



## Discussion paper

## A social exchange perspective on why and when ethical leadership foster customer-oriented citizenship behavior

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## ABSTRACT

Grounded in social exchange theory, we investigated why and when ethical leadership may relate to hospitality employees' customer-oriented citizenship behavior (CCB) by exploring the mediating and moderating roles of felt obligation and psychological detachment from an organization respectively. Using a two-wave sample of 152 employees and their 152 coworkers from 10 hotels in Africa, we found that ethical leadership positively relates to CCB via increased felt obligation. In addition, our results revealed that psychological detachment moderated the ethical leadership and CCB relationship, such that this relationship was stronger when psychological detachment was low (versus high), as mediated by felt obligation.

## 1. Introduction

In recent times, there has been an increasing emphasis on the importance of effective leadership in the hospitality industry due to its rapidly changing and highly competitive environment (Kim and Brymer, 2011). Of the various approaches to leadership, ethical leadership in particular, has been shown to be highly relevant because of the numerous ethical challenges (e.g., the need to strike a balance between *doing well* in terms of financial performance and *doing good*) faced in the hospitality industry (Kincaid et al., 2008). In this regard, ethical leaders provide rich benefits in that such leaders make fair and balanced decisions and treat people around them in an ethical manner (cf. Brown et al., 2005). In the general management literature, research indicates that when leaders demonstrate ethical leadership behaviors, employees experience increased job satisfaction (Neubert et al., 2009), display extra effort towards the organization (Babalola et al., 2017a; Mayer et al., 2009; Ogunfowora, 2014), and perform their job better (Piccolo et al., 2010). A meta-analytical review of these findings shows that, above and beyond related leadership approaches, ethical leadership is strongly linked with employee outcomes (see Ng and Feldman, 2015, for a review), providing strong empirical evidence for its relevance as a viable a form of leadership.

Although much is known about the benefits of ethical leadership in traditional organizations, it is not until recently that scholars have begun to investigate its effectiveness in the hospitality context (Celik

et al., 2015; Dhar, 2016; Kim and Brymer, 2011; Qin et al., 2014; Zoghbi-Manrique-de-Lara and Suárez-Acosta, 2014). With the exception of Qin et al. (2014) that explored the link between ethical leadership and customer-oriented behavior, what is quite notable about most of these studies is that they tend to overlook ethical leadership's influence on people in the external organizational environment such as, customers. Even though they have generally provided insights into utility of ethical leaders in the hospitality context, a critical question for hospitality scholars remain: Are there actual benefits associated with ethical leadership in the hospitality context beyond outcomes associated with organizations' internal aspects, especially on important behaviors needed for the long-term survival of the industry such as, service employees' citizenship behaviors directed toward customers (i.e., customer-oriented citizenship behavior; CCB; Qin et al., 2014)? And more importantly, *when* and *why* are employees of ethical leaders more likely to engage in CCB? Addressing such questions is important because CCB not only affects customer satisfaction but also contributes to the success of service organizations (Tang and Tang, 2012). While we acknowledge research showing that ethical leaders can motivate customer-oriented behaviors by increasing job satisfaction and work engagement (Qin et al., 2014), we believe that it is crucial to further expand this line of inquiry for two reasons. First, prior work has yet to fully tap into the social exchange framework (Blau, 1964) in which citizenship behaviors are embedded, thus limiting the extent to which unique boundary conditions and mechanisms of the ethical leadership –

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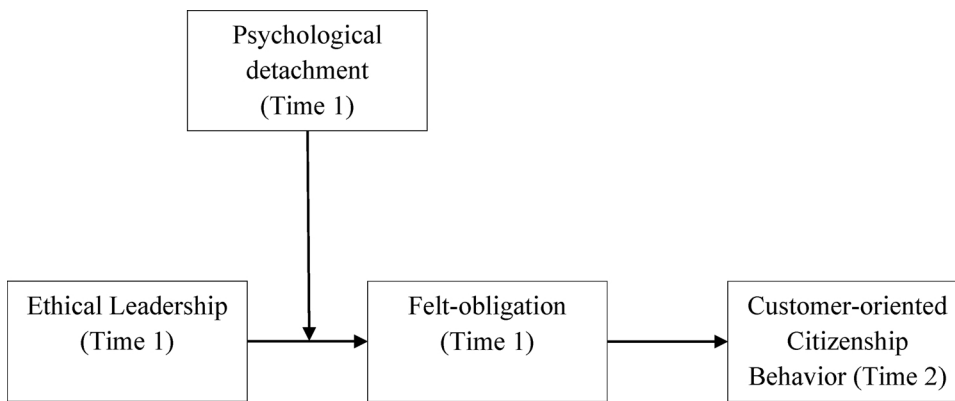


Fig. 1. The Research Model.

