Ethics, Relationship Marketing and Corporate Performance: Theoretical Analysis through the Mediating Variables

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Received: April 3, 2012      Accepted: May 4, 2012      Online Published: July 1, 2012
doi:10.5539/ibr.v5n8p68     URL: http://dx.doi.org/10.5539/ibr.v5n8p68

Abstract

Ethics occupies predominant place in the management of the company, view it role in the development of ethical behavior of employees. The establishment of an ethical climate within the company is considered an intangible resource that has positive effects on growth of performance. In this framework, and from an analysis of existing literature, we will try to determine the impact of an ethical approach oriented employee on corporate performance based on the tools of relationship marketing. The main results of this work is that relationship marketing acts internally in the enterprise through internal marketing, and ethics indirectly affects corporate performance across four dimensions of relationship marketing (internal marketing): communication, organizational trust, job satisfaction and organizational commitment. These constitute mediating variables between ethics and performance. Our goal is to establish a conceptual model representing the different relationships.

Keywords: ethics, relationship marketing, internal marketing, performance, organizational commitment, organizational trust, satisfaction, communication

1. Introduction

Because of increasing ethical problems in business, organizations are seeking increasingly to adopt measures that preserve and develop their reputation, for the reason that corporate reputation is seen as an intangible resource that creates a competitive advantage for the enterprise and high performance (Iwu-Egwuonwu, 2011).

Many studies have emphasized the importance of ethical and social responsibility approaches in relations between business and consumers (B to C) or the relationship between businesses (B to B). However, very few works those focus on the impact of ethics on company employees and its implications on organizational performance. Our work fits into this sense. Our goal is to determine the impact of an ethical employee orientation in corporate performance based on the tools of relationship marketing. In other words, how relationship marketing can it promotes the creation, maintain and strengthening of an ethical climate within the company? And how this climate can it supports the growth of business performance?

In this context, we will try to provide theoretical answers to these questions based on the existing literature reviews in this area. In the first place, we will attempt to determine the place of ethics within the company. In the second place, to present the importance of relationship marketing as a process and it role in achieving performance. In third place, we will highlight the links between relationship marketing and ethics and reveal the mediating variables. Fourth, we will outline the characteristics of each variable. Finally, we will formulate propositions for research and develop our conceptual model.

2. Ethics in Business

The corporate culture is marked by several values that determine the specific nature of the company. Adopting an ethical approach is reflected in the integration of ethical dimension in organizational values. Hunt et al. (1989) indicate that the ethical values of the company promote the establishment and maintenance of standard that trace “good” things to do and “bad” things to avoid and allow the organization to set normative standards for employees. These ethical standards influence individual choice and facilitate the achievement of desired actions.
by the company. Specifically, when these values and standards are shared with members of the organization, they participate in organizational success and the achievement of high performance.

The ethical values of the company emanate from the personal beliefs of the members of the firm and are determined by a company’s institutionalizes and unendorsed practics (Valentine & Barnette, 2003). Singhapakdi and Vitell (2007: 284) define institutionalization of ethics as “the degree to which an organization explicitly and implicitly incorporates ethics into its decision-making processes”. Implicitly incorporating ethics means that ethical behavior is implied, or not directly expressed, and is understood to be crucial, it appears mainly in the organizational culture, leadership ethics and in communication (Jose & Thibodeaux, 1999). Explicitly incorporating ethics means that ethical behavior is formally expressed without vagueness. Explicit forms include codes of ethics, ethics training, newsletters (Jose & Thibodeaux, 1999). In this context, Singhapakdi and Vitell (2007) emphasize that the explicit institutionalization has a significant impact in the perceived importance of ethics. Nevertheless, companies must maintain explicit rules and guidelines, ensuring compliance and the strict application of codes of conduct to clarify for employee appropriate actions to achieve. The authors conclude that the institutionalization of ethics is vital in the perceived importance of ethics for employee, which in turn can lead to more ethical behavior.

The impact of codes of ethics on employee behavior has been subject of several works. Valentine and Barnett (2003) showed that the presence of an ethics code reinforces the perception of employee values and ethical practices of the organization and therefore, employees have more intention to engage in ethical behavior. However, employee perception is influenced by several factors such as specificity and contained of the code of ethics, how it was communicated to employee and the effectiveness of the reward / punishment for non-compliance or compliance to the instructions of the code of ethics (Schwartz, 2001). For his part, Stevens (2008) argues that ethical codes can be an effective tool for training employees on ethical behavior and a guide to decision making. He shows that culture and communication are the keys to success of these codes. Besides, employees must be aware of the codes contained and even participate in its development to achieve a consensus of opinion between the employee and the organization. Shared values reflect not only the recognition of the importance of the employee but also the culture of the firm.

On the basis of an empirical study, Ponnu and Tennakoon (2009), revealed the existence of positive relationships between ethical behavior of leaders and employee attitudinal outcomes such as employees’ organizational commitment and trust.

