Woman	3	27/3	112	33/3
Education Degree	Diploma	0	0	14	4/2
	Associate	0	0	14	4/2
	Bachelor	0	0	204	60/7
	Master	6	54/5	104	31
	PhD	5	45/5	0	0
Years of experience	Years<5	0	0	88	26/2
	5 ≤ Years<10	2	18/2	47	14
	10 ≤ Years<15	1	9/1	89	26/5
	15 ≤ Years<20	2	18/2	67	19/9
	20 ≤ Years	6	54/5	45	13/4
Job	Cashier	0	0	109	32/4
	Clerk	0	0	108	32/1
	Expert	0	0	79	23/5
	Chif of Branch	0	0	27	8
	Chif of Department	0	0	13	3/9
	Member of Board of Directors	6	54/5	0	0
	Professor	5	45/5	0	0
Total		11	100	336	100

Results

All research variables have normal distribution. According to Table 2, the instrumental ethical climate that has trauma is the strongest among the ethical types, with the average of 13/23 in the Iranian banking system.

Table 2: Types of Ethics climate in the Bank

Variables	Component	Average	Standard deviation	Minimum score	Maximum score
Ethical climate	Caring climate	12/89	22/2	7	18
	Instrumental climate	13/23	2/61	8	20
	Professional climate	9/38	2/07	4	13
	Rule climate	9/63	2/18	4	15
	Independent climate	10/68	2/43	5	16

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Table 3: Indicators, Convergent Validity, and Reliability

Variables/Component	dimension	indicator	validity				Reliability
			Factor loads (λ)	T value	MSV	AVE	α
Traumatic climate	Instrumental climate	People are seeking their interests	0/75	9/46	0/167	0/507	0/755
		no place for morality in organization	0/71	9/02			
		Contrary to the interests of the group,not good	0/65	10/37			
		Every person has their own mind	0/51	8/50			
contextual performance - psychological	courtesy	Respect your veterans	0/71	11/45	0/641	0/926	0/907
		customer appreciation	0/77	12/85			
		Courtesy of colleagues	0/78	13/06			
	Compassionate	Trying to fix the problems	0/82	14/04	0/601	0/802	0/814
		Compassion for doing quality work	0/76	12/52			
		Keep track of things to get results	0/74	12/03			
contextual performance - social	Altruism	Make time for others	0/74	11/92	0/671	0/915	0/907
		Helping newcomers	0/79	13/34			
		Helping others	0/75	12/18			
	Sportsmanship	Refuse to magnify issues	0/71	11/39	0/650	0/902	0/863
		Refusing to pose trivial problems	0/65	9/54			
		Focus on positive instead of negative	0/51	7/13			
contextual performance - organizational	Conscientiousness	Risk-taking in articulating topics correctly	0/81	13/84	0/520	0/843	0/902
		Taking care of others' problems	0/76	12/58			
		Perform tasks without the supervisor	0/76	12/52			
		Doing things before an emergency	0/74	12/03			
	Civic virtue	Participation in activities	0/77	12/66	0/061	0/926	0/908
		Voluntary to improve matters	0/82	14/04			
		Focus on organization's positive points	0/69	10/88			
		Adapting to Organizational Changes	0/69	10/92			

Figure 1 shows that, at the 95% confidence level (t-statistic more than + 1.96), instrumental trauma climate had a significant negative effect on the contextual performance of human resources. For this model; chi-squared equals 192/76, degrees of freedom 85 and division them equals 27.2, significant equals 0.07, root mean square of approximation error equals 0.061, standard fit index is 0.96, softened index, comparative index and goodness of fit index were 0.94, 0.97 and 0.95, respectively, and the modified goodness of fit index was 0.93. Thus the model had a good fitness.

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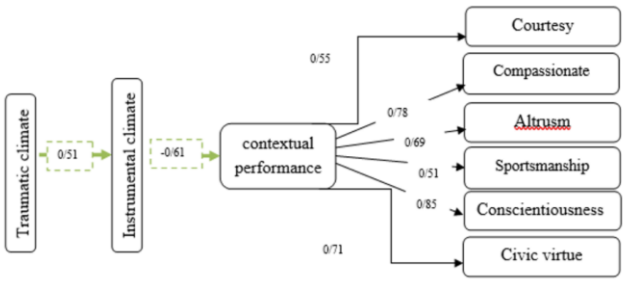


Figure 1: the research model of standardized coefficients estimates

Discussion

The results of this study indicate that whatever the instrumental climate variable is strengthened in banks the more, traumatic factors are the more reinforced. Therefore, it is consistent with the results of research that showed negative relationship between ethical climate and job stress and intention to quit the job (20). By increasing caring climate, independent climate, professionalism climate and rule climate, human traumatic factors decrease .Thus with research results that described the effect of ethical climate on trust of supervisor and organizational trust (21)and the results of research showed that components of benevolent leadership have a significant and meaningful effect on the behavior of employees in the organization (22), It is aligned.The results of a study that found leadership styles effective in managing employees' psychological trauma (23) and a study conducted at Shiraz University of Medical Sciences showed that there was a meaningful relationship between ethical climate and organizational citizenship behavior with job performance, (24) are adapted with this study. Because in all of these studies organizational factors can be traumatic or traumatic. Also, the results of this study are in line with the results of the four-component model that presented the component of ethical-cultural values for coping with organizational trauma (25).

In this study, there were time constraints and access to information. Therefore, it is suggested that future research will investigate the impact of ethical climate on traumatic factors of information technology, environment, goals and organizational structure.

Conclusion

According to World Health Organization's report, one in four people suffers from a mental disorder in their lifetime, bank employees are no exception and are more likely to be mentally disabled because of their work nature.

The instrumental climate is traumatic and the strongest in the bank. Imagine a job performance as an iceberg, contextual performance is the underwater part of this iceberg.

Therefore, this part of the performance that relates to personnel behavior has higher effects on the performance of staff. According to the results of this study, instrumental ethical climate had traumatic effects on all six contextual performance indicators. Thus, it is necessary to plan to reduce instrumental climate effects. The formulation, implementation and continuation of such a plan requires the formulation an ethical policy and responsible structure. Instrumental climate and contextual performance represent whose main pillar is human resources, this study proposes that, in collaboration with department of Education, department of Personnel and Welfare department of bank, do training program to inform managers and employees about the instrument ethical climate and its effects. Also explain the training needed to combat instrument climate.

Appropriate ethical indicators in bank must be defined. At specific times of the year, select outstanding personnel in ethics and perform.

Task performance is calculated in individual evaluation, so contextual performance must be added in evaluation and must compute it in staff's salary.

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Ethical Consideration

Ethical issues (Including plagiarism, informed consent, misconduct, data fabrication and/or falsification, double publication and/or submission, redundancy, etc.) have been completely observed by the authors.

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