CCB link can be sufficiently captured. Second, citizenship behaviors are by nature not mandatory (Organ, 1988; Podsakoff et al., 2009) and their relations with leadership are generally more complex. Thus, understanding *when* and *why* employees would engage in CCB is crucial for advancing our theoretical insights about the complex link between ethical leadership and CCB and for helping practitioners improve CCB in the hospitality industry.

Accordingly, our study aims to delve deeper into the link between ethical leadership and hospitality employees' CCB by exploring the moderating and mediating mechanisms involved in this relationship. We examine CCB in relation to ethical leadership because of the ethical connotations and discretionary nature of such behavior, which is tied to social exchange theory (SET; Blau, 1964; Baker et al., 2006). Although SET provides a compelling explanation for why ethical leaders might engender employees to reciprocate ethical leadership behaviors by engaging in CCB, there is evidence to suggest that employees do not always reciprocate their leader's ethical treatments (Kacmar et al., 2011). For example, one of such instances may be when employees are psychologically detached from their organizations. According to SET, the degree to which individuals' are expectant of ongoing future benefits or are psychologically attached in exchange relationships is an important consideration in understanding *when* people demonstrate discretionary behaviors in response to the valuable treatments received from an exchange party (Blau, 1964). It further goes on to emphasize *felt obligation* as a critical mechanism in such relationship (Blau, 1964; Cropanzano and Mitchell, 2005). Taking a SET perspective, we therefore examine whether psychological detachment from the organization<sup>2</sup> (hereafter referred to as psychological detachment), representing a lack of psychological attachment, moderates the association of ethical leadership on CCB.

Investigating psychological detachment as a potential moderator of ethical leadership influence on CCB is important given that past research has generally focused on a psychological work context in which individuals desire to remain in their current organization, which is not always the case (see Collins et al., 2012). Moreover, because people are no longer as committed to their organizations as they once were decades ago due to change frequency (Babalola et al., 2016a) and the fact that organizations especially in the hospitality industry are also non-committal to longterm employment, this makes psychological detachment an important consideration for hospitality and leadership research (Collins et al., 2012; Vogel and Mitchell, 2015). Therefore, we propose that psychological detachment from an organization moderates the impact of ethical leadership on hospitality employees' CCB. We argue that compared to those who are less psychologically detached from

their organizations, highly psychologically detached employees are less likely to reciprocate an ethical leader behaviors with CCB due to their psychological absence (Kahn, 1990).

Aside from examining the moderating effect of psychological detachment, we further draw on SET to identify employees' *felt obligation* (the feeling that one owes the organization a responsibility of care about its welfare) as the underlying mechanism through which both the direct effect of ethical leadership and moderating effect of psychological detachment on CCB is likely to occur. In particular, we suggest that when employees are less psychologically detached, ethical leadership triggers felt obligation, which in turn results in higher CCB.

Our study makes important contributions to the leadership in hospitality literature. First, we add to the emerging evidence on the role of ethical leadership in fostering customer-specific behaviors (Qin et al., 2014). Whereas Qin and colleagues adopted a satisfaction and engagement perspective, we draw on insights from SET (Blau, 1964) as a unique and cogent theoretical framework for shedding light on how ethical leadership might foster CCB. Second, our research addresses Brown and Treviño's (2006) call for researchers to uncover the boundary conditions of ethical leadership by identifying employee psychological detachment as one of such. Third, we further substantiate our theoretical predictions regarding the moderating effect of psychological detachment by providing a more comprehensive explanation for when and why ethical leadership leads to increased CCB. In doing so, we examine felt obligation as the mechanism accounting for the aforementioned moderating effect of psychological detachment. Finally, in terms of practice, our research model (see Fig. 1) offer valuable insights to service organizations interested in establishing effective policies for enhancing CCB by shedding new light on the moderating and mediating mechanisms associated with the ethical leadership – CCB link.

## 2. Theory and hypotheses development

### 2.1. Ethical leadership, felt obligation, and customer-oriented citizenship behavior

Citizenship behaviors also referred to as discretionary behaviors have been demonstrated to improve organizational effectiveness and functioning (Podsakoff et al., 2009). Beyond the general discretionary behaviors that employees may display toward their organization and those within the organization such as coworkers, a specific type of citizenship behavior that is particularly relevant and valued in the hospitality context is CCB (Wu et al., 2013). According to Dimitriadis (2007), CCB is a discretionary behavior that employees initiate for the benefit of customers. Examples of such behaviors include making customers feel valued, going the extra mile to service them even when it is not required, and generally treating them in a normatively appropriate manner. With CCB being a behavior which signals that employees value their customers and prioritize their welfare and satisfaction, we propose

<sup>2</sup> In line with previous studies (e.g., Burris et al., 2008), which noted, "employees often psychologically detach, or begin the quitting process, long before they physically exit" (Burris et al., 2008, p. 913), we operationalize psychological detachment based on turnover intention (i.e., employees who have begun thinking about leaving the organization) (see also, Burris et al., 2008; Vogel and Mitchell, 2015).

that CCB can be fostered through ethical leadership.