Also, the ethical values of the company positively influence corporate performance. Berrone et al. (2007) have empirically tested the impact of ethical identity of the company on financial performance. They found that companies with strong ethical identity can obtain a greater degree of stakeholders satisfaction, which in turn affects positively the financial performance of companies.

3. Review of Literature on the Relationship Marketing

3.1 Historical Overview of Relationship Marketing

During the two past decades, researches in marketing knew a significant change marked by the transition from transactional marketing, focusing on the marketing mix with the four P’s: Price, Product, Promotion, Place and the short term goals, to relationship marketing based on long-term orientation and a strong commitment to customer satisfaction. Some authors consider relationship marketing as “a reorientation of the company toward the customer” (Ivens & Mayrhofer, 2003: 40), “one of the major changes having affected the exchanges between firms these fifteen last year’s” (Ivens & Pardo, 2004: 5), or even a “new paradigm for marketing” (Gruen, 2005: 72). Kotler (1995) indicates in this sense that marketing crosses a “crisis of maturity” that challenges the traditional goals of business inherited from a neoclassical economic model based on maximization of the short term profits.

The origins of relationship marketing are rooted in the area of industrial marketing and service (Takala & Uusitalo, 1996). Since 1970, the Americans became interested in the B to B (Business-to-Business relationship), and customer-supplier relationships (Murphy et al., 2007). There was recognition that, in services marketing, the goal is to not only to attract customers but to maintain them in order to develop relationships with them on the long term (Harker & Egan, 2006). In this context, relationship marketing is seen in a social science perspective with a holistic view of business. In other words, whereas transactional marketing is incorporated in the science of management as a specialized discipline, relationship marketing touches many fields such as psychology, organizational behavior, and sociology (Harker & Egan, 2006). In addition, a conceptual model was presented by Jancic and Zabkar (2002), showing that relationship marketing is an intrinsic social exchange compared with
marketing management which is an extrinsic economic exchange. The intrinsic exchange creates a perception of personal obligations, commitment and trust.

The European literature was concerned with the relational dimension of marketing since the years 1950 and 1960 notably works of the Copenhagen School (Murphy et al., 2007), that to say twenty years before the Americans. European research focused generally on the approach of services marketing and industrial marketing network developed by the IMP Group (Industrial Marketing and Purchasing Group). These studies showed that interactions in industrial marketing, promote the development of social relationships and the construction of the relationship. Therefore, the contradiction with the American paradigm of classical 4 P is assumed to exist, at least at the beginning (Murphy et al., 2007).

3.2 Definition of Relationship Marketing

Although relationship marketing is generally based on the limits of transactional marketing and emphasizes the benefits of maintaining long term relationships with customers, its definition and its terminology are different from one author to another and far from being unanimous (Harker, 1999; Kasabov, 2007; Knox & Guar, 2007). Similarly, the epistemological and theoretical content of relationship marketing raises debates, discussions and controversies of researchers (N’Goala, 1998).

Berry is considered as the first author to state the term “Relationship Marketing” in the marketing literature in 1983. He developed the basics of the concept by defining relationship marketing as attraction, maintenance and enhancement of the customer relationships (Berry, 1983: 25). However, relationship marketing can be defined as “the process of planning, developing and nurturing a relationship climate that will promote a dialogue between a firm and its customers which aims to imbue an understanding, confidence and respect of each others’ capabilities and concerns when enacting their role in the market place and the society” (Kavali et al., 1999). This definition emphasizes the multidimensional character of relationship marketing, and incorporates a certain number of key ingredients and objectives of result of its implementation. In addition, we choose this definition because it contains key ethical concepts that underline the inherent nature of relationship marketing ethics.

3.3 Dimensions of Relationship Marketing

Panoply of academic research has tested operationalization of relationship marketing through various built, concepts or variables. It is in particular about the work of Gummesson (1994, 1997, 2002) which showed the existence of 30 approaches of relationship marketing. He divided these approaches into four large headings: Classic market relationships (for example, the classic dyad – the relationship between the supplier and the customer), Special market relationships (for example relationships via full-time marketers and part-time marketers), Mega relationships (for example, personal and social networks), Nano- relationships (for example, internal customer relationships). Wilson (1995) also proposed a model of customer-supplier relationships based on a list of 13 variables. Morris et al. (1998) identified 23 key variables classified by order of occurrence and demonstrated existence of different types of models of buyer-seller relationships. Paltamier et al. (2006) collected 18 mediators and antecedents relationship.

Generally, there are a multitude of variables or dimensions to characterize the relationship marketing and the consensus is far to be established. In order to select the key variables in this field, Theron and Terblanche (2010), attempted to identify, on the basis of an empirical study, dimensions of relationship marketing perceived as “important” for the managers, and that they are able to manage effectively. The authors justified this approach by three elements. Firstly, some dimensions revealed in the literature are specific for a sector and not for another. Secondly, the dimensions are not equally important during the establishment and management of relationship marketing. Thirdly, and from a practical point of view, it is desirable to be limited to a restricted number of dimensions which are critical for management and performance measurement.

