

Moderating Role of Ethical Climates on HRM Practices and Organizational Performance: A Proposed Conceptual Model

Malam Salihu Sabihu

Tang Swee Mei

Mohd Hasanur Raihan Joarder

Universiti Utara Malaysia, 06010 UUM Sintok, Kedah, Malaysia
sabiumsalihu@yahoo.com, smtang@uum.edu.my, hasanur@uum.edu.my

Doi:10.5901/mjss.2016.v7n1p291

Abstract

Based on the Resource Based View (RBV) perspective, HRM practices are the best way of utilizing vital internal resources that influence performance in organization. Some scholars used individual practice while others used bundles. Despite these studies, however, previous studies have attempted to consider the influence of HRM practices on organizational performance. Some of the studies, have reported mixed findings; therefore, a moderating variable is suggested. This paper proposes ethical climates (EC) as potential moderator on the relationship between HRM practices and organizational performance to enhance the relationship.

Keywords: HRM practices, Organizational performance, Ethical climates, Training and Development, Compensation

1. Introduction

According to Laitinen (2009) argued that performance is the ability of an object to produce results in a way of consistent with set system, in relation to a target. Performance measurement can help public organizations to establish organizational efficiency. Organizational performance can be critically explained as a function of the organization ability to possess, develop, and use physical and goals with an acceptable outlay of a resource while ensuring sustainability over the long term, and good performance in an organization always means the work done efficiently and effectively and remains much relevant to the stake holders (Ali, 2011; Moullin, 2007). Similarly, Antony and Bhattacharyya (2010) debated that organizational performance is all about the process in which organizational success is measured with regards to the value it creates and deliver to internal as well as external clients. Even though a narrow meaning of organizational performance mainly focuses on efficiency- and Effectiveness-related matters, a comprehensive explanation covers, efficiency and effectiveness, equity, responsiveness, fairness, managerial expectations employee satisfaction, and the use of performance measurement and performance evaluation (Hijal-Moghrabi, Sabharwal, & Berman, 2015).

Several factors have been considered as factors influencing organizational performance, some of the factors are organizational learning (Aragón, Jiménez, & Valle, 2014; García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez, 2012), market orientation (Carlos Pinho, Paula Rodrigues, & Dibb, 2014), organisational support (Randall, Cropanzano, Bormann, & Birjulin, 1999; Rhoades & Eisenberger, 2002), organisational politics (Ogbonna & Harris, 2000; Randall *et al.*, 1999; Vigoda-Gadot & Kapun, 2005), organisational culture (Hartog & Verbarg, 2004; Homburg & Pflesser, 2000; Scott, Mannion, Marshall, & Davies, 2003; Shahzad, Luqman, Khan, & Shabbir, 2012). Others considered HRM practices (Azhdar Karami, Samira Saheb, & Sarani, 2015; Karami, Sahebalzamani, & Sarabi, 2015; Khawaja, Azhar, & Arshad, 2014; Moideenkutty, Al-Lamki, & Sree Rama Murthy, 2011; Obi-Anike & Ekwe, 2014; Suthar, Chakravarthi, & Pradhan, 2014; Theriou & Chatzoglou, 2014; Trehan & Setia, 2014) among others.

However, these studies help us to understand the factors influencing performance in organisation, literatures indicate that more attention should be paid to the HRM practices and performance more especially in public sector organisation. Although, there are inconsistencies and mixed reporting, some studies reported positive significant relationship (Akhtar, Azeem, & Mustafa Mir, 2014; Bourne, Pavlov, Franco-Santos, Lucianetti, & Mura, 2013; Karami *et al.*, 2015). Others revealed negative relationship, such as (Beh & Loo, 2013; Kraimer, Wayne, Liden, & Sparrowe, 2005; Meier & O'Toole, 2013), while others show insignificant findings (Abdullah, Ahsan, & Alam, 2009; Vlachos, 2008; Wood,

Van Veldhoven, Croon, & De Menezes, 2012). As there is need for moderating variables to improve the relationship (Baron & Kenny, 1986), this paper is proposing the moderating role of EC. Though the paper is theoretical, if validated, the model would have important policy implications on organisational performance, more specifically in educational sector. Earlier, EC has simply explained by Victor and Cullen (1987) as perceptions of what ethically correct behavior is, and how ethical issues should be handled in an organization, it can be also seen as organization's policies, procedures, and ethical conduct that guides an individual to behave with maximum level of ethics for organizational success (Schluter, Winch, Holzhauser, & Henderson, 2008). In other words, EC influences both decision making as well as performances in an organization (Martin & Cullen, 2006). Previous studies found EC as a good predictor on organizational performance (Hijal-Moghrabi *et al.*, 2015; Manroop, Singh, & Ezzedeen, 2014).

Therefore, the objective of this paper to examine the moderating effect of EC on the relationship between HRM practices (training & development, compensation, performance appraisal, promotion opportunity) and organisational performance. The paper is divided into six parts. The first part is introduction, the second part is literature review, part three is research framework, part four is theoretical underpinning, while, part five is methodology which comprises the study population; sample; and techniques for data analysis, and the final part is conclusion.