Ethical leadership refers to “the demonstration of normatively appropriate conduct through personal and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (Brown et al., 2005, p. 120). Leaders who display such leadership behaviors are seen as trustworthy, fair and honest leaders, and are genuinely interested in other’s welfare. Beyond this, ethical leaders also actively foster appropriate behaviors in the workplace by using rewards and discipline systems (Brown and Treviño, 2006). Although leadership approaches (e.g., transformational and servant leadership) contain certain degree of ethical component, meta-analytic evidence suggests that ethical leadership explains more variance in employee outcomes (Ng and Feldman, 2015). This is because the core strength of ethical leaders lies in their exclusive focus on encouraging *normatively appropriate* behaviors in such a way that they do not only emphasize the fair and ethical treatments of others, but also make active effort to encourage their employees to demonstrate the same behaviors (Brown et al., 2005). Indeed, through ethical leadership, leaders show great concern for others, promote appropriate behavioral norms to employees while showing fair and ethical treatments (Brown et al., 2005), and fostering a learning work environment where employees care about others’ welfare (Babalola et al., 2016b; Walumbwa et al., 2017). We propose that these ethical leadership behaviors are particularly relevant in the hospitality industry (Celik et al., 2015; Kim and Brymer, 2011; Qin et al., 2014; Zoghbi-Manrique-de-Lara and Suárez-Acosta, 2014) and are likely to encourage employees to reciprocate such behaviors by going beyond their main task descriptions to engage in CCB, a proposition in line with SET.

According to SET (Blau, 1964), the fair and ethical treatment displayed by an exchange party is likely to engender the feeling of indebtedness/obligation to reciprocate by engaging in behaviors needed in their work environment. Because ethical leadership behaviors demonstrate consideration, fairness, and ethicality, ethical leaders should stimulate employees’ felt obligation—the extent to which employees feel obliged to reciprocate in kind (Mossholder et al., 2005), which in turn should foster CCB. Indeed, one way by which employees reciprocate ethical leadership behaviors is to engage in citizenship behaviors that support the psychological work context (Brown et al., 2005). Because CCB is a customer-specific citizenship behavior that supports the work context and is capable of driving the success of hospitality organizations (Dimitriadis, 2007), we argue that employees led by ethical leaders in the hospitality industry should engage in CCB as a way of reciprocating the fair and ethical treatments received from such leaders.

Consistent with these arguments, extant research has found ethical leadership to be associated with increased followers’ citizenship behavior toward coworkers as well as the organization (Kacmar et al., 2011; Newman et al., 2014). Qin et al. (2014) also argued and found that employees of ethical leaders engaged in more general customer-oriented behaviors. To corroborate previous research, we expect that hospitality employees will engage in CCB as a form of exchange or reciprocity to the fair and ethical treatments received from ethical leaders. However, because SET (Blau, 1964) explains employee discretionary behaviors as an outcome that results due to the need for reciprocity or unspecified sense of obligations triggered by leaders’ appropriate treatments, we expect that when an ethical leader behave fair and ethical toward employees and keep their interests in his/her heart, employees should develop felt obligation, which should in turn result in higher levels of CCB. Therefore, we propose:

**Hypothesis 1.** Ethical leadership is positively associated with CCB.

**Hypothesis 2.** Felt obligation mediates the association between ethical leadership and CCB.

### 3. Psychological detachment as a moderator

Psychological detachment from an organization amounts to the lack of mental presence in the organization since those who are detached already mentally “check out” from their work environment (Tett and Meyer, 1993). Such detachment from the organization is said to occur when employees hold high intentions to leave (i.e. high turnover intentions; Burris et al., 2008; Collins et al., 2012; Vogel and Mitchell, 2015). Thus, turnover intentions signal psychological detachment from an organization as employees gradually reduce their involvement in issues concerning the organization and do not expect future benefits (Hom et al., 2012; Kahn, 1990). Indeed, psychological detachment can lessen employees’ attention to their leader behaviors and reduce the motivation to get involved in activities that improves their current organization (Burris et al., 2008; Collins et al., 2012). With higher levels of psychological detachment, employees become cognitively less vigilant or less attentive to their leader’s behavior and in time, become emotionally distant from the leader as well as the organization since they do not expect future benefits (Kahn, 1990). As earlier noted, SET (Blau, 1964) suggests that employees’ reactions in an exchange relationship depend partly on the extent to which they expect future benefits and are psychologically attached in the relationship. Since leader-employee relationships are characterized as an exchange relationship (Cropanzano and Mitchell, 2005), we argue that, less psychologically detached employees (i.e., those who intend to remain) will be more positively influenced by ethical leadership compared to those who are highly psychologically detached (i.e., those who intend to leave), and reciprocate with commensurate CCB.