In this context, an analysis of existing literature, focused on the identification of the variables that may influence the establishment, maintenance and enhancement of long-term relationships between consumers and firms, is used to define the key dimensions. In fact, two central variables are frequently cited and used in relationship marketing: commitment and trust, especially after the seminal work of Dwyer et al. (1987) and those of Morgan and Hunt (1994). According to Morgan and Hunt (1994), commitment and trust are central variables and mediators of the relational model and determine even the success of the relationship. On the other hand, there are empirical studies in relationship marketing, which show the presence of links such as the relationship between satisfaction, trust and commitment (Béjaoui & M’henna, 2010; Razzaque & Boon, 2003), the influence of satisfaction on trust (Leisen & Hyman, 2004; Liang et al., 2009), the impact of trust on commitment (Tellefsen & Thomas, 2005), the relationship between communication, satisfaction and commitment (Varona, 1996) and relationship between communication and trust (Fann et al., 2009) ....
Although there is uncertainty about the providing a complete set of values to represent the relationship marketing. Theron and Terblanche (2010) announced the presence of four core values in the literature of relationship marketing: commitment, trust, satisfaction and communication. These values are the most commonly cited in empirical research. They were studied at least twice more than the other dimensions of relationship marketing identified in the literature such as: power, shared values, cooperation, personalization, relational benefits, skills, and attracting alternatives (Theron & Terblanche, 2010).

### 3.4 Relationship Marketing as a Process

Morgan and Hunt (1994) tried to determine the nature of relationship marketing through the distinction between discrete transactions and exchange relationships. The authors count ten forms of relationship marketing, namely: 1) the exchange relations between producers and suppliers, 2) exchange relationships in service relationships, 3) strategies of alliance and co-marketing alliances, 4) alliances between firms and nonprofit organizations, 5) the relationship between business and government, 6) the relationship between business and consumers in the marketing services, 7) the working partnership, 8) exchanges between functional departments, 9) exchange relationships between the company and its employees through internal marketing, 10) exchange relations with each business unit. In order to cover all these exchange relations and highlight the processual character of relationship marketing (Dwyer et al., 1987), the authors postulate that relationship marketing is “all marketing activities aiming the establishment, development and maintenance of exchange relationships” (Morgan & Hunt, 1994: 22).

The relationship marketing orientation to the internal environment of the company is conducted through internal marketing. It is part of the relational paradigm which it is a major dimension. The logic of internal marketing is that “the employee is an internal customer” (Berry, 1981) which, like external customers, desire that their needs are satisfied. In fact, determining and satisfying the needs of employees promotes their motivation and retention, and therefore the company will be in a better position to deliver a better quality of products and services necessary to the satisfaction of external customers.

Human resources are considered one of the important intangible resources of the business, comprised mainly of knowledge, skills and attitudes of employees. Thus, organizations create and maintain sustainable values through the use of intangible resources (such as human resources). In fact, when human capital is rare, valuable and difficult to imitate, it can be a source of sustainable competitive advantage (Javadein et al., 2011). Berry (1981) indicates that treat employees as an internal consumers and use the marketing techniques within the organization will cause employee satisfaction (internal marketing). Employee satisfaction will translate into a better quality of service delivery, and therefore creating a sustainable competitive advantage within the organization (Javadein et al., 2011).

Internal marketing is considered as a process of interaction between the organization and its employees (Ahmed & Rafiq, 2003) or also “a relationship development process in which staff autonomy and know how combine to create and circulate new organizational knowledge that will challenge internal activities which need to be changed to enhance quality in marketplace relationships” (Ballantyne, 1997: 354). Thus, internal marketing aims to create a healthy environment promoting motivation, creativity, effectiveness and cooperation of all employees. It acts on the actions and behaviors of employees that may directly or indirectly influence customer satisfaction. Therefore, the organization may satisfy its external customers, by satisfying internal customers (Gounaris, 2010). Employees constitute, for the company, a valuable resource which ensures competitive advantage. For these reasons, companies need to establish “high contract partnership” with employees and effectively manage relationships within the organization (between departments, functions and employees). At this stage arise the following questions: How can the company develop an effective process for structuring and managing internal relationships? What is the nature of this partnership and what are the tools and mechanisms of establishing this? Ahmed and Rafiq (2003) tried to answer these questions. First, the authors indicate that relationship marketing provides a theoretical approach to analyzing these problems. In fact, the relational approach presents an alternative framework to the transactional approach to marketing that has formed the basis of the thought of internal marketing. Furthermore, Ahmed and Rafiq (2003) suggest that “high contract partnership” can be achieved through internal marketing which aims at establishing, developing and maintaining exchange relationships successfully within organization, and is based on the tools / mechanisms: understanding and intimacy, trust and commitment.

