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The Effects of Perceived External Prestige, Ethical Organizational Climate, and Leader-Member Exchange (LMX) Quality on Employees' Commitments and Their Subsequent Attitudes

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Abstract

Purpose - This study investigates the role of perceived external prestige (PEP), ethical organizational climate, and leader-member exchange (LMX) quality in explaining organizational and career commitment, and also analyzes effects of the two commitments on motivation to participate in training and turnover intention.

Design/methodology/approach - Relationships among the constructs are predicted based on relevant literature, and are tested using survey result from 477 employees working in fifteen of the leading corporations in South Korea.

Findings - Structural equation modeling (SEM) shows that ethical organizational climate and LMX quality are a significant correlate of both forms of commitment, whereas perceived external prestige is a predictor of organizational commitment but not career commitment. Furthermore, as a mediator, each form of commitment also affects employees' training participation motivation and their turnover intention.

Originality/value - Overall, the value of this study lies in its focus on multiple forms of commitment reflecting current employment relationships, and in the identification of new variables for use by HR professionals in determining ways to improve both commitment to organization and career.

Keywords Perceived external prestige (PEP), Ethical organizational climate, Leader-member exchange (LMX) quality, Work commitments and attitudes, Republic of Korea

Introduction

Commitment phenomena have attracted considerable attention from academics and practitioners. Many observers have noted that employee commitment can be an important explanatory variable to worthwhile outcomes for organizations (Blau, 1985; Kwon and Banks, 2004; Somers and Birbaum, 1998). Early commitment studies typically considered general organizational commitment as one-dimensional construct. According to Mowday *et al.* (1982, 27), organizational commitment is defined as "relative strength of an individual's identification with, and involvement in, a particular organization". It has been further conceptualized as a multidimensional construct consisting of three components: affective, continuance, and normative commitment (Meyer and Allen, 1991, p.67). Affective commitment refers to "the employee's emotional attachment to, identification with, and involvement in the organization", whereas continuance commitment refers "to an awareness of the cost associated with leaving the organization". Finally, normative commitment reflects

“a feeling of obligation to continue employment”. However, in recent years researchers have turned their attention to multiple foci of commitment, i.e., having varying degrees of commitment to different organizational components such as top managers, supervisors, coworkers, union, and customers (e.g. Becker, 1992; Clugston *et al.*, 2000; Morrow and McElroy, 1993; Reichers, 1985). In those studies on multiple forms of commitment, committed employees have continued to demonstrate higher levels of attendance and longer organization tenure than less committed employees. Certainly, they also have tended to work harder at their jobs and perform better than do those with weak commitment.

Indeed, the increasing attention to some other foci of commitment reflects the reality that employees could experience several different foci of commitment in terms of the goals and values of individuals or groups within an organization (Cohen, 2003). Apparently, commitment to career is important in that it involves the development of personal career goals and also gives identification and involvement with those goals (Colarelli and Bishop, 1990). Although there may be a conflict between organizational and career commitment, the simultaneous occurrence of high levels of both forms of commitment may be desirable for organizations. As organizational commitment refers to the degree of loyalty shown by employees towards their organization, career commitment is related to employees' motivation to work in a chosen vocation or in a chosen career role (Carson and Bedeian, 1994). The two forms of commitment are not only compatible but they also can act as check and balance tool for each other (Baugh and Robers, 1994). Accordingly, an understanding simply of employee commitment to organization is not sufficient but its relation with the attitude toward career as a different focus may be pertinent to understand commitment phenomena in organizations. Despite the importance of attitudes toward career in employment settings, research on career commitment is relatively recent compared to research into other forms of commitment.

An employee can be simultaneously committed to plural constituents in the workplace including the organization. Moreover, the relative strength between the constituent specific commitments may be very multifarious (Morrow, 1983). Within this perspective, when only comparing the commitment to organization and the commitment to career, employees are currently inclined to be more attached to, and interested in, their careers than the organization they work for. According to Hall and Mirvis (1995), employees engage in resource exchange relationships with their employer, whereby they trade their skill and expertise for a salary and opportunity to enhance their human capital and develop their own identities. This so called new employment relationship might be led by situations where there are no long term contracts of loyalty and no mutual commitment between employers and employees (Cappelli, 1999; Hall, 1996). It may not be limited to a particular professional field or vocation, but perhaps is becoming more an everyday experience in work organizations. As mutual commitment has diminished or ceased to exist in the industrial world, the relevance of commitment to organization has declined (Baruch, 1998; Mowday, 1999).

We adopt the perspective of multiple forms of commitment in this study and examine

the relationship of organizational reputation, ethical climate, and supervisor-employee relationships with organizational and career commitment. We also analyze the effects of the two forms of commitment on motivation to participate in training and turnover intention among a sample of employees in Korea. Perceived external prestige (PEP) concerns employee's perceptions of how outside world view their organization. From a social exchange perspective, PEP is status related evaluation which is influence on employees' overall organizational identification. In the same way, leader-member exchange (LMX), as developmental relationship between leader and member, can be a socioemotional resource for facilitating empowerment among employees. Subsequently, ethical climate describes organizational conditions and practices which based on the presence of power, trust, and role flexibility. Thus, as a reference for employee behavior, it can influence on employees' ethical practice at the workplace. These three variables formed a concrete base for predicting employees' commitment and their subsequent attitude which resulted in well being and retention of employees.