2. Literature Review

Although organizational performance construct has gained a lot of momentum for several decades now, however, the reviews of the literature indicated that there is lack of agreement regarding not only the terminology used, but also the definition offered what is considered to be a similar construct (Ford & Schellenberg, 1982; Johannessen, Olaisen, & Olsen, 1999). For instance, the word organizational performance used interchangeably with firm performance (Kawshalaya & Aruppala, 2014; Koufteros, Verghese, & Lucianetti, 2014; Velnampy, 2013) while others considered organizational performance (Alsughayir, 2014; Arshad, Azhar, & Khawaja, 2014; Carlos Pinho *et al.*, 2014; Suthar *et al.*, 2014; Trehan & Setia, 2014). Although different terminologies are used by organizational behaviour researchers, apparently they agreed that it is a regular activity to achieve organizational goals and objectives, monitoring the progress toward the goals achieved, and continue making adjustment to achieve more goals efficiently and effectively (Burtonshaw-Gunn & Salameh, 2009). This study will use the term organizational performance as we focus on public sector.

Organizational performance is generally used as dependent variables in academic literature today. At the same time, it remains one of the most indefinite and important constructs that faced so much attention by different scholars (Shook, 2005). That is why academic researchers as well as practitioners gave much attention to discover the determinants of the organizational performance and what are the machineries that can influence, positively or negatively, the organizational performance (Jing & Avery, 2011).

Previous empirical studies were conducted using bundles of practices in determined performance in an organisation. For instance, the study conducted by Akhtar *et al.* (2014) on the impact of HRM practices and perceived organizational performance with fifty samples collected from different higher educational institutions in Pakistan. The study uses seven HRM practices like, staffing, training, compensation, performance appraisal, grievances procedure, empowerment and promotion. The result shows significant positive relationships among all items except promotion with organizational performance in that study. Similarly, Abdullah *et al.* (2009) conducted their study on the relationship between HRM practices and performance in Malaysian private firms where 153 managers participated as respondents. The composition of six (6) practices were utilized in the study (training & development, teamwork, HR planning, performance appraisal, employee security, & compensation). The result indicates that there is significant positive relation between the four HRM practices and performance. Compensation and employee security proves irrelevant in the study. Moreover, the study of Moideenkutty *et al.* (2011) look different where they used High involvement HRM practices as one, on the relationship between HRM practices and organizational performance in Oman. The regression analysis indicated that, high involvement HRM practices has positive relationship with subjective organizational performance and objective measure of performance. In addition, Akhtar, Ding, and Ge (2008) conducted a research on the strategic HRM practices and their impact on company & performance in Chinese enterprises where they used 465 samples, with Six (6) practices (Training, participation, performance appraisal, Career opportunities, Job descriptions, & Employment security). Quantitative findings shows that (4) practices related to both financial & service performance while employment security & job descriptions contribute exclusively.

However, other previous studies used moderating variables to clear the doubt in the literature on relationship between HRM practices and organisational performance, but still the moderation did not supporting some of the studies (Triguero-Sánchez, C. Peña-Vinces, & Sánchez-Apellániz, 2013; Vanhala & Stavrou, 2013). The present study will consider four HRM practices on performance to be moderated by EC as potential moderating variable. However, this

paper chooses to study HRM practices as the internal factors that influence performance in organisation. According to Wernerfelt (1984) Resource Based View (RBV), asserted that human capital asset creates competitive advantage and improve performance through employees behavior. Therefore, employees can perform through effective utilization of internal resources base on HRM practices.

2.1 HRM practices and Organisational performance

The practices considered to discuss in the relationship on organisational performance are training & development, compensation, performance appraisal, promotion opportunity.

2.1.1 Training & Development

Training and development practice is an essential element of human resource management (Vlachos, 2008). Tai (2006) argued that training and development plays a vital role for increasing ability, work adaptability, flexibility, motivating employees and maintaining necessary competence. Similarly, training and development is the vital area of HRM, it is the fastest growing part of personnel activities. Also, it is more understandable given the growing difficulty of the work atmosphere, the rapid change in organizations and improvement in technology, among others (Bature, Friday, & Mustapha, 2013; Obi-Anike & Ekwe, 2014; Salome & Rotimi, 2013). Again, training and development is considered as one of the most extensive human resource management practices (Boselie, Dietz, & Boon, 2005). The overall focus of training and development in an organization is improving the organizational, team, groups and individual effectiveness and efficiency (Kraiger & Ford, 2007). Similarly, training and development is an essential element why because, must of the country used it to develop the skilled and intellectual of its personnel to attain performance (Jauhar, Abdul Ghani, Joarder, Subhan, & Islam, 2015).