The trust-commitment construct is the subject of several studies in the literature of relationship marketing (Morgan & Hunt, 1994; Gundlach et al., 1995; Geyskens et al., 1996). Indeed, Blois (2003) considers the commitment and trust as the distinctive characteristics of a relationship. Sheth (2000: 619) argues that
“commitment and trust have emerged as building blocks of a theory. The relationship commitment-trust theory by Morgan and Hunt (1994) has been particularly influential. Their seminal KMV (Key Mediating Variables) model has a significant contribution to our understanding of relationship marketing”. Furthermore, Morgan (2000: 484) notes that “we need an expanded commitment-trust theory that includes such a framework, because such a framework would shed light on the processes and motivations of relationship building”. Morgan and Hunt (1994) consider trust and commitment as mediating variables between five antecedents (relationship termination cost, relationship benefits, shared values, communication, opportunistic behavior) and five outcomes (acquiescence, propensity to leave, cooperation, functional conflict, decision-making uncertainty).

Communication is considered as one of the antecedents of the construct trust-commitment. It is a central element of internal marketing, because it creates a suitable environment for a better quality of work and for the dissemination of information between the company and its employee. According to Morgan and Hunt (1994), Communication directly influence trust (and through trust indirectly influences commitment). However, in a recent study conducted in Australia among 244 employees in the food processing industry, Zeffane et al. (2011) have tried to explore the relationship between communication, trust and commitment. They found that there are positive relationships between members of the triad. Specifically, trust is central to this triad, preceded by communication, while the commitment is the final product. In other words, it is through trust that feelings of loyalty and commitment of employees are formed.

Creating a climate of employees trust in leadership, trust in the processes and systems of the company participates in increase of the job satisfaction. Mulki et al. (2006) argue that trust is an antecedent to job satisfaction. Also, Ahmadi et al. (2011) indicate that there are direct relationships, positive and significant between trust and job satisfaction.

On the other hand, the job satisfaction contributes effectively to the organizational commitment. Numerous studies have established the link between the two variables (Iverson & Maguire, 2000; Lincoln & Kalleberg, 1990; Mowday et al., 1982). They have shown that satisfied employees develop cognitive relations with the organization (commitment) and have less intention to leave the company. An empirical study, conducted among Lebanese banks, has reinforced this statement by announcing that job satisfaction is a very good predictor of organizational commitment (Dirania & Kuchinke, 2011).

3.5 Relationship Marketing and Corporate Performance

The philosophy of relationship marketing assumes that firms which pursuing customer orientation carry out higher profits than their competitors. However, studies show that this causality is only valid if the corporate culture reflects the customer focus. In this context, Ivens and Mayrhofer (2003), tried to explain how the company can improve the effectiveness of a policy of relationship marketing to achieve higher performance? They concluded that to be effective, relationship marketing must be adopted and practiced by all the services of the company. The challenge consists in developing a relational culture among employees in order that customer orientation is effectively perceived by the consumers.

According to Ivens and Mayrhofer (2003), the determinants of the performance of relationship marketing are: hardware and software. The hardware consisted of structures and instruments presenting the contents of actions carried. Software, founded on relational principles which govern the behavior of company toward its customers. These relational principles indicate how the company can manage its customer relationships. In this context, ethics is considered one of the relational principles (software) which guaranteed the durability of the relationship and creates a climate of trust between the parties.

The effectiveness of relationship marketing contributes to increased corporate performance (Ismail, 2009; Alsadi, 2010). In fact, the actions of relationship marketing positively affect the financial performance of the company by improving the quality of the relationship and the overall strength of the relationship consisting of trust, commitment and satisfaction (Palmatier et al., 2007). Specifically, the actions of internal marketing influence employee satisfaction which results in improved quality of service perceived by the customer and therefore an increase of organizational performance (Tortosa et al., 2009).

4. Connections between Ethics and Relationship Marketing

In 1981, Murphy and Laczniai (1981) have argued that in business firms, the function most often accused ethically abuse is the marketing function. Moreover, Chonko and Hunt (1985) conducted an empirical study relating to the ethical issues of marketing management. They tried to delimit, firstly, the nature and extent of the problems of marketing ethics, and secondly to examine the effectiveness of managers actions and codes of ethics in the promotion of the ethical behavior. They concluded that corruption, fairness, honesty, price, product, staff,
confidentiality, advertising, data manipulation and purchase are the ethical main issues confronted by marketing managers. Thus, ethics is a parameter which influences the effectiveness of marketing actions.

Various theoretical frameworks were mobilized to analyze the question of ethics in marketing. The general theory of marketing ethics (Hunt & Vitell, 1986) is one of these frameworks. It builds on the distinction carried out in moral philosophy between deontological ethics and teleological ethics (Hunt & Vitell, 1986). The deontological theory focuses on specific behaviors or actions and their accuracy or inaccuracy, whereas the teleological theory is focused on the consequences of behaviors and actions as well as the share of “good” and “bad” in these consequences. However, Cherry and Fraedrich (2002) have reformulated the consequentialist approach of ethical theory (teleological) and the non-consequentialist (deontological), by noting that the legitimacy of an act is not determined by its consequences (Piery & Lane, 2007). The authors hypothesize that the judgment is in the center of ethical decision making. It is founded on deontology and evaluated by teleology which influences behavior through the intention as a mediating variable (Piery & Lane, 2007).