Much research has been devoted to determining causal antecedents of organizational commitment but few studies have dealt with such variables as perceived external prestige (PEP), ethical organizational climate, and leader-member exchange (LMX) quality. Furthermore, existing studies have been conducted primarily in western settings and few have considered the construct in relation to other forms of commitment. In non-western contexts, exploring employees' commitment to both their organizations and careers is significant not only to extend the existing literature on organizational commitment but also to investigate the nature of multiple forms of commitment in the context of different and changing social, cultural and economic conditions. These less researched factors may have potential to uncover further meanings and in different ways, perhaps reflecting changed employment relationships. In a similar vein, this study further seeks to analyze each influence of the two commitments on motivation to participate in training and intention to leave the organization, which may yield diverse features in terms of the foci of commitments. More specifically, the following research questions guided the study:

First, do PEP, ethical organizational climate, and LMX quality have a positive impact on employees' organizational and career commitment?

Second, what are the influences of organizational and career commitment on employees' turnover intention? And, what are the influences of organizational and career commitment on employees' motivation to participate in training activities?

Literature review and hypotheses development

The theoretical framework that guided this study is shown in Figure 1. We reasoned that perceived external prestige (PEP), ethical organizational climate, and leader-member exchange (LMX) quality can enhance employees' commitment to their employing

organization and career and both of these variables can influence an employee's motivation to participate in training and their turnover intention.

[Insert Figure 1]

Perceived External Prestige (PEP) and Organizational and Career Commitment

Most people desire to belong to an organization that is believed to have socially valued characteristics (Dutton *et al.*, 1994; Mael and Ashforth, 1992). In this regard, employees can receive and interpret various messages from diverse external constituencies and these messages can form an opinion about how outsiders see their organization. Regardless of whether the opinion is accurate, such internal employees' own assessments can influence how they interact with the organization (Clardy, 2005; Mignonac *et al.*, 2006). The literature calls this phenomenon 'perceived external prestige' (Mael and Ashforth, 1992), or 'construed external image' (Dutton *et al.*, 1994). This interpreted reputation is of increasing interest to researchers and practitioners for the reason that it has broad implications for attitudes and behaviors in organization (Herrbach and Mignonac, 2004).

Much of PEP research has focused on the relationship with organizational identification and has found a significant positive correlation between them (e.g. Dukerich *et al.*, 2002; Fuller *et al.*, 2006; Smidts *et al.*, 2001). In line with these studies and those on commitment, which suggest that commitment can be conceptualized as an individual's identification, involvement, and loyalty to the belonging organization or career, it is logical to expect commitment to be related to PEP. It is acknowledged that being precise commitment is different from identification; identification is organization-specific, commitment is not organization-specific (Pratt, 1998). In addition, commitment is believed to develop on the basis of an exchange-based relationship between individuals and the organization, whilst identification is theorized to develop on the basis of shared fate (Mael and Ashforth, 1992; Pratt, 1998). However, when considering characteristics of contemporary employment relationships the attributes of PEP may be reasonably expected to have a role in explaining employees' multiple commitment. That is, in the relation of PEP, commitment is a factual variable having more rich information that can reflect individual values and goals that do not necessarily serve those of the institution (Ashforth and Mael, 1989).

Indeed, Ashforth and Mael (1989), Herrbach and Mignonac (2004), and Fuller *et al.* (2006) have demonstrated a significant effect of PEP on affective organizational commitment. Herrbach *et al.* (2004) also found a positive relationship between PEP and organizational commitment. They basically noted that the benefits of PEP facilitate the process of commitment: Since employees can boost their self-image through PEP, a positive opinion is likely to induce a sense of organizational commitment. It may be equally applicable in the relationship with career commitment even though most prior research overlooks this connection. Employees with high PEP are further likely to feel a need to advance their career

in the firm that has a favorable reputation. This is because their career experience in the valued organization can function as ‘reflected glory’ which means society’s evaluation about individual success during their affiliation or even after they leave. We therefore stated the following hypotheses:

H1a: *Perceived external prestige (PEP) is positively related to organizational commitment.*

H1b: *Perceived external prestige (PEP) is positively related to career commitment.*

Ethical Organizational Climate and Organizational and Career Commitment

Ethical climates in an organization are observable and they can also provide a basis for employees’ perception of acceptable and ethical behavior (Appelbaum *et al.*, 2005; Key, 1999; Vardi, 2001). As such, organizational ethical climate involves prevailing attitudes about an organization’s standards concerning appropriate conduct within the organization. This construct has received much attention since the development of a measure by Victor and Cullen (1987, 1988). They argued that a number of different types of ethical climates are possible to exist in organizations and classified them into several different sub-types from their empirical research (see Fritzsche, 2000; Mulki *et al.*, 2008). Business ethics studies have utilized these elements and validated the measure of ethical climates (Cullen *et al.*, 1993; Deshpande, 1996; Leung, 2008).

Since people tend to accept and internalize the climate of the organization in which they work, the perception of climate can have an important impact on their attitudes and behaviors. A good example may be the research on the influences of ethical climates on organizational commitment. Schwepker (2001) found that salespeople’s perceptions of a positive ethical climate are positively associated with their organizational commitment. Cullen *et al.* (2003) also demonstrated a benevolence or principled climate is related to organizational commitment. In addition, in a study of Korean tourism industry employees, Kim and Miller (2008) confirmed the findings of Cullen *et al.* (2003) along with new founding of moral caring as a climate factor. These connections may be due to the fact that ethical climates serve as a perceptual lens through which employees diagnose and assess situations. If their perceptions of acceptable and ethical behavior are cumulated continuously over time, employees are likely to increase trust in their organization. Subsequently, this will induce a loyalty toward the organization. Therefore, the higher level of perceived ethical climates, the more likely employees will trust organizational goals and increase emotional attachment to the organization.

