

## Exploring the interaction of work attitudes and the role of mechanisms in a crisis situation

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### Keywords

Employee engagement; crisis; leadership; person-organisation fit; affective commitment; psychological climate

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### Abstract

*This study examines, through a critical literature review and an empirical study, the effect on employee engagement of work-related attitudes as these develop in a crisis situation. Using as case study the Greek financial crisis and its effect on business life & organizational behaviour, the study identifies four work related attitudes - person-organisation fit, affective commitment, psychological climate and ethical leadership - examines their interaction with employee engagement, and, adopting a crisis management (CM) theoretical framework perspective, it also examines employee engagement and ethical leadership as useful and efficient mechanisms to cope with the crisis. Through a quantitative analysis of selected empirical data from a heterogeneous sample of Greek private sector employees, the study indicates that employee engagement has positive relations with person-organisation fit, affective commitment, psychological climate and ethical leadership under an economic crisis. These research findings have important implications to organizations and its decision makers dealing with a crisis. The paper concludes with implications for further research.*

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### Theoretical framework

In the current years of austerity and global financial recession, crisis has hit business life & organizations in Greece and worldwide. Nowadays, research symposia and research projects emphasize more and more the importance of employee engagement in assisting organizations to deal with the dramatic consequences of crisis situations which often put into a risk business sustainability.

According to crisis management (CM) theory, in order to successfully deal with a crisis, an organization should primarily conceptualize correctly 'how' to address it, being not only reactive but proactive as well. Past research (i.e., Webser, 2000; Hauschildt, 2000; Mitroff, 2004) aimed to explore the concept and nature of a corporate crises and to understand the life cycles to which a company entered during the period of a crisis. Nowadays, the emphasis is given to the description of the modern crisis (Rosenblatt, 2002; Valackiene, 2011) which has elements and characteristics that were not identified before, i.e., economic growth and recession, while the aspect of change management and the integration of both human resource and technical-organizational spheres are highlighted. Ethical leadership and employee engagement are two promising mechanisms in modern organization to address a crisis (e.g., Welch, 2011; Saji, 2014; Markovits, Boer, & Dick, 2014; Dorasame, 2010).

Research (Welch, 2011; Saji, 2014) presents employee engagement as a tool that can lead to organizational success, productivity and effectiveness during times of crisis. Schaufeli and Bakker (2004), Rich, LePine, & Crawford (2010) support that employee engagement is a core underlying mechanism that gives light to other behavioural and attitudinal outcomes. While a variety of engagement frameworks exist in literature (i.e., Maslach, Schaufeli, & Leiter, 2001; Saks, 2006; Albrecht 2010; Harter, Schmidt, and Hayes 2002; Macey & Schneider 2008), Kahn's framework proposes three underlying conditions that

reflect an employee's willingness to engage. As there is sufficient evidence (Shuck, Reio Jr, & Rocco, 2011) that job fit, affective commitment and psychological climate reflect those underlying conditions, we purposely select Kahn's (1990) original engagement framework to build our hypotheses. According to Kahn (1990), the three constructs in understanding how engagement develops are meaningfulness, safety and availability. Meaningfulness is the feeling that one's work is worthwhile along with a sense of value in his/her accomplishments at work (Kahn, 1990). Safety is conceptualized as the ability to be one's preferred self without fearing 'negative consequences to selfimage, status, or career' (Kahn, 1990). Availability is seen as having the physical, emotional, and psychological resources necessary for the completion of work (Kahn, 1990).

Via an ethical leadership framework, Schwartz, Cragg, & Hoffman (2012) indicate that decision makers that do not attribute importance to ethical dimensions of CM exposing their business to serious risks. This finding parallels with the findings of other studies (Markovits et al., 2014; Dorasame, 2010) that posit that ethical leadership is a very useful tool in CM. In the past decade, interest in studying ethical leadership and its antecedents, outcomes and processes has been increasing steadily. According to Brown & Trevino (2002), ethical leadership is the demonstration of appropriate behaviour through 'personal actions' and 'interpersonal relationships and the promotion of such behaviour to employees through two-way communication, reinforcement, and decision-making. Ethical leaders communicate frequently and openly with employees, setting clear ethical standards and using rewards and punishments to ensure that those standards are embraced (Strang, 2008). According to Yukl (2006), an ethical leader is the person who promotes honesty and mirrors his or her actions with their values and beliefs. Brown, Trevino, & Harrison (2005) noted that the combination of employees' integrity, ethical standards and fair treatment are the roots of ethical leadership, while