More specifically, we suggest that employees who are less psychologically detached from their current organization should feel a stronger need to reciprocate an ethical leader by engaging in CCB. With lower levels of psychological detachment, employees are more in tune to what is happening within their organization, expect to reap future benefits from the organization, and are more cognitively attentive to their leader’s behavior (Collins et al., 2012; Kahn, 1990). As such, less psychologically detached employees should become more cognitively vigilant/attentive to ethical leadership behaviors and emotionally receptive to their fair and ethical treatments since there is generally an expectation of future benefits. Compared to those who are less vigilant to what is happening around them, cognitively vigilant employees generally pay more attention to ethical leadership behaviors and are more motivated to offer a helping hand within their organization (Eisenbeiss and Van Knippenberg, 2015). Being psychologically attached—which is often demonstrated by employees’ mental presence and plans to remain in an organization—should therefore induce employees of ethical leaders to engage in more CCB.

In contrast, we do not expect such a positive impact for highly psychologically detached employees. This is because psychologically detached employees are more likely to be cognitively distant from the organization and may feel indifferent about their leader or the organization (Burris et al., 2008; Kahn, 1990; Vogel and Mitchell, 2015). Hence, employees who have strong psychological detachment from the organization should be less likely to show more CCB in response to ethical leadership behaviors since they are generally inattentive to the leader and his/her actions and do not expect future benefits or rewards. In other words, psychological detachment should limit the extent to which an employee is sensitive to ethical leadership behaviors, which may lessen the likelihood to reciprocate leader ethical behaviors and thus weaken ethical leadership’s impact on CCB.

In support of these arguments, Collins et al. (2012) argued and found that employees with low turnover intentions (i.e., less psychologically detached employees) reciprocated perceived fairness at work by performing their job better. Whereas, those with high intent to leave did not sufficiently fulfill their task responsibilities even when fairness was perceived at work. Similarly, Collins and Mossholder (2014) also found that fairness in interactions with a leader had stronger impacts on

employees' helping behaviors when employees were highly embedded in their organization. Along these lines, we expect that less psychologically detached employees should feel a stronger need to reciprocate ethical leadership behaviors by going beyond their job description and performing more citizenship behaviors toward customers (for example, volunteering to serve customers adequately when it is not required or dealing relentlessly with customer problems until they are resolved). Taken together, ethical leadership behaviors should have more impact on CCB when employees are less psychologically detached from the organization.

**Hypothesis 3.** The relationship between ethical leadership and CCB is moderated by employee psychological detachment such that the positive relationship is stronger for employees with lower (versus higher) psychological detachment.

Implicit in our arguments thus far, is that regarding that the moderating effect of psychological detachment will occur through employees' felt obligation. Accordingly, drawing from our aforementioned arguments above and in line with SET, it is logical to expect that felt obligation will explain the interaction between ethical leadership and psychological detachment on CCB. Specifically, because employees who are psychologically detached are already in the quitting state of mind, are mentally absent from their current organization, and do not necessarily see themselves benefiting from an ongoing reciprocity (Tett and Meyer, 1993; Burris et al., 2008), the extent to which they pay attention to ethical leadership behaviors and have a sense of obligation should be reduced. As such, compared to those who are highly psychologically detached, less psychologically detached employees witnessing ethical leadership behaviors should develop an even stronger sense of obligation to reciprocate since they are more in tune to what is happening within the organization and expect future benefits. In turn, this felt obligation is likely to be showed by displaying higher levels of CCB.

**Hypothesis 4.** The interactive effect between ethical leadership and employee psychological detachment on CCB will mediated by felt obligation, such that a positive indirect effect exists when psychological detachment is lower versus higher.

## 4. Method

### 4.1. Participants and procedure

Participants in this study were recruited from 10 hotels in the metropolitan city of Lagos, Nigeria. They include front-line desk officers, room service personnel, food service, bartenders, and customer service representatives. Two separate surveys were administered in two waves to mitigate potential common-method issues. In each hotel, trained data collectors received permission from the manager-in-charge to distribute questionnaires and introduced the study as a research effort aimed at understanding how to improve service delivery in the hospitality industry. After this, 23 employees from each of the 10 hotels were randomly selected to participant in the survey. Participants were given the assurance of confidentiality and that their responses will not be made known to their with their organization. We also stated that data collected was being used for research purpose only.

In Wave 1, employees were asked to provide information regarding their immediate supervisors' ethical leadership, their own psychological detachment from the organization, felt obligation, and demographics. Out of the 230 questionnaires distributed in Wave 1, 191 questionnaires were received back (83% response rate). In Wave 2 (three weeks after Wave 1), one of each employee's coworkers were randomly selected to provide the ratings of focal employees' CCB. This approach is more suitable than obtaining supervisor rating of CCB because coworkers are generally more conversant with employees' day-to-day behaviors at work, even when supervisors are not present (Lyu et al., 2016). We

assigned a unique identification code at the top right of each questionnaire to enable us match each employee and corresponding coworker surveys. At the end of this second wave, after removing uncompleted responses, we had 152 fully completed and usable questionnaires from employee coworkers out of the 191 sent out (79.5% response rate). Our sample therefore consisted of 152 employees and their 152 coworkers. 61% of the respondents were female and were 29.81 years on average ( $SD = 4.75$ ). They reported working for their hotels for about 4.22 years on average ( $SD = 4.75$ ).