Following this logic, it is reasonable to argue that organizational ethical climate also affects career commitment. The link between the two constructs can be explained by the fairness heuristic (Lind, 1992); that is, employees’ perceptions of fairness in one area can influence their perceptions of fairness in another area. Accordingly, an organizational ethical

climate, which can affect employees' justice judgments, plays an important role in how employees commit to their occupation and give a priority to develop their own career goals. For example, when organizations have principled climates employees are more likely to feel they are given a fair opportunity for promotion or movement. Such perceptions, in turn, will stimulate a stronger commitment and a more positive attitude toward their personal career. In this way, a higher level of perceived ethical climates may positively influence an employee's commitment to his or her career, as well as to the organization.

H2a: *Organizational ethical climate is positively related to organizational commitment.*

H2b: *Organizational ethical climate is positively related to career commitment.*

Leader-Member Exchange (LMX) Quality and Organizational and Career Commitment

Leader-member exchange is defined as the quality of the exchange relationship between an employee and his or her supervisor (Dienesch and Liden, 1986). In general, this dyadic relationship is thought to range on a continuum from high to low quality and high quality exchanges are characterized by a higher level of trust, interaction, support, and rewards than low quality exchange (Dienesch and Liden, 1986). For example, leaders in high quality LMX relationships rely heavily on subordinates to act in their stead (Dunegan *et al.*, 1992) and encourage them to undertake more responsible activities (Graen and Uhl-Bien, 1995). Subordinates in such relationships interact frequently with their leaders and have their leaders' support, confidence, encouragement, and consideration, and they take on added duties or expend extra effort to achieve work group goals beyond contractual or transactional expectations (Sparrowe and Liden, 1997).

Many studies have shown that the strength of LMX relationships can predict organizationally significant outcomes including performance related and attitudinal variables (Gerstner and Day, 1997). Consistent with this argument, employees in higher quality dyads have been demonstrated to be more committed to the organization than are employees in lower quality dyads (Duchon *et al.*, 1986). A field study by Reid *et al.* (2008) supported the relationship between LMX and employee commitment, specifically as it relates to affective organizational commitment, and Green *et al.* (1996) also reported that LMX is related to commitment through its strong influence on satisfaction with leaders and other members. It can be inferred therefore that commitment by employees may be a way for them to demonstrate reciprocation or obligation to what their leaders or organization have done for them. This implies that high quality exchange employees who received a large portion of formal and informal benefits would in return be dedicated and committed followers (Dansereau *et al.*, 1975). In this sense and for these reasons, it is inferred that LMX relates uniquely and positively to commitment to the organization.

In line with the relationship of organizational commitment, employees in higher quality dyads are also more likely to be committed to their career. Research has shown the supportive functions of LMX in the important situations of resource allocation, such as promotions and salary progressions (Wayne *et al.*, 1999) and performance ratings (Liden *et al.*, 1997). It is plausible given that effective LMX relations may be a function of being mentored by a leader and there is also a direct connection with careers (Graen and Scandura, 1986). Compared to those who have not been involved in a mentoring relationship, protégés report greater career satisfaction, career commitment, career expectations as well as stronger organizational commitment (Allen *et al.*, 2004; Bozionelos, 2008). In this regard, it is likely that higher quality relationships between supervisors and their subordinates can send strong messages about the values and benefits coming from career commitment. Taking all these arguments together, we formulated the following hypotheses.

H3a: *Leader-member exchange (LMX) quality is positively related to organizational commitment.*

H3b: *Leader-member exchange (LMX) quality is positively related to career commitment.*

Organizational and Career Commitments, Motivation to Participate in Training, and Turnover Intention

Employee turnover is a very critical issue since the direct and indirect costs of such movements can have a significant impact on the efficiency of organizations (Abbsasi and Hollman, 2000; Cascio, 1991). Turnover is referred to here as a behavior directed toward leaving the organization including looking for a new position as well as resigning (Robbins, 1998). Therefore, the identification of factors that influence turnover intentions is considered important and to be effective in reducing actual turnover (Allen *et al.*, 2005; Elangovan, 2001; Maertz and Campion, 1998; Zhao *et al.*, 2007). The use of turnover intention rather than actual turnover is sensible for the current study which focuses on current employees and so provides an accurate insight into the effects of organizational and career commitment.

Empirical evidence strongly supports the position that committed employees have been found to be less likely to leave an organization than those who are less committed (Angle and Perry, 1981; Griffeth *et al.*, 2000; Lum *et al.*, 1998). As an example, Aryee *et al.* (1991) found that commitment explains 37 percent of variance in intention to leave the organization. Mathieu and Zajac's (1990) meta-analysis also concluded that organizational commitment has a negative relationship with turnover intentions. Similarly, in several psychological models of turnover, factors related to career commitment has been considered to be determinants of turnover intentions. Career satisfaction is relevant to this context. According to Sturges *et al.* (2005), individuals aimed at furthering the career within the organization associated with the experience of organizational career management help.