### **Purpose of the study and research hypotheses**

The aim of this research is to study the influence of the Greek economic crisis on ethical leadership and employee engagement and show the relations between the influenced from crisis job fit, affective commitment, and employees' perceptions of psychological climate and ethical leadership with employee engagement. This influence is examined from a CM perspective. According to CM theory, an organization can have positive outcomes in dealing with a crisis when employee engagement and ethical leadership take place (Welch, 2011; Saji, 2014; Schwartz et al., 2012; Markovits et al., 2014; Dorasame, 2010).

The main research question that guides this study is: what is the relation between the affected from crisis variables of job fit, affective commitment, psychological climate and ethical leadership with employee engagement? To explore this research question, four research hypotheses are tested:

H1: The affected from crisis job fit relates negatively with employee engagement.

H2: The affected from crisis affective commitment relates negatively with employee engagement.

H3: The affected from crisis psychological climate relates negatively with employee engagement.

H4: The affected from crisis ethical leadership relates negatively with employee engagement.

### **Methodology**

The study uses primary data based on a questionnaire that was distributed to Greek employees. The research method used in this study is a deductive one as the study focuses on testing if a set of hypotheses obtain on a general pattern. Moreover, an empirical study is administered, and the findings are analyzed based on secondary research (literature review). For the purpose of the empirical study the case of Greece, during the ongoing crisis of 2008, is used as a case study. Greece is chosen as it is an example of crisis. Furthermore, there is no other study to date that examines the relations among a number of work-related attitudes during Greek economic crisis.

### ***Organisational behaviour in a crisis period***

The Greek economic crisis was triggered by the global economic recession in October 2008. Not only the employees, but the Greek society as a whole is affected by the crisis. According to the Hellenic Statistical Authority, Greece has the highest unemployment rate in Europe. Even worse, the highest unemployment rate is recorded among the ages of 15-24 years. Moreover, there was a decrease in the

seasonally adjusted index of wages of the 4th quarter 2013 compared with the corresponding index of the 4th quarter 2012 for Greece and Cyprus. Finally, statistics on income and living conditions revealed that in 2012, a large proportion of the total population was at risk of poverty.

Concluding, the last seven years of the crisis were very difficult for the Greek population resulting in dissatisfaction, uncertainty and desperation, which in turn had an impact on work-related attitudes, such as, employee engagement, psychological climate, job fit, affective commitment and ethical leadership (Markovits et al., 2014; Lee and Corbett, 2006; Matz-Costa, Pitt-Catsouphes, Besen, & Lynch., 2009; Plinio, Young, & Lavery, 2010; Martin & Gollan, 2012; Cooper & Antoniou, 2013).

### **Employee engagement**

Shuck (2013) expressed that employee engagement can be defined 'as a positive cognitive, emotional, and behavioural state directed toward organizational outcomes' (Shuck, 2013, p.138). Four major approaches exist that define the concept of employee engagement. These are: (a) Kahn's (1990) needsatisfying approach, (b) Maslach et al.'s (2001) burnout-antithesis approach, (c) Harter et al.'s (2002) satisfaction -engagement approach and (d) Saks's (2006) multidimensional approach. Each of the four approaches proposes a different perspective, nevertheless, they all unanimously conclude that organizations that develop employee engagement have the potential to significantly obtain important organizational outcomes (Harter et al., 2002; Maslach et al., 2001; Macey & Schneider, 2008; Saks, 2006). According to Bakker & Schaufeli (2008), organizations need engaged employees, and they are looking for ways to develop this workforce. Moreover, Welch (2011) suggests that employee engagement is the most important factor that can drive organization success and organization effectiveness.