### 4.2. Measures

The Likert scale of all items in our study were (1 = *strongly disagree*, 5 = *strongly agree*). Because English is the official language in Nigeria—especially in the business context, there was no need for translation.

#### 4.2.1. Ethical leadership

Ethical leadership was measured with the ten-item measure developed by Brown et al. (2005). Example includes: "My supervisor makes fair and balanced decisions." ( $\alpha = 0.90$ )

#### 4.2.2. Psychological detachment

Employee psychological detachment was measured using Konovsky and Cropanzano's (1991) three-item intention to leave scale (see also Burris et al., 2008). Example includes: "I often think about quitting my job at this [hotel]." ( $\alpha = 0.84$ ).

#### 4.2.3. Felt obligation

Employee felt obligation was measured using Eisenberger et al.'s (2001) seven-item scale. A sample item was: "I would feel an obligation to take time from my personal schedule to help the [hotel] if it needed my help." ( $\alpha = 0.87$ )

#### 4.2.4. Customer-oriented citizenship behavior (CCB)

We assessed CCB using Wu et al. (2013) seven-item measure. Sample item include: "This employee deals restlessly with customer problems until they are resolved." ( $\alpha = 0.93$ )

#### 4.2.5. Control variables

Employee age, gender, and tenure were entered as control variables as these demographic variables may covary with the effects of ethical leadership (Kacmar et al., 2011) and CCB (Lyu et al., 2016). We found that including these control variables did not result in meaningful changes in our results, and as such, omitted them in our subsequent analyses following Becker's (2005) recommendations (see also, Leroy et al., 2015).

## 5. Results

We present the descriptive statistics of study variables in Table 1. We conducted a confirmatory factor analysis (CFA) to ensure that ethical leadership, psychological detachment, felt obligation and CCB are distinctive constructs. To ensure an adequate indicator-sample size ratio (Little et al., 2002), 3 parcels each were created for ethical leadership, felt obligation, and CCB, while the 3-item measure of psychological detachment were retained. The four-factor baseline model fitted the data significantly well ( $\chi^2 = 65.25$ ,  $df = 48$ , CFI = 0.98, TLI = 0.98, RMSEA = 0.05). In addition, this baseline model was found to be superior when compared to any other alternative models (see Table 2).

We then went further to examine our hypothesized relationship using Hayes' (2013) PROCESS. The PROCESS macro simultaneously tests moderation, mediation, and moderated mediation and uses a bootstrapping procedure to produce a realistic estimate at 95% confidence interval, which goes above traditional significance testing (see

**Table 1**  
Descriptive Statistics and Correlations.

Variables	M	SD	1	2	3	4	5	6	7
1. Age	29.81	4.75	–						
2. Gender	1.61	0.49	–0.05	–					
3. Tenure	4.22	2.41	–0.00	0.09	–				
4. Ethical leadership	3.53	0.94	0.05	–0.04	0.05	(0.90)			
5. Psych. detachment	2.75	1.11	–0.13	–0.02	–0.02	–24**	(0.84)		
6. Felt obligation	3.22	0.95	0.01	–0.04	0.00	0.37**	–0.14	(0.87)	
7.CCB	3.69	0.94	0.12	–0.08	0.09	0.36**	–0.32**	0.33**	(0.93)

Note: N = 152. Psych. detachment = Psychological detachment. CCB = Customer-oriented citizenship behavior. \* p < 0.05.  
\*\* p < 0.01.

**Table 2**  
Confirmatory Factor Analysis Results.

Model	χ <sup>2</sup>	df	RMSEA	RMR	CFI	TLI	NFI
4-Factor Baseline model	65.25	48	0.05	0.07	0.98	0.97	0.96
3-Factor (EL and FO merged)	263.82	51	0.17	0.17	0.87	0.83	0.84
3-Factor (EL and PD merged)	238.67	51	0.16	0.21	0.88	0.85	0.86
3-Factor (FO and PD merged)	281.31	51	0.17	0.21	0.86	0.82	0.83
3-Factor (FO and CCB merged)	250.67	51	0.16	0.17	0.88	0.83	0.85

Note: N = 152; EL = Ethical leadership; FO = Felt obligation; PD = Psychological detachment; CCB = Customer-oriented citizenship behavior.