Concerning relationship marketing, Gundlach and Murphy (1993) are considered the first to recognize that ethical principles are a prerequisite to the creation of a climate of collaboration necessary to the success of relationship marketing (Ndubisi, 2009). Gundlach and Murphy (1993) examined the ethical and legal foundations of relationship marketing by providing a continuum of exchange which places contractual exchange between the transactional exchange and relational exchange. In addition, the authors admit that trust, fairness, responsibility and commitment are the principal ethical dimensions of exchange.

Murphy et al. (2007) believe that relationship marketing is inherently a concept with strong ethical roots, since ethics is the key to the sustainability of relationships. They recognized the existence of several ethical dimensions, but they proposed the use of the theory of “ethical virtues” based on good moral habits. They assumed that there are three fundamental ethical virtues in relationship marketing, which stress on individuals and the organization rather than on problems and dilemmas. These are: trust, commitment and diligence. Nevertheless, Murphy et al. (2007) believe that the application of ethical virtues is effective only in an organization where there is a consumer orientation, dialogue, collaboration, and partnership with consumers.

Gummesson (1996) underlines the passage from “hard” mass marketing, to the creation of the relationships with consumers as “co-producers” and “members” of various programs. Values are created by the long term interactions between the different partners, in the respect and mutual gain. Companies become increasingly concerned about satisfaction of their customers. They add value to products or services such as the improvement of quality, service after purchases, support services. Ethical behaviors are judged not only like good things to do, but like a good deal (Kavali et al., 1999). Customer perception of the ethical character of the company and employees influences the quality of client-company, and therefore, trust and customer satisfaction (Valenzuela et al., 2010). Thus, the offer of the company within the framework of relationship marketing is regarded a “value carrier” in which the offer of the company is higher than that of competitors (Kavali et al., 1999).

Takala and Uusitalo (1996) proposed on the basis of normative ethical theory, a conceptual framework for the evaluation of relationship marketing in an ethical perspective. They suggested a program aiming at helping managers to plan and implement morally justified operations of relationship marketing. This program consists of four components namely: the ethics of keeping promises and truth-telling, the ethics of equal treatment of consumers, the ethics commitment and the ethics of communication. They add that it is necessary to establish a code of ethics to resolve ethical dilemmas of the everyday practice of marketing. This code must contain four elements and form a fixed part of the marketing program to ensure its effectiveness.

The introduction of codes of ethics within the company aims to create a climate of collaboration and cooperation between employees and the company and between employees themselves. Moreover, codes of conduct transmit ethical values of the company who are supposed to influence the behavior of employees and their decision making. It appears to be that many companies now see the formalization of business ethics as an integral part of their commercial practices (Svensson et al., 2006).

Internal marketing seen as a process and a principal component of relationship marketing, promotes the creation, maintenance and strengthening of relations between the company and its employees from the perspective of satisfying consumers. Thus, considering the employee as internal customer (Berry, 1981), internal marketing can be an engine for building an ethical climate within the company. Indeed, using internal communication, internal marketing facilitates the dissemination of ethical values, which are the basis for the creation of organizational trust Pučėtaitė and Lämsä (2008a, 2008b) and organizational commitment (Hunt et al., 1989; Valentine & Barnett, 2003; Collierand Esteban, 2007; English, 2008). These attitudes contribute to employee satisfaction at work (Mowday et al., 1982; Lincoln & Kalleberg, 1990; Iverson & Maguire, 2000; Mulki et al., 2006; Ahmadi et
al., 2011) which in turn participates in consumer satisfaction (Zeithaml & Bitner, 2000). Obviously, consumer satisfaction is the main source of corporate performance (Van Der Wiele, 2002).

From the preceding, it is possible to assume that the relationship marketing across its dimensions (communication, organizational trust, organizational commitment and employee satisfaction), acts as a mediator in the relationship between ethics and corporate performance.

5. Mediating Variables

To clarify the role of each mediating variable (dimension of relationship marketing) in the relationship between ethics and corporate performance we will try to present the characteristics of each variable.

5.1 Communication

Anderson and Narus (1990) define communication as the provision of relevant and timely information between actors. On the other hand, Mohr and Nevin (1990) emphasize the message (content), channel (means), feedback (two way communications) and communication impact/effect as the main elements of the communication process. Also communication makes reference to the concept of transmitters and receivers, coding and decoding of information as well as responses and possible disturbances in the communication process itself.

Communication with employees is realized through internal communication. It can be defined as transactions between individuals and groups in organizations at various levels and in different areas of specialization (Dolphin, 2005), ou encore as “all formal and informal communication taking place internally at all levels of an organization” (Kalla, 2005; 304). Steyn et al. (2011) emphasize that, effective internal communication can give meaning to jobs, make people feel connected and accountable and increase productivity. Internal communication policies should thus encourage frequent, honest, open, job related, two-way communication among managers and subordinates facilitated by an accommodative internal environment.