Previous studies on training and development and performance found positive significant result, for instance, the study conducted by Arshad *et al.* (2014). In Asian context Pakistan organization using HRM practices and organizational performance with training and development as one the highest predictor of performance. Again, one study by Islam and Siengthai (2010) in Bangladesh industries in DEPZ area with 53 samples 216 respondents, the result of the study revealed that training and development is significantly related to performance. While, some studies shown that there are indirect and insignificant relationship between training and development and organizational performance (Osman, Ho, & Carmen Galang, 2011; Vlachos, 2008). The present study hypothesizes that:

H1: Training & Development positively relates to organizational performance

2.1.2 Compensation

According to Huselid (1995) compensation system is known as employee merit and it is commonly linked with organizational outcomes. Similarly, compensation simply refers to all economic payments and all commodities used in its place of monetary incentive employees (Islam & Siengthai, 2010). Thang (2004) argued that compensation and reward can be influential tools for attaining efforts from the personnel to fulfill the organizational objectives. In Malaysian context compensation is an important practice that increase job satisfaction (Jauhar *et al.*, 2015) and job satisfaction leads to organizational performance (Rodrigues & Carlos M, 2010; Yousef, 2000). According to expectancy theory of Vroom (1964), reward is a form of direct and indirect compensation packages and it has potential to influence employee work motivation. However, compensation practice vary significantly across employing organizations and to some degree across jobs. From the side of employees, the compensation practice brings out job satisfaction and they feel motivated to do more in exchange. This is followed by low absenteeism, and low turnover (Quartey & Attiogbe, 2013). Similarly, compensation practice has found as an important determinant for job satisfaction and in return leads to organizational performance (Joarder & Sharif, 2012).

Many empirical studies were conducted between compensation and organizational performance and found links and positive significant relationships. The study conducted by Beh and Loo (2013) in Malaysian insurance firms with 312 respondents comprises of the top management, executives, non-executives and managers. The quantitative result revealed that compensation practice significantly relate to performance. Similarly, another study conducted by Ko, Hur, and Smith-Walter (2013) in USA using 2011 federal employees in survey study, the quantitative analysis finding shows that compensation is positively related to performance. However, the studies of Newton (2015) and Abdullah *et al.* (2009) contradict the result from the above studies; the two studies indicated that compensation has no significant relation with the organizational performance. This present study hypothesizes that:

H2: Compensation positively relates to organizational performance

2.1.3 Performance Appraisal

According to Islam and Siengthai (2010) performance appraisal has attracted a countless deal of attention. For instance, Levin (1986) identified some importance of performance appraisal such as employee merit appraisal, assessment of employee training needs, determining of employee salary, response and suggestion of employee past performance and employee development for the organizational success. However, Performance appraisal is seeing as continuous process not just a year's exercise. It is the official system of time to time evaluation and assessment of an employee or group's job performance and make sure feedback is provided when due (Islam & Siengthai, 2010). Again performance appraisal practice is showing much relevance to organizational success as the goals of an organization is becoming specific through quantification and enumeration. Organizational goal is always set through performance appraisal and it has been revealed that it has done well a lot in the public service in spite of its subjectivity (Murphy & Cleveland, 1995). Performance appraisal enables organizations to amend with a view to improve on its services for the enhancement of its persistence and growth. Also, it supports management to establish whether their organizations are successful, declining or stagnant (Boyne, Farrell, Law, & Powell, 2003). According to Joarder and Ashraf (2012), performance appraisal is a key to provide incentive to the talented personnel to be satisfied with the organization.

Several empirical studies revealed that performance appraisal leads to performance. For instance, the study conducted by Islam and Siengthai (2010) in Dhaka Export Processing Zone (DEPZ) Bangladesh, using 53 samples of Enterprises with 216 respondents, a quantitative regression analysis findings revealed that performance appraisal is positively related to performance. Similarly, the survey research conducted by Osman *et al.* (2011) using Performance appraisal and firm performance in Malaysia with 800 different industry sectors, the regression result shows significant positive relationship on performance. However, one study explained contrary to the aforementioned studies, were insignificant relationship revealed in the findings (Meier & O'Toole, 2013). This present study hypothesizes that:

H3: Performance appraisal positively relates to organisational performance

2.1.4 Promotion Opportunity

Promotion opportunity system affects nearly all aspects of organizational circle, mostly evident from studies of HRM (Fuller, 1998; Katou & Budhwar, 2010; Phelan & Lin, 2001). Promotion opportunity simply be explained as the extent of professional upward flexibility within the organization. In the other hand, it is the kind of official appreciation or acknowledging of one's performance from the top (Tan, 2008). Similarly, given the importance of promotion opportunity in an organization, it is considered to have significant influence on daily activities, for instance grievances filed associated to promotion decision and employee attitudes (Allen, 1997; Ferris, 1992). An important discussion on the promotion opportunity systems can be found in the organizational literature. According to Baker, Jensen, and Murphy (1988) a promotion system fills two vital determinations. To start with, it chooses more capable people for positions of more noteworthy obligation (the occupation task or coordinating capacity of the promotion system). Also, it motivates workers at one level to attempt harder to achieve the following one.