Furthermore, if the career commitment results from mentoring, the turnover will be decreased. Even though nowadays, it is reported that a careerist orientation is negatively related to internal work motivation and positively related to a disposition to change job (Feldman and Weitz, 1991), career commitment within an organization will apt negatively relate to turnover intention. As such, the degree of organizational and career commitment is likely to be related to the intentions to search for alternative jobs and consequently quit. Consistent with the current literature, we hypothesized that:

H4a: *Organizational commitment is negatively related to turnover intention.*

H4b: *Career commitment is negatively related to turnover intention.*

In light of the impact of training on job mobility, employee training is not absent from turnover. Employee training may increase employability. Trained employees are more versatile in their jobs (Groot and Maassen van den Brink, 2000), which increase opportunities they can change jobs more often. It would be one of main reasons why managers are reluctant to train their employees. Training, on the other hand, may reduce turnover in that it generates commitment of employees to their manager or organization (Palmer *et al.*, 2007; Tannenbaum *et al.*, 1991). It may be because employees view training as an indication that the organization is willing to invest in them and cares about them. Since they feel valued, they are less inclined to quit (Barrett and O'Connell, 2001; Palmer *et al.*, 2007; Tannenbaum *et al.*, 1991). In this respect, an examination of the relationships between commitment, turnover, and training will be of value in discussing best practices for managing human capital more strategically.

With regard to training participation motivation, the training literature has largely dealt with such pre-motivational concepts as motivation to learn. Motivation to learn can be defined as a specific desire on the part of the trainee to learn (Noe and Schmitt, 1986). More recent research has accepted a theoretical standpoint that motivation to learn is most relevant to how much employees learn during training, but it has also been used to explain how much employees participate in training activities (Birdi *et al.*, 1997). This expanding notion of motivation to learn has helped with the theoretical development of the construct. Within this perspective, Bartlett (2001) examined the relationship between employee attitudes toward training and feelings of organizational commitment among a sample of registered nurses in United States, and found a significant correlation between employees' organizational commitment and motivation to learn. A study of the association of training with organizational commitment in Malaysia also confirmed the view that employees' motivation to learn is significantly correlated with their affective, normative commitment and overall organizational commitment (Ahmad and Bakar, 2003). Similarly, a study of MBA graduates showed that, since individuals with high commitment to their careers have the intention of improving skills and performance in their jobs, they are likely to exert considerable effort towards learning the training content (Cheng and Ho, 2001). Although commitment effect on

training has not been widely studied, in this way, organizational and career commitment are very plausibly related to motivation to participate in training. Therefore, we hypothesized:

H5a: *Organizational commitment is positively related to motivation to participate in training.*

H5b: *Career commitment is positively related to motivation to participate in training.*

Method

Sample and Procedure

The sample used for this study consisted of 477 employees working in fifteen of the leading corporations in South Korea. The employees consisted of middle or lower-level personnel. Nine of the corporations are manufacturing firms and six are in the service and IT industry. The resulting demographics of the sample were as follows: 361 men and 116 women, the average age range was 21-49 years (mean 33.1, SD = 6.67) and the average time at current organization 81.9 months, SD = 75.14 (for other sample characteristics see Table 1).

With approval from the human resources director, subjects were administered a survey questionnaire containing measures of demographics, organizational and career commitment, perceived external prestige (PEP), ethical organizational climate, leader-member exchange (LMX) quality, motivation to participate in training and turnover intention. The subjects were informed that their decision to participate in the study should be completely voluntary and that individual responses would be held in strict confidence. They were encouraged to answer all questions candidly and were assured of complete anonymity.

[Insert Table 1]

Instruments

Multiple-item Likert-type instruments were used to measure the study constructs. The adopted questionnaire consisted of four sections, comprising 68 questions. Responses to each item were elicited on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Perceived external prestige (PEP). This was measured with a 6-item scale based on Mael and Ashforth's study (1992). The measure assessed the degree to which the institution is well regarded both in absolute and comparative terms. Sample items were, "People in my community think highly of my organization", "My organization is considered one of the best", and "Employees of other organizations would be proud to work in my organization".

Coefficient alpha for this scale was .87.

Ethical organizational climate. This was measured with 8 items from the ethical climate questionnaire developed by Cullen *et al.* (1993). The three (egoistic, benevolent, and principled) categories of ethical climate were assessed to capture an organization's broad normative characteristics and values. Sample items were, "My organization emphasizes the importance of furthering its interest (reversed)", "Concern for employees is prevalent in my

organization”, and “Compliance with organization rules and procedures is very important in my organization”. Coefficient alpha for this scale was .72.

Leader-member exchange (LMX) quality. This was measured using a 12-item scale based on Liden and Maslyn (1998). This scale, incorporating the dimensions of affect, loyalty, contribution, and professional respect was a suitable measure for assessing overall LMX as well as LMX dimensions (Erdogan *et al.*, 2004). Sample items were, “My supervisor defends my work actions to a superior, even without complete knowledge of the issue in question”, and “I respect my supervisor’s knowledge of and competence on the job”. Coefficient alpha for this scale was .93.

Organizational commitment. This variable was assessed by 9 items of a measure developed by Allen and Meyer (1990), which assess the three main components of organizational commitment: affective, continuance, and normative commitment. Sample items were, “I really feel as if this organization’s problems are my own”, “I believe that I have too few options to consider leaving this organization”, and “Even if it were to my advantage, I do not feel it would be right to leave my organization right now”. Coefficient alpha for this scale was .71.

Career commitment. A 12-item career commitment scale (Carson and Bedeian, 1994) was used to measure the degree of identification with and involvement in a particular career field. This scale assessed three dimensions of career commitment: career identity, career planning, and career resilience. Sample items were, “This line of work/career field has a great deal of personal meaning to me”, “I have created a plan for my development in this line of work/career field”, and “The costs associated with my line of work/career field sometimes seem too great (reversed)”. Coefficient alpha for this scale was .81.