Dolphin, (2005) indicates that the main role of internal communication is building and nourishing employee relations, establishing trust, providing timely and reliable information and thereby contributing to general motivation, particularly in times of change and stress. Furthermore, communication plays an important role in building and developing a corporate culture based on specific values. Lovelock et al. (2008) suggest that an effective internal communication makes it possible to deliver satisfactory services and to maintain harmonious and productive relationships while reinforcing trust, respect and loyalty of employees. This communication is carried out through internal newsletters, video, meetings, intranet (internal network to the enterprise) or of internal companions.

5.2 Organizational Trust

The concept of trust has been the subject of several definitions depending on the application domain: the philosophy, sociology and economics. However, at the organizational level, Mayer et al. (1995, 2007) developed “an integrative model of organizational trust” in which they define trust as the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” Mayer et al. (1995: 712).

This definition emphasizes the concept of vulnerability that combines the risk and uncertainty. Roulleaux Dugage (2008, p: 50) indicates that “any trust has a threshold, namely the accepted maximum risk. We always make trust to a certain point. To make trust, is to abandon the idea to control the actions of the other (risk) in a particular domain of knowledge, because we think (uncertainty) that is benevolent and competent, at the same time, in this domain”.

Organizational trust has done a lot of flow anchor. In effect, works that address the role of trust in the development of an employment relationship are numerous (Dirks & Ferrin, 2002). However, it is possible to distinguish several types of trust according to the referent chosen which may have a particular effect on the quality of the employment relationship. Besides, “employees can develop a relationship of trust toward of at least two referents, whose supervisor and general representatives of the organization” Whitener (1997: 393). The organization is represented by its executive officers and procedures. In this context, the trust of the employee in the direct supervisor is more likely to explain the behavior and performance at work (Deluga, 1994; Gomez & Rosen, 2001), while trust in his organization is more related to attitudes oriented organization and not to daily work such as organizational commitment and intention to leave (Aryee et al., 2002; Mayer & Gavin, 2005; Wat & Shaffer, 2005). Whatever the type of referent selected, three elements are sources of trust, namely: the skills of the party which we trust, benevolence and integrity (Guerrero & Herrbach, 2009). These three factors contribute uniquely and independently to form a trust in organization (Mayer et al., 1995).
5.3 Organizational Commitment
Meyer and Allen (1991) describe organizational commitment as a link, a psychological state that characterizes the relationship between the employee and the organization, which has implications for the decision to remain within the organization. This psychological state can take three forms which they called the three components of organizational commitment (Allen & Meyer, 1996; Meyer & Allen, 1991, 1997): Continuance commitment, affective commitment and normative commitment.

- The continuance commitment: refers to the predisposition of an individual to feel connected to the organization according to the benefits that it gives him (salary, status, promotion, etc.). And what costs him to stay there (sacrifices of time, salary, etc.).
- Affective commitment: refers to the emotional attachment and identification of an employee to his organization.
- The normative commitment: is defined as a moral component referring to the sense of obligation and responsibility.

Meyer and Allen (1997) emphasize that these three components of organizational commitment coexist in varying degrees in the individual and are not mutually exclusive.

5.4 Job Satisfaction
Job satisfaction can be defined as an outcome of perceptions of the employees about the importance of the things that are provided by their jobs and it is an emotional response to the job that could only be inferred, outcomes of job either meet or exceed expectations, and attitude towards the job (Luthans, 2002). For Pool, (1997) job satisfaction is an attitude that individuals maintain about their jobs. Also, job satisfaction is an internal state that is expressed by affectively and cognitively evaluating an experienced job with some degree of favor or disfavor (Whitman et al., 2010).

Job satisfaction is considered as a multidimensional concept, because it is an emotional response toward various facets of work. A person can be relatively satisfied with one aspect of his work but not satisfied with one or more other aspects (Rahman, 2006). Robbins (1997) emphasizes the existence of five elements influencing satisfaction or dissatisfaction in the work: nature of the work, supervision, present pay, promotion opportunities and relation with coworkers. It possible to add another element, that “immediate working condition” (Davis & Newstrom, 1997).

6. Proposed Conceptual Model
The integration of ethical values within the company and its institutionalization promotes the creation and maintenance of ethical behavior and provides guidance in decision making. Research has shown that establishing an ethical climate in the company has in positive impact on company performance (Weeks, 2004; Shah et al., 2011). To this end we propose:

Proposition 1: Ethics in enterprise has a direct and positive impact on performance.

Proposition 2: Ethics has a positive impact on relationship marketing.

Proposition 3: Relationship marketing positively influences corporate performance.