Previous studies found positive significant relationship between promotion opportunity and organizational performance. Bonavia and Marin-Garcia (2011) conducted the empirical study by using quantitative method and seventy six samples using SPSS. On their study, human resource management practices and their impacts on organizational performance in Spain, they found promotion practice have positive significant relationship on organizational performance. Similarly, Katou and Budhwar (2010) conducted study between HRM practices and organizational performance using promotion opportunity as one of the performance predictor and the result of the study explained significant positive relationship. However, some studies used promotion opportunity to predict organizational performance, but found it insignificant (Akhtar *et al.*, 2014; Fey, Morgoulis-Jakoushev, Park, & Bjorkman, 2007). The present study hypothesizes that:

H4: Promotion opportunity positively relates to organizational performance

2.2 EC as a potential moderator on the relationship between HRM practices and organizational performance.

EC has been defined by Victor and Cullen (1987) as the sharing of perceptions of what is ethically correct behavior and how ethical issues should be handled. According to Schluter *et al.* (2008), EC represents the organization's policies, procedures and practices on ethical issues, and it influences employees' attitudes and behavior and serves as a

reference for employee behavior. Similarly, changing the unethical behavior of members in an organization through the help of EC may have important impact on organizational performance and entire system (Arulrajah, 2015). An ethical climate has an effect on the degree to which an organization encounters genuine ethical issues. With a specific end goal to enhance the ethical reactions of organizational members, consideration ought to be centered around changing the EC through recruitment and selection (Baker & Cooper, 2000; Shen, Chanda, D'Netto, & Monga, 2009), training and development (Roberson, Kulik, & Pepper, 2003), performance appraisal (Brown & Stilwell, 2005; Winstanley & Hartog, 2002), compensation and reward system (James Jr, 2000; Rowan, 2000) and employee relations (Erdlen, 1979). These studies infer that changing the unethical conduct with the help of EC may have a critical impact on organization performance and its reputation. Organizational ethics are thought to be one of the most imperative elements that influence organizational success as well as survival (Bartels, Harrick, Martell, & Strickland, 1998; Buller & McEvoy, 2000). Again, Martin and Cullen (2006) considered EC as related to established normative system of an organization.

Several studies were conducted to find the moderating role of EC in the various field of academic literature. It is very recent, the study conducted by Nafei (2015) using ethical climates as moderator on the relationship between job satisfaction and organizational commitment in Egyptian industrial companies, with distribution of 372 sample questionnaires where 295 were returned representing 79% as response rate. The multiple regression analysis result revealed that there is significant relationship between JS, EC and OC. That study found that it is good to give emphasis on EC because it is one of the key sources leads to competitive advantage in organization considering the positive relationship found between the JS and OC. Similarly, Zehir, Müceldili, and Zehir (2012) conducted study to explore the moderating effect of EC among the two variables, satisfaction and commitment in 192 large Turkish companies. The result revealed that EC positively moderate the relationship between job satisfaction and organizational commitment including the dimensions of JS. Other studies use EC and found positive results (Cheng & Wang, 2014; Önceri & Yıldız, 2012; Zehir, Müceldili, Altındağ, Şehitoğlu, & Zehir, 2014).

H5: EC relates to organizational performance

In general, from the above empirical evidences we got to understood that EC has been used as moderating variable and yield significant positive result. Based on this, the present study will employ EC to moderate the relationship between the four HRM practices and organizational performance, specifically in educational sector in Nigeria. So the moderating hypothesis will be develop as:

H6: EC moderates the relationship between training & development and organizational performance

H7: EC moderates the relationship between compensation and organizational performance

H8: EC moderates the relationship between performance appraisal and organizational performance

H9: EC moderates the relationship between promotion opportunity and organizational performance

2.3 Proposed Conceptual Model

The research framework will be framed to examine the moderating role of EC on the relationship between HRM practices and organizational performance, more specifically in educational sector performance to be tested in Nigerian educational sector. RBV theory suggested that internal resources leads to competitive advantage in an organization, HRM practices are considered the major internal resources as argued by Saleem and Khurshid (2014). Based on the above stated justification the researcher intended to employ HRM practices as Independent variables. While on the EC as the moderating variable, previous studies found EC as a strong predictor of organizational performance (Hijal-Moghrabi *et al.*, 2015; Manroop *et al.*, 2014), others prior studies tested EC as moderator on the relationship between job satisfaction and organizational commitment in Asian context (Zehir *et al.*, 2012), African context (Nafei, 2015) result of the previous studies explained positive moderating effect. Based on the above empirical evidences, a proposed research framework for this study illustrating the moderating effect of EC on the relationship between HRM practices and organizational performance is depicted in Figure 1.

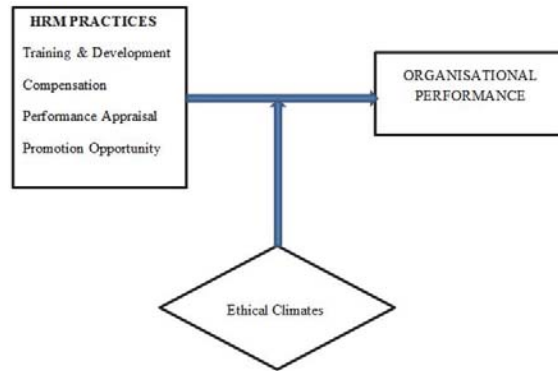


Figure 1. Research framework

2.4 Underpinning Theory

The resource based view (RBV) will be an underpinning theory on the present paper. RBV of a firm has been around for more than a quarter century, source can be followed back to before inquire about the originators Barney and Penrose. RBV happened somewhere around 1983, 1984 and the mid-1990's (Barney, 1991). The RBV argued that organizations have resources, a subset of which empowers them to accomplish competitive advantage, and a subset of those that prompt predominant long haul performance. Again, RBV emphasized that human capital asset creates competitive advantage and improve organisational performance through employees behavior. Therefore, employees can perform through effective utilization of internal resources base on HRM practices. Similarly, In the opinion of Manroop *et al.* (2014) In RBV perspective, EC has been linked to add value to HRM practices and organizational performance in terms of playing a vital role to attain organizational success. EC Emphasizes on having strategic value for organization and how human resource systems may help that value to attain result. In general, based on the stated argument, the present study intends to use RBV to explain the research frame work.