Motivation to participate in training. The scale used to measure motivation to participate in training consisted of 8 items. These items have been used in previous training research (e.g. Bartlett, 2001), with several items being slight modifications from Noe and Schmitt (1986). Five items assessed motivation to learn in training activities, and the other three items assessed general motivation to participate in training activities. Sample items were, “I try to learn as much as I can from education/training programs” and “I am willing to invest effort to improve skills and competencies for learning purposes”. Coefficient alpha for this scale was .89.

Turnover intentions. This variable was assessed using a 4-item scale based on Mitchel (1981) and Moore (2000). This scale was conceptualized as both subjects’ intention to change organizations as well search for alternatives. Sample items were, “I will be with this company five years from now (reversed)” and “I will probably look for a job at a different company in the next year”. Coefficient alpha for this scale was .86.

Analyses Techniques

To assess the relationships between conceptual constructs, this study followed a two-

step approach, using confirmatory factor analysis (CFA) and structural equation modeling (SEM) based on LISREL 8.72 (Anderson and Gerbing, 1988; Joreskog and Sorbom, 1996). That is, the measurement properties of the constructs were assessed first, and then the structural model was analyzed to test the hypotheses. One of the advantages of this two-step method is that it allows for rigorous testing of measurement reliability and validity before subjecting the structural model to tests of fit.

The method used for each analysis was the maximum likelihood estimation procedure on the variance-covariance matrix with the raw data as input. Overall model fit was assessed by various fit indices including root-mean-square error of approximation (RMSEA; Steiger, 1990), non-normed fit index (NNFI; Bentler and Bonnet, 1980), comparative fit index (CFI; Bentler, 1990), and Parsimony Goodness of Fit Index, (PGFI; Mulaik *et al.*, 1989). In addition, chi-square goodness-of-fit statistics, which are dependant on sample size, was used only to compare competing alternative models (Fornell and Larcker, 1981). Here, to reduce the sensitivity of chi-square statistic to sample size, we followed a rule for deciding the acceptable χ^2 value: the value of χ^2 / df being lower than 3 (Kline, 1998).

Results

Descriptive statistics for all of the variables used in the study are reported in Table 2. All the measures had reliabilities (coefficient alphas) at or above the .70 threshold recommended by Nunnally (1978). Consistent with the hypotheses, statistically significant correlations also emerged between the conceptual constructs.

[Insert Table 2]

Measurement model

Confirmatory factor analysis (CFA) was conducted to assess dimensionality and fit of the measures used in the model. The distinctiveness of all the variables included in the investigation (perceived external prestige, ethical organizational climate, leader-member exchange quality, organizational commitment, career commitment, motivation to participate in training, and turnover intention) was tested via a sequence of nested models (Bentler and Bonett, 1980). Two alternative measurement models were also compared to the hypothesized seven-factor model: six-factor model and single-factor model. The six-factor model postulated that items intended to measure organizational and career commitment were combined as if measuring one construct. The single-factor model assumed all the items used to measure the seven constructs fell under the same factor. If an alternative model produces a significant increase of χ^2 at a particular degree of freedom, then the hypothesized model is regarded as fitting the data better, resulting in rejection of the alternative model (Schumacker and Lomax, 1996).

As can be seen from Table 3, the CFA results of the seven-factor model provided reasonable fit indices ($\chi^2 = 525.81$, $df = 209$, $p < .001$, NNFI = .97, CFI = .98, PGFI = .69, RMSEA = .056). In contrast, the single-factor model provided a very poor fit to the data ($\chi^2 = 3096.73$, $df = 230$, $p < .001$, NNFI = .79, CFI = .81, PGFI = .53, RMSEA = .162). The chi-square difference test indicated that the single-factor model should be rejected as the calculated chi-square difference (2570.92) was greater than the critical value (32.67) for 21 degrees of freedom. Similarly, the six-factor model displayed a somewhat poorer fit ($\chi^2 = 664.83$, $df = 215$, $p < .001$, NNFI = .96, CFI = .97, PGFI = .69, RMSEA = .066) than did the hypothesized seven-factor model and was rejected by the chi-square difference test compared with the hypothesized model. Overall, the two alternative measurement models were poorer fits with the data than the hypothesized model, indicating discriminant validity of the items used in the study.

[Insert Table 3]

Structural model and tests for hypotheses

After completing the analyses of the measurement model, the second step was to run structural models depicting the hypothesized relationships between factors. In order to provide strong support for the theoretical models, the adequacy of the structural models was assessed by comparing the goodness of fit of the hypothesized model with additional alternative models. First, the hypothesized model, without the direct paths from antecedents of organizational and career commitment to their outcome variables, was fit to the data within the acceptable ranges. Next, to test whether the addition of the paths from each antecedent to the outcomes is significant, three alternative models were consecutively fit to the data. If the addition of the path significantly improves fit of the model, it indicates that it is desirable to include the path in the model. Table 4 shows the overall fit statistics and model comparison statistics for the four structural equation models.

[Insert Table 4]

The hypothesized model provided a good fit to the data on the basis of the fit statistics ($\chi^2 = 543.72$, $df = 216$, $p < .001$; NNFI = .97, CFI = .97, PGFI = .71, RMSEA = .056), and nine of the ten paths were significant. Standardized parameter estimates are reported in Figure 2. Considering the two different foci of commitment as correctional construct in the hypothesized model was a reflection of the multi-commitment situation. Such an investigation of the joint work commitments was recommended as a better approach in explaining work outcomes (Carmeli and Freund, 2004; Weiner and Vardi, 1980). Hereby, rather than the ordering and magnitude of the two commitments, the alternative models

mainly dealt with the direct effect of the three antecedents: perceived external prestige (PEP), ethical organizational climate, and leader-member exchange (LMX) quality.