However, employee engagement is one of the most affected by the crisis work-related attitudes. Matz-Costa et al. (2009) suggest a significant decline in overall levels of engagement since the economic crisis. A survey that was conducted by the global consulting firm Watson Wyatt in 2009 highlighted those levels of employee engagement dropped 9% over 2008. The study also revealed that levels of engagement of the companies' top performers dropped 25% over 2008 (Watson Wyatt, 2009). Furthermore, evidence shows that during an economic crisis, employees are forced to produce more for less (Covey, 2004) with fewer resources (Buckingham & Coffman, 1999) while having unclear job demands in a climate of low managerial support (Covey, 2004). As a result, employees get more disengaged in the workplace (Harter et al., 2002).

From a CM perspective, highly engaged employees are very important during a crisis as they are the force that helps the company get through it. Welch (2011) highlights that in order to deal with the crisis organizations should improve employee engagement as it can drive organization success and organization effectiveness. According to Saji (2014), during crisis, a company needs the service of engaged employees in order to be saved and to keep its customers happy. Research has shown (Welch, 2011; Saji, 2014) that the full power of employee engagement can save a company from the threat of a serious economic downturn.

### **Job fit**

According to Resick, Baltes, and Shantz (2007), job fit is the degree to which a person feels that their personality and values fit with their current job. Researchers who study job fit (e.g., Resick et al., 2007; Biswas and Bhatnagar, 2013) posit that good job fit is linked with the feeling of engagement at work. Good job fit provides opportunities for the development of meaningful work (Kahn, 1990; Resick et al., 2007), as well as environments where employees feel psychologically and emotionally safe and available (Kahn, 1990; May et al., 2004). Employees with good job fit in their work roles are more likely to feel enthusiasm and energy while performing their jobs and be engaged in their work. However, job fit is more likely to be negatively influenced by a crisis situation. As Cooper and Antoniou (2013) suggest, if the individual perceives a shift in the organization's values and congruence is reduced, it is likely to lead in lower perceived levels of person-organization fit. However, even if the dissatisfied employee will seek for another organization with a higher degree of person-organization fit, he/she will be confined by the dominant job market conditions (Cooper & Antoniou, 2013). This study attempts to examine the

relationship between job fit and employee engagement during a crisis situation. Figure 1 shows this correlation:

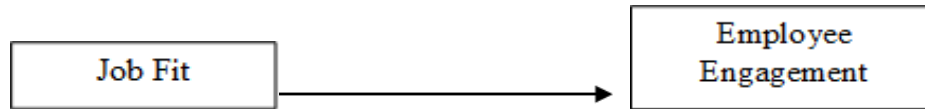


Figure 1: Job fit approach to employee engagement

### Affective commitment

Rhoades, Eisenberger, and Armeli (2001) posited that affective commitment is the sense of belonging and emotional connection a person feels about his or her job, organization, or both. Moreover, Rhoades et al. (2001) expressed that an employee's affective bond with their organization is an important antecedent of dedication, loyalty, and satisfaction. Research (e.g., Czarnowsky, 2008; Wagner & Harter, 2006) has proved that affective commitment has a strong relation to employee engagement. Moreover, many researchers (Saks, 2006; Macey & Schneider, 2008; Rhoades et al, 2001; May et al., 2004) suggest that affective commitment promotes the emotional connection employees have with their work and compares with the emotive qualities of engagement, including meaningfulness, safety and availability (Kahn, 1990). However, affective commitment is negatively influenced by a crisis (Markovits et al., 2014; Lee & Corbett, 2006). Markovits et al. (2014), who examined the impact of the recent economic crisis in Greece on employee work-related attitudes, found that participants, after the start of the crisis, were lower in affective commitment. This finding parallels Lee & Corbett's (2006) which examined the impact of downsizing following the 1997 Korean financial crisis on employees' affective commitment. The results indicated that the more severe the extent of downsizing, the lower employees' affective commitment to the organization. This study attempts to examine the relationship between affective commitment and employee engagement during a crisis situation. Figure 2 shows this correlation:

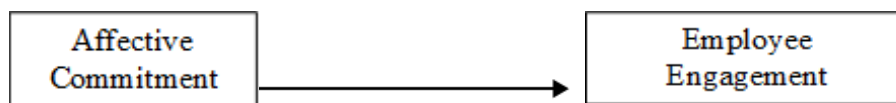


Figure 2: Affective commitment approach to employee engagement

### Psychological climate

Psychological climate has been defined by Brown & Leigh (1996), who developed it using Kahn's (1990) theory of engagement framework, as a person's perception of his or her environment at work interpreted by his or her perception of wellbeing. Moreover, they expressed that its facets (i.e., supportive management, recognition, contribution and challenge) paralleled the conditions of meaningfulness, safety and availability used in Kahn's (1990) original conceptualization of engagement. This was supported by further evidence that showed that psychological climate has important linkages to employee engagement (Czarnowsky, 2008; Harter et al., 2002; Wagner & Harter, 2006). Psychological climate provides a framework to a particular organization's culture and research (Brown & Leigh, 1996; O'Neill & Arendt, 2008). Moreover, work environments perceived as psychologically safe impact performance (Brown & Leigh, 1996) as they let employees focus on available resources and desired work outcomes (Brown & Leigh, 1996; O'Neil & Arendt, 2008). However, as Judge & Kammeyer-Muller (2012) highlight, attitudes are unsteady and can be easily affected by external stimuli. Markovits et al. (2014) posit that an economic crisis influences to a great extent job attitudes. Psychological climate at work is a work-related attitude that is negatively influenced by the crisis. Cooper & Antoniou (2013) argue that the economic crisis may create a deterioration of the leader-member relationship, particularly if reductions in workforce occur, leading to an individual perceiving of deterioration of the psychological climate. Nevertheless, as Epitropaki (2011) suggests, Greek companies, in order to deal with the crisis, should retain a good psychological climate (i.e., internal promotions, internal talent exploitation, emphasis in moral appraisal and in communication, etc.). This study attempts to examine the relationship between psychological climate and employee engagement during the Greek economic crisis. Figure 3 shows this correlation:



Figure 3: Psychological climate approach to employee engagement

### Facets of psychological climate used in this study

Supportive management, contribution, recognition and challenge are the facets of psychological climate that are used and analysed in this study, as they are developed using Kahn's (1990) original framework of engagement.

Brown & Leigh (1996), based on Kahn's (1990) employee engagement framework, expressed that the extent to which management is perceived as flexible and supportive and employees feel that they have control over their work and the methods they use to accomplish it is an indicator of perceived psychological safety. Control, freedom of choice and sense of security generated by supportive management are likely to promote motivation and increase job involvement (Kahn, 1990), each of which is indicative of how psychologically safe and meaningful the employee perceives the organizational environment to be (Brown & Leigh, 1996).

In addition, the extent to which employees feel that (a) they make an important contribution toward achievement of organizational goals, (b) the organization sufficiently recognizes their contributions and (c) their work is challenging and contributory to personal growth are indicators of perceived psychological meaningfulness (Brown & Leigh, 1996).

### Ethical leadership

Research and theory related to ethical leadership suggests that managers who exhibit ethical leadership influence organizational members through 'personal actions' and 'interpersonal relationships' (Brown et al., 2005, p. 120). Neubert et al. (2009) posited that, through ethical leadership behaviour, managers can affect employees' perceptions of ethical climate, which in turn will positively influence their job satisfaction and affective commitment to the organization. From another perspective, a review of the existing literature reveals that employees' perception of ethical leadership has a positive effect on employee engagement (Walumbwa & Schaubroeck, 2009; Den Hartog & Belschak, 2012; Heine, 2013; Khuong & Yen, 2014). Den Hartog & Belschak (2012) and Heine (2013), concluded that when employees perceived their leaders as acting ethically, they tended to report enhanced engagement in terms of feeling more vigor, dedication, and absorption at work.