2.5 Proposed Methodology

The present paper intends to use quantitative method, a primary data will be collected using questionnaire, and the focus of the study is educational sector performance in Nigeria using some selected states. Department are choosing as unit of analysis, as suggested by Gould-Williams (2003). The sample to be use is 169 from the total population of 297 based on Krejcie and Morgan (1970) determining sample size table. PLS SEM will be use in the data analysis, it is a second generation analysis technique which came to overcome the shortcomings of the first generation statistical techniques like of Manova, Factor analysis, Analysis of variance. It also considered important in testing measured, latent variables and complex model (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014).

3. Conclusion

This paper has proposed the moderating role of ethical climates on the relationship between HRM practices and organizational performance, as depicted in Figure 1. If the proposed framework empirically validated, finding will provide important insight to the policy makers, academics and practitioners into the significant direct effect of HRM practices on organizational performance as well as the indirect effect of EC on the relationship between HRM practices on organizational performance in Nigerian educational sector.

References

- Abdullah, Z., Ahsan, N., & Alam, S. S. (2009). The effect of human resource management practices on business performance among private companies in Malaysia. *International Journal of Business and Management*, 4(6), p65.
- Akhtar, N., Azeem, S. M., & Mustafa Mir, G. (2014). Impact of HRM practices on perceived organisational performance. *International Journal of Academic Research*, 6(5).

- Akhtar, S., Ding, D. Z., & Ge, G. L. (2008). Strategic HRM practices and their impact on company performance in Chinese enterprises. *Human resource management*, 47(1), 15-32.
- Ali, A. (2011). Measuring soccer skill performance: a review. *Scandinavian journal of medicine & science in sports*, 21(2), 170-183.
- Allen, G. (1997). Antecedents and outcomes of promotion systems. *Human resource management*, 36(2), 251-259.
- Alsughayir, A. (2014). Human Resource Strategies as a Mediator between Leadership and Organizational Performance. *International Business Research*, 7(3), p91.
- Antony, J. P., & Bhattacharyya, S. (2010). Measuring organizational performance and organizational excellence of SMEs-Part 2: an empirical study on SMEs in India. *Measuring Business Excellence*, 14(3), 42-52.
- Aragón, M. I. B., Jiménez, D. J., & Valle, R. S. (2014). Training and performance: The mediating role of organizational learning. *BRQ Business Research Quarterly*, 17(3), 161-173.
- Arshad, A., Azhar, S. M., & Khawaja, K. J. (2014). Dynamics of HRM Practices and Organizational Performance: Quest for Strategic Effectiveness in Pakistani Organizations. *International Journal of Business and Social Science*, 5(9).
- Arulrajah, A. A. (2015). Contribution of Human Resource Management in Creating and Sustaining Ethical Climate in the Organisations. *Sri Lankan Journal of Human Resource Management*, 5(1).
- Azhdar Karami, Samira Saheb, A., & Sarani, B. (2015). The Influence of HR Practices on Business Strategy and Firm Performance: The Case of Banking Industry in Iran *The IUP Journal of Management Research*, Vol. XIV,(No. 1.).
- Baker, B., & Cooper, J. (2000). Occupational testing and psychometric instruments: an ethical perspective. *Ethical Issues in Contemporary Human Resource Management*, (MacMillan Press, London), 59-84.
- Baker, G. P., Jensen, M. C., & Murphy, K. J. (1988). Compensation and incentives: Practice vs. theory. *The journal of Finance*, 43(3), 593-616.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of personality and social psychology*, 51(6), 1173.
- Bartels, K. K., Harrick, E., Martell, K., & Strickland, D. (1998). The relationship between ethical climate and ethical problems within human resource management. *Journal of business ethics*, 17(7), 799-804.
- Bature, N., Friday, O., & Mustapha, A. (2013). Manpower Training and Development: A Tool for Higher Productivity in Zenith Bank Plc, Maitama Branch, Abuja. *European Journal of Business and Management*, 5(28), 1-8.
- Beh, L.-S., & Loo, L.-H. (2013). Human resource management best practices and firm performance: A universalistic perspective approach. *Serbian Journal of Management*, 8(2), 155-167.
- Bonavia, T., & Marin-Garcia, J. A. (2011). Integrating human resource management into lean production and their impact on organizational performance. *International Journal of Manpower*, 32(8), 923-938.
- Boselie, P., Dietz, G., & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human Resource Management Journal*, 15(3), 67-94.
- Bourne, M., Pavlov, A., Franco-Santos, M., Lucianetti, L., & Mura, M. (2013). Generating organisational performance: The contributing effects of performance measurement and human resource management practices. *International journal of operations & production management*, 33(11/12), 1599-1622.
- Boyne, G., Farrell, C., Law, J., & Powell, M. (2003). *Evaluating public management reforms: Principles and practice*: McGraw-Hill International.
- Brown, M. F., & Stilwell, J. (2005). The ethical foundation of performance measurement and management. *Public Management*, 87(5), 22-25.
- Buller, P. F., & McEvoy, G. M. (2000). Creating and sustaining ethical capability in the multi-national corporation. *Journal of World Business*, 34(4), 326-343.
- Burtonshaw-Gunn, S., & Salameh, M. (2009). *Essential tools for organisational performance: Tools, Models and Approaches for Managers and Consultants*: John Wiley & Sons.
- Carlos Pinho, J., Paula Rodrigues, A., & Dibb, S. (2014). The role of corporate culture, market orientation and organisational commitment in organisational performance: the case of non-profit organisations. *Journal of Management Development*, 33(4), 374-398.
- Cheng, M.-Y., & Wang, L. (2014). The Mediating Effect of Ethical Climate on the Relationship Between Paternalistic Leadership and Team Identification: A Team-Level Analysis in the Chinese Context. *Journal of business ethics*, 1-16.
- Erdlen, J. D. (1979). Ethics and the employee relations function. *Personnel Administrator*, 41-43.
- Ferris, G. R., Buckley, M.R., and Allen, G.M. . (1992). "Promotion Systems in Organizations," *Human Resource Planning*, 15, 47–68.
- Fey, C. f., Morgoulis-Jakoushev, S., Park, H. J., & Bjorkman, I. (2007). Opening the black box of the relationship between HRM practices and firm performance: a comparison of USA, Finland, and Russia. *Stockholm School of Economics in Russia, Working Paper*, 07-101.
- Ford, J. D., & Schellenberg, D. A. (1982). Conceptual Issues of Linkage in the Assessment of Organizational Performance1. *Academy of Management Review*, 7(1), 49-58.
- Fuller, S. R. a. H., V.L. (1998). "Recruitment and Selection," in M. Poole and M. Warner (Eds.) *The Handbook of Human Resource Management*. International Thomson Business Press, London.
- García-Morales, V. J., Jiménez-Barriónuevo, M. M., & Gutiérrez-Gutiérrez, L. (2012). Transformational leadership influence on organizational performance through organizational learning and innovation. *Journal of Business Research*, 65(7), 1040-1050.