**Table 3**  
Moderated-Mediation Regression Results of Ethical Leadership on CCB.

Mediator variable model	b	Felt obligation		
		SE	LLCI	ULCI
Ethical leadership (EL)	.44**	0.08	0.29	0.60
Psychological detachment	–0.02	0.06	–0.14	0.11
EL × Psychological detachment	–0.24**	0.06	–0.36	–0.12
Total R <sup>2</sup>	0.22***			
CCB				
Dependent variable model	b	SE	LLCI	ULCI
Felt obligation	0.16†	0.08	0.02	0.28
Ethical leadership (EL)	0.28**	0.09	0.13	0.42
Psychological detachment	–0.19**	0.06	–0.30	–0.08
EL × Psychological detachment	–0.13†	0.06	–0.23	–0.02
Total R <sup>2</sup>	0.24***			

Note: N = 152; CCB = Customer-oriented citizenship behavior.  
\* p < 0.05.  
\*\* p < 0.01.  
\*\*\* p < 0.001.

**Table 4**  
Conditional direct and indirect effects of Ethical Leadership on CCB.

Conditional direct effect of ethical leadership behavior on CCB	Boot direct effect	Boot SE	Boot LLCI	Boot ULCI
Psychological detachment –1 SD (–1.11)	0.42	0.13	0.21	0.62
Psychological detachment M (.00)	0.28	0.08	0.14	0.42
Psychological detachment +1 SD (1.11)	0.14	0.09	–0.01	0.28
Conditional indirect effect of ethical leadership behavior on CCB				
Felt obligation –1 SD (–1.11)	0.11	0.07	0.02	0.23
Felt obligation M (.00)	0.07	0.04	0.00	0.14
Felt obligation +1 SD (1.11)	0.03	0.03	–0.01	0.10

Note. N = 152; CCB = Customer-oriented citizenship behavior. Bootstrap resampling = 5000.

Preacher and Hayes, 2008). We present these results in Tables 3 and 4

First, in Hypothesis 1, ethical leadership was hypothesized to relate to CCB, and that this relationship would be mediated by felt obligation (Hypothesis 2). In support of both hypotheses, our result showed that a significantly positive relationship between ethical leadership and CCB ( $b = 0.28, p < 0.01$ ) and that felt obligation mediated this positive relationship (*indirect effect* = 0.11, confidence interval; CI [0.07, 0.02]). Next, in Hypothesis 3, we hypothesized that employee psychological detachment would moderate the ethical leadership and CCB relationship. In line with our expectation, our results that both ethical leadership and psychological detachment interact to predict CCB ( $b = -0.13, p < 0.05$ ), thus supporting Hypothesis 3 (see Fig. 2 for the interaction plot). Moreover, the simple slope revealed that the relationship between ethical leadership and CCB was significant for less psychologically detached employees ( $b = 0.42, CI [21, 0.62]$ ), but not significant for highly psychological detached employees ( $b = 0.14, CI [-0.01, 0.28]$ ).

Finally, we hypothesized that the interactive effect of ethical leadership and psychological detachment on CCB would be mediated by felt obligation (Hypothesis 4). Supporting this hypothesis, our results first showed that both ethical leadership and psychological detachment interact to predict felt obligation ( $b = -0.24, p < 0.01$ ). Second, the relationship between felt obligation and CCB was significant ( $b = 0.16, p < 0.05$ ), as shown in the dependent variable model produced by PROCESS (Hayes, 2013). These results satisfy the foundations for testing our hypothesis. Lastly, the indirect effect of felt obligation was stronger (*indirect effect* = 0.11; CI [.07, 0.02]) but was not at high levels of psychological detachment (*indirect effect* = 0.03; CI [.03, –0.01]). Fig. 3 illustrates that the relationship between ethical leadership and CCB, via felt obligation, is stronger when psychological detachment is low versus high. Together, these results confirm Hypothesis 4.

## 6. Discussion

Grounded in SET, our study investigated the link between ethical leadership and hospitality employees' CCB, considering the moderating and mediating roles of psychological detachment and felt obligation respectively. In a time-lagged field study of hotel employees, our results demonstrated that the ethical leadership-CCB is far more complex than assumed and might not be similar for all employees. Although our findings indicated that ethical leadership positively influenced CCB via felt obligation, we also found that ethical leadership was more useful in fostering CCB for less psychologically detached employees than those who were highly detached from their organization.

### 6.1. Theoretical implications

Our research makes several theoretical contributions. First, although emerging research has shown that ethical leaders are effective in improving outcomes such as, employee satisfaction, job engagement, and firm performance (Celik et al., 2015; Kim and Brymer, 2011;