Alternative model 1 consisted of the addition of two paths from PEP to motivation to participate in training and turnover intention. As shown in Table 4, the difference in chi-square between alternative model 1 and the hypothesized model was not significant, $\Delta\chi^2 (2, N = 477) = 2.18$, ns. This indicates that the additional paths were not significant. Thus, PEP did not show direct effects on employees' motivation to participate in training and their intention to quit. For alternative model 2, paths were added from ethical organizational climate to motivation to participate in training and turnover intention. The difference in chi-square between alternative model 2 and the hypothesized model was not significant, $\Delta\chi^2 (4, N = 477) = 7.35$, ns, which again did not support the possibility of direct effect. Alternative model 3 included the addition of paths from LMX quality to motivation to participate in training and turnover intention. The difference in chi-square between alternative model 3 and the hypothesized model again was not significant, $\Delta\chi^2 (6, N = 477) = 11.32$, ns. Overall, most of the additional paths considered in the alternative models were not significant. The parsimonious fit indices also indicated that the hypothesized model was slightly more parsimonious (PGFI = .71) compared with the alternative models (PGFI for all alternative models = .70).

Therefore, on the basis of the initial hypothesized model as a best fit model (Figure 2), the hypotheses were examined. Organizational and career commitment are predicted by perceptions of organization-wide ethical practices ($\gamma_{12} = .51$, $p < .001$; $\gamma_{22} = .45$, $p < .01$) and high quality relationship with supervisor ($\gamma_{13} = .18$, $p < .001$; $\gamma_{23} = .12$, $p < .01$). However, unexpectedly, perception of organizational reputation predicted only commitment to organization ($\gamma_{11} = .26$, $p < .001$; $\gamma_{21} = .03$, ns). These results supported hypothesis 1a, 2a, 2b, 3a, and 3b. In predicting the outcomes, hypothesis 4a and 4b, which state a positive relationship between the two forms of commitment and motivation to participate in training, were supported ($\beta_{31} = .43$, $p < .001$; $\beta_{32} = .46$, $p < .001$). Regarding turnover intention, organizational commitment was strongly negatively significant ($\beta_{41} = -1.45$, $p < .001$), whereas career commitment had an effect on the variable in the unpredicted positive direction ($\beta_{42} = .63$, $p < .01$). Thus, hypothesis 5a was supported and hypothesis 5b was not supported.

[Insert Figure 2]

Discussion

This research attempted to show the effects of perceived external prestige (PEP), ethical organizational climate, and leader-member exchange (LMX) quality on employees' multiple commitments and their associated attitudes. Structural equation modeling results considered on the combined criteria of fit and parsimony demonstrated that each of the three constructs not only plays a critical role in facilitating employees' organizational and career

commitment, but they also have an indirect effect on training motivation and turnover intention via the two forms of commitment. Specifically, ethical organizational climate and LMX quality were a correlate of both forms of commitment, whereas PEP was a predictor of organizational commitment but not career commitment. As a mediator, commitment to employing organization positively affected training participation motivation but negatively affected turnover intention, and commitment to personal career positively affected both training participation motivation and turnover intention.

With regard to the role played by PEP in affecting organizational and career commitment, the current study found that it has a significant effect only on organizational commitment. The results show that when both organizational and career commitments are examined within the same study, organizational commitment has a better association with organizational reputation than does career commitment. One potential reason that PEP was not significantly associated with career commitment in this study perhaps is employees' perception point in time. Since career commitment is susceptible to organizational factors (Gardner, 1992), if it was immediately after entering into the organization, their relationship might be same pattern with organizational commitment. Ellemers *et al.* (1998) suggest that people show stronger career-oriented commitment the younger they are and less experience they had in their job. Moreover, the robust dimension of collectivism in Korean culture (Choi and Miracle, 2004) cannot be overlooked. In such culture, employees' commitment to the organization tends to be more emphasized over personal commitment to their career. The relationship between construed external image and work commitments should be evaluated in follow-up studies to determine whether the same pattern occurs in other samples, specifically in western culture.

The current research also found a specific role of ethical organizational climate in relation to organizational and career commitment. The results show that employees' organizational and career commitment is associated with the embedded ethical values in the organization. The more that the firm's practices and procedures are thought to have ethical content, the more committed employees are to the organization and to their career. Consistent with past research (Schwepker, 1999; Sims and Kroeck, 1994; Weeks, *et al.*, 2004), the findings in the current study show the same pattern between ethical climate and organizational commitment. In addition, the findings show that ethical organizational climate is also associated with career commitment. This suggests that if management wants to increase the level of work commitments under the multi-commitment situation, they need to create a firm culture that cultivates employee judgments of ethical climate.

Similar to the role of ethical organizational climate, the findings indicate that LMX quality is a significant antecedent of both organizational and career commitment. This is consistent with a large body of research suggesting the importance of the relationship quality with supervisor for employee commitment (Aryee and Chay, 1994; Colarelli and Bishop 1990; Major *et al.*, 1995; Schyns *et al.*, 2005). According to those studies, individuals who

perceive their LMX relationship as high in quality are more committed to accept goals of the employing organization, as well as to engage in having and advancing a personal career. This suggests that to strengthen employee commitment, the quality of exchanges between subordinates and leaders (LMX) needs to be considered along with the creating an ethical climate.