- Gould-Williams, J. (2003). The importance of HR practices and workplace trust in achieving superior performance: a study of public-sector organizations. *International Journal of Human Resource Management*, 14(1), 28-54.
- Hair, F. J., Joe, Sarstedt, M., Hopkins, L., & Kuppelwieser, G. V. (2014). Partial least squares structural equation modeling (PLS-SEM) An emerging tool in business research. *European Business Review*, 26(2), 106-121.
- Hartog, D. N., & Verborg, R. M. (2004). High performance work systems, organisational culture and firm effectiveness. *Human Resource Management Journal*, 14(1), 55-78.
- Hijal-Moghrabi, I., Sabharwal, M., & Berman, E. M. (2015). The Importance of Ethical Environment to Organizational Performance in Employment at Will States. *Administration & Society*, 0095399715581043.
- Homburg, C., & Pflesser, C. (2000). A multiple-layer model of market-oriented organizational culture: Measurement issues and performance outcomes. *Journal of marketing research*, 37(4), 449-462.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of management journal*, 38(3), 635-672.
- Islam, M. Z., & Siengthai, S. (2010). Human resource management practices and firm performance improvement in Dhaka Export Processing Zone (DEPZ). *Research and Practice in Human Resource Management*, 18(1), 60-77.
- James Jr, H. S. (2000). Reinforcing ethical decision making through organizational structure. *Journal of business ethics*, 28(1), 43-58.
- Jauhar, J., Abdul Ghani, A. B., Joarder, M. H. R., Subhan, M., & Islam, R. (2015). Brain Drain to Singapore: A Conceptual Framework of Malaysians' Diaspora. *The Social Sciences*, 10: 702-711. doi: 10.3923/sscience.2015.702.711
- Jing, F. F., & Avery, G. C. (2011). Missing links in understanding the relationship between leadership and organizational performance. *International Business & Economics Research Journal (IBER)*, 7(5).
- Joarder, M. H. R., & Ashraf, M. A. (2012). Work Satisfaction and Employee Turnover Intentions: An Empirical Study. *East West Journal of Business & Social studies*, Vol. 3.
- Joarder, M. H. R., & Sharif, M. Y. (2012). The role of HRM practices in predicting faculty turnover intention: empirical evidence from private universities in Bangladesh. *The South East Asian Journal of Management*, 5(2), 159-178.
- Johannessen, J.-A., Olaisen, J., & Olsen, B. (1999). Strategic use of information technology for increased innovation and performance. *Information management & computer security*, 7(1), 5-22.
- Karami, A., Sahebalzamani, S., & Sarabi, B. (2015). The Influence of HR Practices on Business Strategy and Firm Performance: The Case of Banking Industry in Iran. *IUP Journal of Management Research*, 14(1).
- Katou, A. A., & Budhwar, P. S. (2010). Causal relationship between HRM policies and organisational performance: Evidence from the Greek manufacturing sector. *European Management Journal*, 28(1), 25-39.
- Kawshalya, P., & Aruppala, D. (2014). Corporate Governance and Firm Performance: A Study of Sri Lankan Beverage, Food and Tobacco Companies.
- Khawaja, K. J., Azhar, S. M., & Arshad, A. (2014). Examining Strategic human resource management and organizational effectiveness in Pakistani organizations. *International Journal of Human Resource Studies*, 4(3).
- Ko, J., Hur, S., & Smith-Walter, A. (2013). Family-Friendly Work Practices and Job Satisfaction and Organizational Performance Moderating Effects of Managerial Support and Performance-Oriented Management. *Public Personnel Management*, 42(4), 545-565.
- Koufteros, X., Verghese, A. J., & Lucianetti, L. (2014). The effect of performance measurement systems on firm performance: A cross-sectional and a longitudinal study. *Journal of operations Management*, 32(6), 313-336.
- Kraiger, K., & Ford, J. K. (2007). The expanding role of workplace training: Themes and trends influencing training research and practice. *Historical perspectives in industrial and organizational psychology*, 281-309.
- Kraimer, M. L., Wayne, S. J., Liden, R. C., & Sparrowe, R. T. (2005). The role of job security in understanding the relationship between employees' perceptions of temporary workers and employees' performance. *Journal of Applied Psychology*, 90(2), 389.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educ Psychol Meas*.
- Laitinen, E. K. (2009). Importance of performance information in managerial work. *Industrial Management & Data Systems*, 109(4), 550-569.
- Levin, H. (1986). Performance appraisal at work. *Personnel*, 63(6), 63-71.
- Manroop, L., Singh, P., & Ezzedeen, S. (2014). Human Resource Systems and Ethical Climates: A Resource-Based Perspective. *Human resource management*, 53(5), 795-816.
- Martin, K. D., & Cullen, J. B. (2006). Continuities and extensions of ethical climate theory: A meta-analytic review. *Journal of business ethics*, 69(2), 175-194.
- Meier, K. J., & O'Toole, L. J. (2013). Subjective organizational performance and measurement error: Common source bias and spurious relationships. *Journal of Public Administration Research and Theory*, 23(2), 429-456.
- Moideenkutty, U., Al-Lamki, A., & Sree Rama Murthy, Y. (2011). HRM practices and organizational performance in Oman. *Personnel Review*, 40(2), 239-251.
- Moullin, M. (2007). Performance measurement definitions: Linking performance measurement and organisational excellence. *International Journal of Health Care Quality Assurance*, 20(3), 181-183.
- Murphy, K. R., & Cleveland, J. (1995). *Understanding performance appraisal: Social, organizational, and goal-based perspectives*: Sage.
- Nafei, W. A. (2015). Ethical Climate as a Moderator of the Relationship Between Job Satisfaction and Organizational Commitment: Evidence from Industrial Companies in Egypt.
- Newton, A. N. (2015). Executive compensation, organizational performance, and governance quality in the absence of owners. *Journal*