However, research on CM has found that ethical leadership is negatively influenced by a crisis (e.g., Plinio et al., 2010; Martin & Gollan, 2012). Plinio et al. (2010) found that one of the most serious problems today is that organizations are facing poor ethical behaviour and non-existent ethical leadership. In addition, they found that trust in leadership is reduced, and the situation is worsened by a weak economy. According to Martin & Gollan (2012), the role of ethical behaviour is very important during a crisis period. They suggest that the HR strategy of a company should closely monitor leadership issues and (un)ethical behaviour.

Nevertheless, healthy leadership is of great significance during times of crises. As leaders' actions affect personally and financially their organizations, they play a critical role to their organizations. Social learning theory highlights that individuals are influenced by role models. According to Wood & Bandura (1989), managers' behaviour is more likely to be readily observed and reproduced. As a result, a need for ethical leadership is urgent in order to deal with a crisis (Dorasame, 2010). This argument is also highlighted by Markovits et al. (2014), who posit that managers should improve levels of morale by being fair and responsive to employees' needs and by treating them with respect. An ethical framework is imperative for social and economic development and can help a country get through the crisis (Dorasame, 2010). This study attempts to examine the relation among ethical leadership and employee engagement during a crisis situation. Figure 4 shows this correlation:

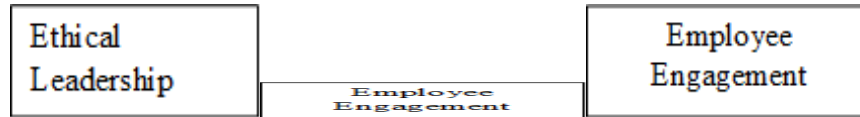


Figure 4: Ethical leadership approach to employee engagement

### Methodology Data Collection

Both primary and secondary research is used in this study. Relevant to the issues examined literature review is used in order to explore the nature of concepts and explain the relationships between the variables studied. A questionnaire is also used in order to gather primary data. Moreover, the questionnaire was distributed as an Internet-based self-report survey. The data was collected during the period from December 2014 until February 2015. The sample is random, while the questionnaire was designed using the Google Drive.

### Sample

The population for this study consisted of individuals that work in all kinds of businesses in the private sector in Greece. Employees with any type of work experience could participate in the survey. The reason that the study focused on employees from the private sector is because the private sector was also, and in some respects more deeply, affected by the economic crisis than the public sector (Christopoulou & Monastiriotis, 2014).

In our sample participated 204 people, whereas 92 (45,1%) men and 112 (54,9%) women. The objective to have a balanced representation from both genders is achieved. The majority of the participants are 21-30 years old (33,3%). The group of 31-40 years old (30,9%) is second in participation and the group of 41-50 (15,7%) is third. 'Singles' and 'Married with children' gathered the highest percentages when participants were asked about their marital status (44,1% and 36,3% respectively). The majority of the participants have completed University (30,4%). The second in participation category is Postgraduate degree (Master) (19,1%). 75% of the participants work full-time, while 25% work part-time. 52,5% of the participants work as open-ended contract staff, but there is a sufficient number of participants with other types of working contracts. The majority of the sample works between 6 and 15 years (37,7%), while the second in participation category is less than 5 years (32,4%). These findings are expected since most of the participants are 21-30 and 31-40 years old. It is noticeable that 59,8% of the participants work in the current organization for less than 5 years.

### Instrumentation

The instrument was scored by aggregating the total scores for each question on a given measure and reporting the total score as the composite score for the measure. The Modified Meaningfulness Scale (May, Gibson, & Harter, 2004), Modified Safety Scale (May et al., 2004), Modified Availability Scale (May et al., 2004), Modified Psychological Climate Measure (Brown & Leigh, 1996), Person-Organization Fit Scale (Resick et al., 2007), Affective Commitment Scale (Rhoades et al., 2001) and Ethical Leadership Questionnaire (Yukl, Mahsud, Hassan & Prussia, 2013) were synthesized together as different sections of the instrument, in order to measure the correlation between the above job related attitudes during the Greek economic crisis. Reliability was achieved with the use of internal consistency (Cronbach's Alpha). A 0,946 alpha was obtained.