In terms of the outcomes, there was a support for the arguments that organizational commitment is positively related to motivation to participate in training (Bartlett, 2001; Tannenbaum *et al.*, 1991), and negatively related to intention to quit (Jahangir *et al.*, 2006; Tett and Meyer, 1993). This suggests that a person who is committed to an organization appears to determine training participation as a condition of remaining the position of organization member. However, contrary to the hypothesized expectation, career commitment was positively related to both outcomes. Considering the evidence regarding the negative correlation between career commitment and turnover intention in western literature, it is surprising that career commitment was positively, but not negatively related to intent to quit. It may be because the organizations under study have not implemented career development programs or have made insufficient effort to institutionalize the programs in their HR system. Thus, employees' growth needs were hindered so far in the company and their personal career commitment would yield a significant impact in explaining their turnover intention. This suggests that when employees commit to their career in an organization lacking interest in employees' careers, the employees appear to determine training participation with turnover intention. In this sense, what needs to be heeded in organization management may not be overall lowering of organizational commitment but too much commitment to the personal career can result from need dissatisfaction.

Implications for theory and practice

The results of the current investigation have several important implications. First, ethical climates and trust relationships may be the most important factors to understand in order to explain and to predict the committed behavior of an employee. Practically, to elicit employees' commitment, they need to be at least in a working environment where there are ethical procedures and policies and nurturing interpersonal trust with supervisors. The influence of these factors is warranted within continued research on assessing the effect of these contextual or relational factors for desired outcomes (e.g. Mulki *et al.*, 2008; Vardi, 2001). By realizing the full potential of ethical climate and leader-member exchange within workplaces, researchers and practitioners could develop a complete picture of employee commitment and its outcomes.

Second, in light of the notion that commitment to organization and commitment to career bring out different features, researchers and practitioners may have much to gain by considering separate approaches to multiple commitments. Even though organizational commitment encourages employees to develop attitudes consistent with that commitment

(Salancik, 1977), it may be naive to think that employees will continue to display the same pattern regarding other foci of commitment. Moreover, in today's fast-paced business world, employees' commitment to personal career needs to be understood and managed according to the organizational characteristics in varying contexts. By doing so, researchers and practitioners will have new and different opportunities in their respective roles.

Finally, in order to gain a better understanding of multiple commitments, researchers and practitioners need to take a perspective of social exchange. This follows from the possibility that individual's multiple commitments may be a product of social exchange among the employee and another party at work. For example, employee commitment and their outcomes in this study can be viewed as the result of a social exchange process in which employees perceive the organization's care and respect as consequence of PEP, ethical organization climate, and LMX quality. This is consistent with Cohen's (2003) approach to the understanding of the mechanism of multiple commitments. Combining past research on social exchange with the current results suggests that the role of social exchanges should not be ignored in evoking commitment.

Limitations and future research

The results from this study, however, should be interpreted with an acknowledgment of the following limitations. A serious limitation of the current research was its reliance on self-reported survey from one source and at one point in time. Since all data were obtained from a single questionnaire, it is possible that common method variance inflated the true relationships between the antecedents and outcomes of the two forms of commitment. Also, as a cross sectional study, this research is limited in testing for cause-effect relationships. Although the findings of the study are strengthened somewhat by the use of structural equation modeling, a longitudinal design and more sources of data would be useful to assess the causality of the hypothesized relationships. Another limitation of the current research was that study construct scales were developed in the West. It is reflected in Kim and Miller's study (2008) found another factor of ethical climate in the Korean context. Using non-indigenous commitment scales can be also a potential error source. In particular, the use of a shortened measure of organizational commitment may have had an impact on the findings resulting from the study. Although its reliability was found to be acceptable, it may not capture the meaning of organizational commitment in the Korean setting. The third limitation of the current study is related to the representativeness issue of the sample. As with all research, there are contextual limitations based on the sample. In this case, the sample represented only white-collar workers in only one country. In this respect, generalizing beyond this may not be wise. Finally, although the hypothesized model was consistent with the data, there may be other, untested alternatives that would adequately represent the data. Although we tested three plausible alternatives and found them inferior to the proposed model, we acknowledge that other models might fit the data equally well.

The following recommendations are suggested for future research. First, future research should seek an appropriate assessment of the nature of the organizational commitment–career commitment relationship in specific situations. As noted earlier, this study considered the two different foci of commitment as correctional constructs to address multi-commitment lived experience. Several researchers, however, have shown that the concept of perceiving commitment to organization and commitment to career is different (Balu, 1985) and there is an inconsistent causality between them (e.g. Carmeli and Freund, 2004; Goulet and Singh, 2002; Morrow and McElroy, 1986). In this regard, exploring the somewhat problematic influence relationship, as well as the interactions with other foci of commitment, would enrich our understanding of how interdependencies develop across them and affect behavior.

Second, future research should include the impact of the combined influence of organizational tenure and its related attributes to make the findings more pervasive. This will be more critical in those cases where a perceptual variable such as organizational reputation is considered in terms of multiple commitments. Because commitment can develop simply as a result of the longevity of the employment relationship (Gaertner and Nollen, 1989), having a wider range of tenure and age in the sample would investigate this relationship. In addition, along with an illumination of the relationship between commitment process and organizational life stage, adopting new moderators, such as individual conscientiousness, career opportunities, and organizational socialization could also contribute to expanding the existing knowledge in the work commitment literature.

Finally, more research is needed to test the present model on other populations. While this sample is a suitable one for the current study, the background and practices of the Korean organizations may limit the generalizability of our findings to other cultural or organizational settings. Future research in additional countries and organizational settings would be valuable to investigate the possible roles of PEP, ethical organizational climate, and LMX quality in perceptions of multiple commitments.