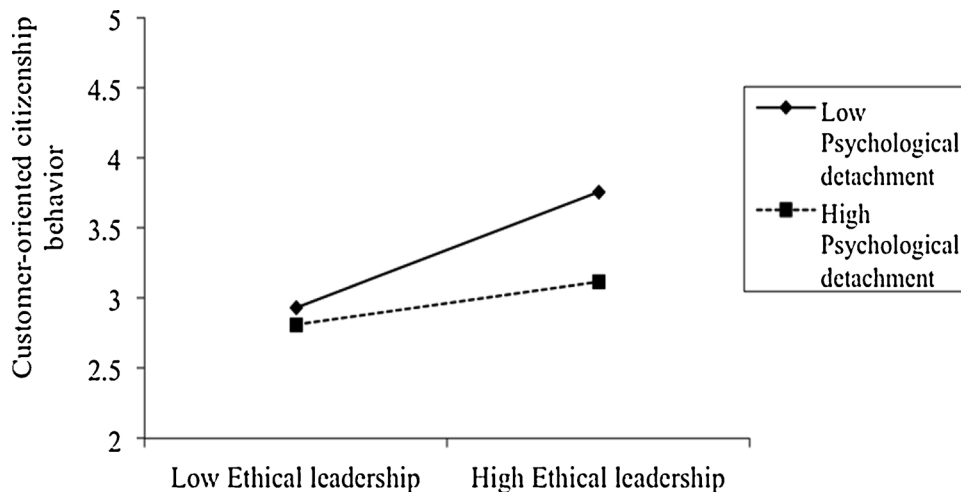


Fig. 2. Interaction of Ethical leadership and Employee Psychological Detachment on Customer-oriented Citizenship Behavior.

Zoghbi-Manrique-de-Lara and Suárez-Acosta, 2014) in the hospitality context, only a few studies have explored its effectiveness in fostering customer-specific behaviors (e.g., Qin et al., 2014). Even though Qin and colleagues’ work highlighted the importance of ethical leadership in encouraging customer-oriented behavior from a job satisfaction and engagement perspective (Kim and Brymer, 2011), this developing research stream still lacks an overarching theory that simultaneously addresses when and why ethical leadership may predict CCB. Drawing from a social exchange perspective in which citizenship behaviors are rooted, our findings suggest that supervisors’ ethical leadership stimulates hospitality employees’ willingness to engage in CCB by increasing their felt obligation. Accordingly, we not only offer SET as a valuable framework but also extend previous research by explicitly testing the social exchange mechanism—*felt obligation*—involved in the ethical leadership and CCB relationship. In doing so, our research also broadens the understanding of the predictors of CCB by delineating the underlying mechanism through which ethical leadership weaves its influence on CCB. The more employees of ethical leaders feel obligated toward their organization, the more likely it is that they will demonstrate behaviors that help improve customer service such as, CCB.

Second, our research also advances the literature on ethical leadership by exploring the boundary conditions associated with its influence on CCB. Specifically, our study demonstrates that, even though ethical leadership is crucial for organizations and its members (Babalola et al., 2016b; Walumbwa et al., 2017), its impact may not always be the same for all employees. Although much research has shown ethical leadership to relate to employees’ citizenship behaviors, this is perhaps the first study to consider the unique insights that can be garnered from

SET (Blau, 1964) in addressing *when* ethical leadership relates to citizenship-related behaviors (in our case, CCB). This is important given that meta-analysis has shown that beyond related leadership behaviors, ethical leadership explains additional variance in explaining employee citizenship behavior—which is particularly driven by social exchange (Ng and Feldman, 2015). By adopting a social exchange perspective on ethical leadership influence, our research findings identify employee psychological detachment as an important moderator of ethical leadership impact on CCB. The results obtained supported our argument that less psychologically detached (i.e., psychologically attached) employees reciprocate leader ethical behaviors by demonstrating CCB because they see themselves benefiting from an ongoing reciprocity, which may be of future benefit to them on the job.

Finally, our research goes on to explicate the mechanism through which the moderating effect of psychological detachment takes place. Specifically, our research suggests that ethical leadership seems to have more influence on employees’ felt obligation when they are less psychologically detached rather than highly psychologically detached from their organization, which is subsequently demonstrated by engaging in higher levels of CCB. By uniquely integrating SET with previous literature on psychological detachment, (Burris et al., 2008; Kahn, 1990; Vogel and Mitchell, 2015), we illustrate that individuals who are strongly detached from their current organization may not attach much value to their leader’s ethical treatments, thereby limiting the degree to which they contribute to the psychological context in which work is achieved. Our findings in this regard therefore highlight the importance of taking into account employee cognitive state as it could help further our understanding of ethical leadership effectiveness in the hospitality

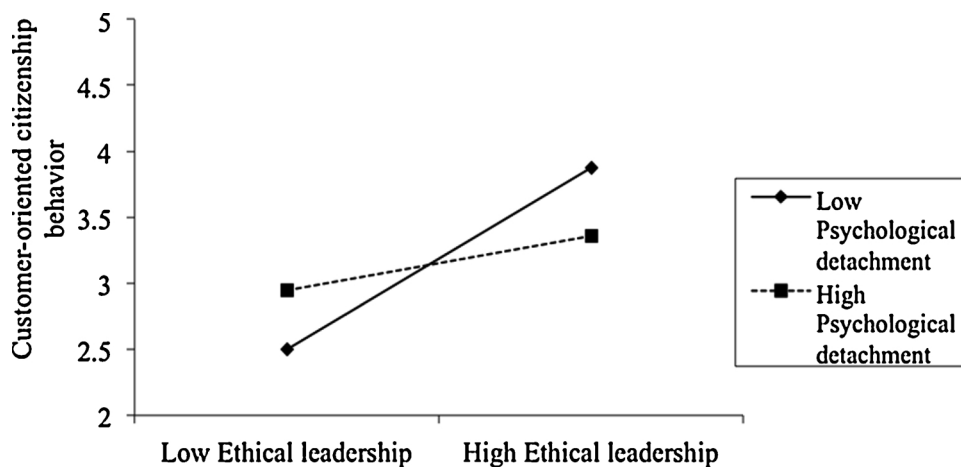


Fig. 3. Moderated-Mediation of Ethical Leadership and Psychological Detachment on Customer-oriented Citizenship Behavior via Felt Obligation.