6.1 Ethics, Communication and Performance
There is a general agreement in the literature on the necessity of communication for the success of ethical codes and charters in company. Internal communication promotes the diffusion of information for the employees about ethical and social activities of the enterprise by ensuring the integration of ethical values in the behaviors and the minds of employees. Specifically, “through communication, managers are able to subtly but potently embed and
transmit the underlying ethical values and expectations of the organization’s rules and codes to their subordinates. When employees understand and embrace the expectations and values inherent in organizational rules and codes in their everyday decisions, the result is a principled-local climate” (Parboteah et al., 2010: 606). For that, training programs and awareness programs of the employees constitute communication tools of the content of ethical codes, and means to implement them (Valentine & Barnett, 2003; Svensson et al., 2009). So, Communication is a means to ensure the effectiveness of ethics and codes of conduct (weeks & Nantel, 1992; Koh & Boo, 2001; Van Sandt & Neck, 2003; Stevens, 2008).

Verbeke et al. (1996) indicates that the communication within the company has a positive effect on ethical decision made by employees. Moreover, Irrespective of the content of the communication, as individuals communicate with each other more frequently, they are more likely to learn about and take others’ needs and perspectives into account and consequently engage in more ethical decision-making. Other hand, when there is effective communication within the company, employees are more likely to consider the welfare of others, and less inclined to satisfy their personal interests when making decisions (Parboteah et al., 2010).

Based on an empirical study conducted among 1025 employees in Brazil, Thomaz (2010) showed that the behavior of members of an organization generate images that are communicated and perceived by the public of the organization. The repetition of these images expressed its conduct and forms the reputation (favorable or unfavorable) of the organization in the minds of stakeholders. A positive reputation of the company promotes increased business performance. In addition, the company’s reputation is considered an intangible resource, and currently intangible resources are considered as a source of sustainable competitive advantage (Iwu-Egwuonwu RC, 2011).

**Proposition 4:** Communication plays a mediating role in the relationship between ethics and corporate performance.

6.2 Ethics, Organizational Trust and Performance

According to Pučiatė and Lämsä (2008a), it is possible to built organizational trust across tools of the ethical management such as codes of ethics, training on ethics, auditing, ethics... The authors postulate that “the advancement of organizational trust is a process which involves organizational practices based on ethical principles. Since ethics management tools are directed at managing organizational values, principles, behavior norms in an organization, the tools can reinforce use of ethical organizational practices. When ethics management tools and ethical organizational practices are used in tandem, organizational trust can be advanced” (Pučiatė & Lämsä, 2008a: 381). In addition, Mulki et al. (2006) have concluded that trust in supervisors is an essential element in the process by which the ethical climate influences salespersons’ job attitudes including job satisfaction and organizational commitment.

Pučiatė, Lämsä (2008b) argue that the work ethic and organizational trust are not static phenomena, but rather dynamic. This can be explained by the fact that the attitudes, behaviour norms and principles that constitute work ethics in a certain context may be changing due to pressures of the external environment (e.g. growing society’s expectations towards product quality) or may be changed by internal, for instance, management’s endeavours (e.g. training programmes to enhance employees’ competences).

Organizational trust and particularly intrateam trust (perceptions of trust that a team member has in his or her fellow team members) is positively related to team performance (De Jong & Elfring, 2010). Thus, based on a meta analysis conducted on trust in superior, Dirks and Ferrin (2002) have shown that trust is a major antecedent for a number of key outcomes, including job performance, organizational citizenship behaviors, organizational commitment, job satisfaction, and turnover intentions. The authors described the mechanism by which trust in superiors positively influences performance. “First, as trust develops, people will spend less time covering their backs and more time focusing on their jobs. Second, drawing upon social exchange theory, they suggested that individuals who trust one another will develop higher quality social relationships. In these relationships, individuals will help one another and go above and beyond the call of duty, actions which should lead to higher levels of performance” (cited by Palanski et al., 2011).

**Proposition 5:** Organizational trust plays the role of mediator in the relationship between ethics and performance.

6.3 Ethics, Job Satisfaction and Performance

An empirical study established by Sergio (2003) in banks, shows that ethical behavior of sellers have a positive impact on customer satisfaction. Specifically, the author points out that ethical behavior of sellers influence
consumer satisfaction towards the basic service and not the satisfaction of the company. These results highlight the importance of the behavior of the staff in contact on customer satisfaction.

Moreover, the explicit or implicit institutionalization of ethics has a positive effect on employee satisfaction (Vitell & Singhapakdi, 2008). On the one hand, the implicit institutionalization of ethics is a significant determinant of organizational climate, particularly in the change of the organizational culture. On the other hand, the explicit institutionalization of ethics through the rules, guidelines and ethical codes facilitates employee’s understanding of ethical actions undertaken by the firm. However, the authors think that to inculcate specific values and beliefs in the mind of the employees, an implicit institutionalization of ethics may require some explicit acts.