- of *Corporate Finance*, 30, 195-222.
- Obi-Anike, H. O., & Ekwe, M. C. (2014). Impact of Training and Development on Organizational Effectiveness: Evidence from Selected Public Sector Organizations in Nigeria. *European Journal of Business and Management*, 6(29), 66-75.
- Ogbonna, E., & Harris, L. C. (2000). Leadership style, organizational culture and performance: empirical evidence from UK companies. *International Journal of Human Resource Management*, 11(4), 766-788.
- Öncer, A. Z., & Yıldız, M. L. (2012). The Impact of Ethical Climate on Relationship between Corporate Reputation and Organizational Identification. *Procedia-Social and Behavioral Sciences*, 58, 714-723.
- Osman, I., Ho, T. C., & Carmen Galang, M. (2011). The relationship between human resource practices and firm performance: an empirical assessment of firms in Malaysia. *Business Strategy Series*, 12(1), 41-48.
- Phelan, S. E., & Lin, Z. (2001). Promotion systems and organizational performance: A contingency model. *Computational & Mathematical Organization Theory*, 7(3), 207-232.
- Quartey, S. H., & Attiogbe, E. J. (2013). Is there a link between compensation packages and job performance in the Ghana police service? *African Journal of Business Management*, 7(44), 4398-4406.
- Randall, M. L., Cropanzano, R., Bormann, C. A., & Birjulin, A. (1999). Organizational politics and organizational support as predictors of work attitudes, job performance, and organizational citizenship behavior. *Journal of Organizational Behavior*, 20(2), 159-174.
- Rhoades, L., & Eisenberger, R. (2002). Perceived organizational support: a review of the literature. *Journal of Applied Psychology*, 87(4), 698.
- Roberson, L., Kulik, C. T., & Pepper, M. B. (2003). Using needs assessment to resolve controversies in diversity training design. *Group & Organization Management*, 28(1), 148-174.
- Rodrigues, A. P., & Carlos M. J. (2010). Market orientation, job satisfaction, commitment and organisational performance: the specific case of local public sector. *Transforming Government: People, Process and Policy*, 4(2), 172-192.
- Rowan, J. R. (2000). The moral foundation of employee rights. *Journal of business ethics*, 24(4), 355-361.
- Saleem, I., & Khurshid, A. (2014). Do Human Resource Practices affect Employee Performance? *Saleem, I. & Khurshid, A. (2014). Do Human Resource Practices affect Employee Performance*, 669-688.
- Salome, E. N., & Rotimi, O. (2013). Implications of Training and Development Programmes on Accountants Productivity in Selected Business Organizations in Onitsha, Anambra State, Nigeria. *International Journal of Asian Social Science*, 3(1), 266-281.
- Schluter, J., Winch, S., Holzhauser, K., & Henderson, A. (2008). Nurses' moral sensitivity and hospital ethical climate: A literature review. *Nursing Ethics*, 15(3), 304-321.
- Scott, T., Mannion, R., Marshall, M., & Davies, H. (2003). Does organisational culture influence health care performance? A review of the evidence. *Journal of Health Services Research & Policy*, 8(2), 105-117.
- Shahzad, F., Luqman, R. A., Khan, A. R., & Shabbir, L. (2012). Impact of organizational culture on organizational performance: an overview. *Interdisciplinary Journal of Contemporary Research in Business*, 3(9), 975.
- Shen, J., Chanda, A., D'Netto, B., & Monga, M. (2009). Managing diversity through human resource management: An international perspective and conceptual framework. *The International Journal of Human Resource Management*, 20(2), 235-251.