industry and organizations more broadly. Based on our theoretical underpinnings, future research could examine other social exchange driven dependent variables linked with ethical leadership, which might be equally applicable (e.g., employee task performance).

## 6.2. Practical implications

The hospitality industry is rapidly changing and competition is increasingly becoming fierce, hence the need for employees to go beyond their job description and demonstrate citizenship behaviors toward customers (i.e., CCB). Based on our findings, ethical leadership seems to be instrumental in this regard. Specifically, ethical leadership increases employees' felt obligation, which in turn motivates CCB. Hence, to foster CCB, it is crucial for managers to lead ethically. Yet, it is important for hospitality managers to also note that ethical leadership seems to mean more to some employees than others. Managers who are aware and acknowledge these differences are more likely to enhance their leadership efforts in engendering positive CCB. Specifically, our research suggests that employees who plan to remain in an organization (i.e., less psychologically detached employees) tend to pay more attention to the ethicality of their leader by reciprocating in the form of CCB. Therefore, organizations should make efforts to promote ethical leadership across all levels and raise more awareness about this dynamics. Service organizations could also look out for specific personality traits in their selection and recruitment efforts (e.g., agreeableness and conscientiousness), which has been found to predict ethical leadership (Babalola et al., 2017b).

Furthermore, our study also demonstrates that decreasing employee psychological detachment may strengthen ethical leadership influence on CCB. Clearly, hospitality organizations often cannot risk having highly psychologically detached employees in their organizations because this might attenuate the effectiveness of ethical leaders and may have serious consequences for citizenship behaviors directed toward customers. Certain strategies and efforts may help reduce employee psychological detachment from an organization. For example, scholars have shown that creating a work environment that encourages social interaction whereby employees are highly embedded can lessen the degree at which employees are psychologically detached from an organization (Allen and Shanock, 2013; Jiang et al., 2012). Research also suggests that creating a long-term career development plan for employees where they desire to work for an extended period might also be helpful in this regard (Mitchell et al., 2001). Applying these strategies are important because of its potential to magnify the impact of ethical leadership.

## 6.3. Limitations and future research

Our study has some limitations worth mentioning. For instance, although we collected time-lagged multiple source data, the link between ethical leadership and felt obligation may still be susceptible to common method bias since they were both measured at Time 1. We believe, however, that this is less likely to bias our results given that our predictions were theoretically driven and research models involving interactive effects are generally less susceptible to method bias (Podsakoff et al., 2012). Furthermore, we did not control for any other form of leadership in our model. We believe that controlling for related leadership styles such as, servant leadership would have been helpful given that past research has equally linked such leadership to CCB (Wu et al., 2013). Thus, future studies should control for servant leadership in order to examine whether ethical leadership accounts for additional variance in predicting CCB.

Finally, although we tested felt obligation as a mediator in our model, other social exchange mechanisms (e.g., trust and leader-member exchange; LMX) may equally be relevant. Future research may consider these mediators or other relevant mediators in their model when studying ethical leadership influence in the hospitality context.

Relatedly, although we investigated the moderating effect of employee psychological detachment in the present study, it is also possible that there are moderators of the moderating effect of psychological detachment. For instance, based on SET (Blau, 1964) *positive reciprocity* beliefs which differs from felt obligation (see Mitchell and Ambrose, 2007) may interact with psychological detachment to predict work outcomes associated with ethical leadership. That is, it is possible that some employees of ethical leaders may still display CCB even when they are psychologically detached from the organization, especially those with high reciprocity beliefs (for a review of reciprocity beliefs see; Eisenberger et al., 2004; Mitchell and Ambrose, 2007). This seems to be a promising next direction for future research.

## 7. Conclusion

The current study sheds new light on the boundary condition and mediating mechanism linking ethical leadership to hospitality employees' CCB. Consistent with SET, our findings highlight the importance of ethical leadership in encouraging employees' CCB by increasing their felt obligation. More importantly, our findings indicated that the ethical leadership – CCB relationship is particularly stronger for hospitality employees with lower levels of psychological detachment, because they develop a stronger sense of obligation to reciprocate ethical leadership behaviors. Researchers should continue to explore other mechanisms and boundary conditions of ethical leadership influence in the hospitality industry.

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