Elci and Alpkan, (2009), announced that in company, there are several types of ethical climates (climate of social responsibility, voluntary climate, climate selfish...) which can affect the job satisfaction in a positive, negative, and some of them are not related to satisfaction. Researchers suggest that to be able to influence the job satisfaction, organizations must have a law and professional codes of ethics accompanied by regular ethical audits. In this case, employees are obliged to comply with these regulations and professional codes.

For this purpose, the establishment of an ethical ideal climate increases job satisfaction and therefore, provides higher performance (Pettijohnet et al., 2008; Elci & Alpkan, 2009). Clearly, a high level of performance results by profits for the company.

Proposition 6: The job satisfaction plays a mediating role in the relationship between ethics and performance.

6.4 Ethics, Organizational Commitment and Performance

Theoretical and empirical studies (Hunt et al., 1989; Valentine & Barnette, 2003; Collierand & Esteban, 2007; English, 2008) showed that there are positive relationships between ethical values of the company and organizational commitment in marketing. They believe that to maintain a high level of employee commitment, leaders and managers must define, refine, evaluate, communicate and institutionalize ethical principles in the policies, the practices and objectives of the company, and consequently the realization of the specific organizational benefits such as productivity and effectiveness.

Fritz et al. (1999), add that the commitment of employees differs according to the organizational level. They distinguish three organizational levels namely: the aggregate level, the central level and the higher level. The degree of employees commitment of the three hierarchical levels depends on the reliability of information transmitted on the ethical values and standards.

In addition, Turker, (2009) analyzed how the “Corporate Social Responsibility” influences organizational commitment while being based on the theory of social identities. He found that Corporate Social Responsibility towards social and non-social stakeholders, employees and consumers conjectures organizational commitment. Research on the impact of Corporate Social Responsibility on employees can be classified into two categories. On the one hand, research which analyzes how the company affect prospective employees. In this case, the Corporate Social Responsibility creates a good reputation of the company and increases its attractivity as an employer, as well as the social performance sends signals to job seekers. On the other hand, studies which trait the impact of Corporate Social Responsibility on current employees of the company. In this context, Corporate Social Responsibility is interested in the behaviors of employee. The perception of the employees of corporate citizenship ensures a high level of commitment, customer loyalty, as well as sustainable performance (Maignan et al., 1999).

Furthermore, the link between organizational commitment and Corporate Social Responsibility can be determined through the satisfaction of the needs for employees (Peterson, 2004). Employees come to the company with needs, skills and expectations. They wish to work in an environment where they can use their abilities and satisfy their needs. If the company offers this opportunity to the employees, the level of organizational commitment increases (Vakola & Nikolau, 2005), absenteeism and turnover decrease in the organization what supports the increase in the organizational performance (Hunt et al., 1985).

Weeks et al. (2004) examined the relationship between ethical climate, organizational commitment and performance among sellers. The researchers estimate that the ethical climate has an effect on the sales force. The perception of the sellers of the positive ethical climate influences their individual commitment to quality and organization. However, Weeks et al. (2004) suggest that ethical climate does not have a direct effect on the performance; it acts indirectly performance when there is an individual commitment to quality and to organization as mediating variables.

Proposition 7: Organizational commitment plays a mediating role in the relationship between ethics and corporate performance.
Based on the literature review developed throughout this work and the seven research propositions presented above, we will try to establish our conceptual model linking ethics, relationship marketing and corporate performance. (Figure 1)

![Conceptual Model of Ethics, Relationship Marketing and Corporate Performance](image)

**Figure 1. Our conceptual model of Ethics, Relationship Marketing and Corporate Performance**

7. Conclusion

In this work, we tried to establish, from the existing literature, the links between ethics, relationship marketing and corporate performance. Our goal is to determine the impact of creating an ethical climate within the company on company performance based on relationship marketing. The latter is applied within the company through internal marketing (Morgan & Hunt, 1994).

Establishing an ethical climate within the company supports the creation of ethical behavior of employees as well as ethical decision making. This climate is directly involved in corporate performance. Since relationship marketing is itself a concept with strong ethical roots (Murphy et al., 2007), it contributes, through the mechanisms of internal marketing, to the implicit and explicit institutionalization of ethics.

Internal marketing is considered as the process of establishing, maintaining and building sustainable relationships between the organization and employees. This process is based on mechanisms which ensure the durability of relations: communication, organizational trust, job satisfaction and organizational commitment.

The analysis of the literature review has shown that these mechanisms act as mediator in the relationship between ethics and corporate performance. Indeed, internal communication facilitates the dissemination of ethical values, which are the basis for the achievement of organizational trust and organizational commitment. These behaviors promote employee satisfaction in the work which in turn participates in consumer satisfaction. Some theoretical and empirical studies have affirmed the positive impact of consumer satisfaction on corporate performance (Van Der Wiele, 2002).

This paper has managerial implications relating mainly to the positive effects of the establishment of an ethical approach to employee satisfaction and thereby increases the performance of the company. Thus, if a company wants to have an employee satisfaction at work, a strong organizational commitment, organizational trust, it is important to regularly communicate the values and ethical standards to preserve the reputation of the company.
References