Conclusions

This study provides a comprehensively integrated framework for understanding the effects of PEP, ethical organizational climate, and LMX quality on employees' commitments and their subsequent attitudes. Among these Korean firm's employees, each predictor of interest significantly influences their training participation motivation and turnover intention via multiple forms of commitment. It suggests that traditional commitment model can and should be reframed to reflect the way today's individuals view multiple commitment in a new employment relationship. This study gives helpful guidance to HR professionals to implement the strategy in which commitments to organization and career can be operated as a check and balance tool for each other. As discussed earlier, it also points to some interesting directions for future research.

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Figure 1
Research Model

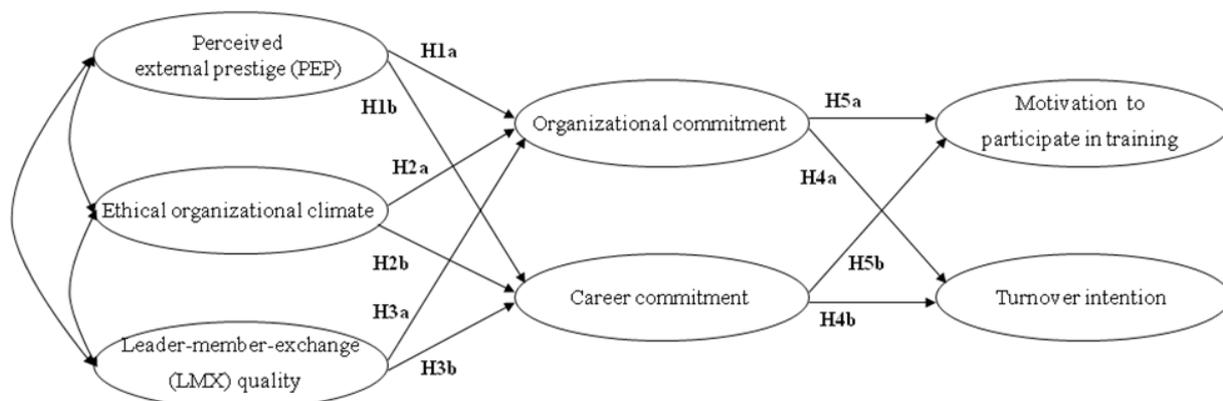


Table 1
The Main Characteristics of the Sample (n=477)

	Frequency	Per cent
<i>Age</i>		
30 years or less	206	43.2
Over 30 years	271	56.9
<i>Gender</i>		
Male	361	75.7
Female	116	24.3
<i>Tenure in Organization</i>		
84 months or less	245	51.4
Over 84 months	232	48.6
<i>Job type</i>		
Technical Operation	75	15.7
Marketing	74	15.5
R&D	16	3.4
Administrative	169	35.4
Others	100	21.0
<i>Education level</i>		
Vocational Education	32	6.7
Graduate	347	72.7
Postgraduate	98	20.5

Table 2

Means, Standard Deviations, Reliabilities, and Bivariate Correlational Matrix

Variables	Mean	SD	α	1	2	3	4	5	6
Perceived external prestige (PEP)	3.38	.53	.87						
Ethical organizational climate	3.66	.52	.72	.42***					
Leader-member exchange (LMX)	3.57	.73	.93	.31***	.39***				
Quality Organizational commitment	3.31	.49	.71	.37***	.33***	.33***			
Career commitment	3.52	.50	.81	.27***	.42***	.36***	.38***		
Motivation to participate in Training	3.73	.63	.89	.30***	.37***	.24***	.32***	.49***	
Turnover intention	2.26	.83	.86	-.46***	-.42***	-.35***	-.50***	-.37***	-.37***

Note. *** $p < .001$

Table 3

CFA with Results of Model Comparisons

Models	χ^2	<i>df</i>	$\Delta \chi^2$	Δ <i>df.</i>	NNFI	CFI	PGFI	RMSEA A
Seven-factor model (hypothesized)	525.81	209	-	-	.97	.98	.69	.056
Six-factor model (organizational and career commit items combined)	664.83	215	139.02	6	.96	.97	.69	.066
Single-factor model	3096.73	230	2570.92	21	.79	.81	.53	.162

Note. N for all chi-squares was 477. NNFI = Non-Normed Fit Index, CFI = Comparative Fit Index, PGFI = Parsimony Goodness of Fit Index, and RMSEA = Root Mean Square Error of Approximation. In general, the values of NNFI and CFI close to 1 indicate a very good fit of the model, and an RMSEA smaller than .08 represent reasonable errors of approximation for a model. For the PGFI, values higher than .50 indicate a “close” fitting model.

Table 4
Fit Statistics and Model Comparisons

Models	χ^2	<i>df</i>	$\Delta \chi^2$	$\frac{\Delta}{df}$	NNFI	CFI	PGFI	RMSEA A
Hypothesized model	543.72	216	-	-	.97	.97	.71	.056
Alternative model 1	541.54	214	2.18	2	.97	.97	.70	.057
Alternative model 2	536.37	212	7.35	4	.97	.96	.70	.057
Alternative model 3	532.40	210	11.3 2	6	.97	.96	.70	.057

Note. N for all chi-squares was 477. NNFI = Non-Normed Fit Index, CFI = Comparative Fit Index, PGFI = Parsimony Goodness of Fit Index, and RMSEA = Root Mean Square Error of Approximation. In general, the values of NNFI and CFI close to 1 indicate a very good fit of the model, and an RMSEA smaller than .08 represent reasonable errors of approximation for a model. For the PGFI, values higher than .50 indicate a “close” fitting model.

Figure 2
Structural Path Estimates of the Initial Hypothesized Model as a Best Fit Model