- Shook, C. L. (2005). The dimensionality of organizational performance and its implications for strategic management research. *Research methodology in strategy and management*, 2, 259.
- Suthar, B., Chakravarthi, T. L., & Pradhan, S. (2014). Impacts of Job Analysis on Organizational Performance: An Inquiry on Indian Public Sector Enterprises. *Procedia Economics and Finance*, 11, 166-181.
- Tan, F. M. (2008). Organizational support as the mediator of career-related HRM practices and affective commitment: evidence from knowledge workers in Malaysia. *Research & Practice in Human Resource Management*, 16(2).
- Thang, L. (2004). *Managing Human Resources in Vietnam: An empirical study of an economy in transition*. Doctoral Dissertation, No. SM-04-07. Thailand: School of Management, Asian Institute of Technology.
- Theriou, G., & Chatzoglou, P. (2014). The impact of best HRM practices on performance—identifying enabling factors. *Employee Relations*, 36(5), 535-561.
- Trehan, S., & Setia, K. (2014). Human Resource Management Practices and Organizational Performance: An Indian Perspective. *Global Journal of Finance and Management*, 6(8), 789-796.
- Triguero-Sánchez, R., C. Peña-Vinces, J., & Sánchez-Apellániz, M. (2013). Hierarchical distance as a moderator of HRM practices on organizational performance. *International Journal of Manpower*, 34(7), 794-812.
- Vanhala, S., & Stavrou, E. (2013). Human resource management practices and the HRM-performance link in public and private sector organizations in three Western societal clusters. *Baltic Journal of Management*, 8(4), 416-437.
- Velnampy, T. (2013). Corporate governance and firm performance: a study of Sri Lankan manufacturing companies. *Journal of Economics and Sustainable Development*, 4(3), 228-235.
- Victor, B., & Cullen, J. B. (1987). A theory and measure of ethical climate in organizations. *Research in corporate social performance and policy*, 9(1), 51-71.
- Vigoda-Gadot, E., & Kapun, D. (2005). Perceptions of politics and perceived performance in public and private organisations: a test of one model across two sectors. *Policy & Politics*, 33(2), 251-276.
- Vlachos, I. (2008). The effect of human resource practices on organizational performance: evidence from Greece. *The International Journal of Human Resource Management*, 19(1), 74-97.
- Vroom, V. H. (1964). Work and motivation. San Francisco, CA: Jossey-Bass.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, 5(2), 171-180.

- Winstanley, D., & Hartog, M. (2002). Ethics and human resource management: Introduction. *Business Ethics: A European Review*, 11(3), 200-201.
- Wood, S., Van Veldhoven, M., Croon, M., & De Menezes, L. M. (2012). Enriched job design, high involvement management and organizational performance: The mediating roles of job satisfaction and well-being. *Human Relations*, 65(4), 419-445.
- Yousef, D. A. (2000). Organizational commitment: a mediator of the relationships of leadership behavior with job satisfaction and performance in a non-western country. *Journal of Managerial Psychology*, 15(1), 6-24.
- Zehir, C., Müceldili, B., Altındağ, E., Şehitoğlu, Y., & Zehir, S. (2014). Charismatic leadership and organizational citizenship behavior: The mediating role of ethical climate. *Social Behavior and Personality: an international journal*, 42(8), 1365-1375.
- Zehir, C., Müceldili, B., & Zehir, S. (2012). The Moderating Effect of Ethical Climate on the Relationship between Job Satisfaction and Organizational Commitment: Evidence from Large Companies in Turkey. *Procedia-Social and Behavioral Sciences*, 58, 734-743.