Employee engagement was measured by combining the Modified Meaningfulness Scale, Modified Safety Scale and Modified Availability Scale. The above Scales, as well as the Modified Psychological Climate Measure, Person-Organization Fit Scale and Affective Commitment Scale were scored using 5point Likert continuum from 1 (strongly agree) to 5 (strongly disagree). The Ethical Leadership Questionnaire was scored using 6-point Likert continuum from 1 (strongly agree) to 6 (strongly disagree). Supportive management and the levels of contribution, recognition and challenge were measured as they are the four from the six sub-scales of the Modified Psychological Climate Measure that relate to employee engagement (Shuck et al., 2011). Composite and individual scores from each question on a given measure were both examined for significance, while instruments were scored and reported separately.

The questionnaire was divided into six sections covering demographic information and the studied research variables. It comprised of 8 questions on demographic characteristics of the sample and 56 closed-ended questions. Sample items from the modified scales combined to measure employee engagement included, 'The work I do is very important to me' (e.g., meaningfulness), 'I can be myself at work' (e.g., safety), and 'At work, I have the resources to complete my job' (e.g., availability). A sample item of the Person-Organization Fit Scale is 'I feel my personality matches the 'personality' or image of the organization'. A sample item of the Affective Commitment Scale is 'I am proud to tell others I work at my organization'. A sample item of the Modified Psychological Climate Measure is 'I rarely feel my work is taken for granted'. A sample item of the Ethical Leadership Questionnaire is 'my boss shows a strong concern for ethical and moral values'.

### **Research Design and Data Analysis**

This study is descriptive, and the methodological approach used is a deductive one. As a deductive research approach, using a questionnaire is a useful tool of statistically estimating the response of the population from the sample. The questionnaire was distributed online, aiming to assess employees' perception of ethical leadership, as well as their engagement to their organization, affective commitment, job fit and psychological climate at work during the Greek economic crisis. The reason that an online survey was conducted was to ensure that data is obtained from a geographically dispersed sample. In this study the academic approach is used as it is more focused on assembling data at the micro level, as well as defines the concept of employee engagement, and thus, reveals a better understanding of the affected from crisis work-related attitudes that influence it.

Data analysis was carried out using descriptive statistics and inferential statistics. Correlation analysis is used in this study as the aim of the research was the examination of a possible linear association between a set of influenced from crisis organizational behaviours (i.e., employee engagement, job fit, affective commitment, psychological climate and ethical leadership). The authors were interested in the strength and direction of the possible relationships between the studied variables and thus, correlation analysis was the appropriate tool to use. The analysis of the collected responses from the questionnaire was carried out with the aid of IBM SPSS Statistics 22. Cronbach's Alpha was used to test the validity and reliability of the data obtained from the questionnaire. An Alpha coefficient of 0.946, at 0.05 level of significance, was obtained from the analysis, indicating that the questionnaire was highly reliable.

### **Study findings Descriptive statistics**

A first evaluation of the findings relating to employee engagement during the Greek economic crisis is not optimistic. More than 40% of the participants feel that their work demands are not consistent every day and almost 30% believe that, at work, they do not have the support they need to complete their jobs. In addition, over 60% of the responders do not find that the work they do on this job is important for them.

Psychological climate mean value is average, highlighting that employees are not very satisfied with their organizations' climate during the Greek economic crisis. The means from contribution are relatively higher when compared with the results of supportive management, recognition and challenge. Approximately 35% rarely feel that their work is taken for granted. In addition, over 50% of the respondents are careful in taking responsibility because their bosses are often critical of new ideas.

Moreover, over 60% believe that their job is very challenging, and it takes all their resources to complete it. Finally, over 80% believe that doing their job well really makes a difference. Research's findings relating to job fit reveal that a large proportion (47%) of Greek employees believes that, during the Greek economic crisis, their values match those of the organization and the current employees to it. In addition, over 45% of the representatives believe that their personality matches the "personality" or image of their organization.

The findings for affective commitment, during the Greek economic crisis, reveal that approximately 40% of the responders would be very happy to spend the rest of their career with this organization. Moreover, near 50% feel personally attached to their work organization while more than 55% are proud to tell others that they work at their organization.

In the last section of the questionnaire participants are asked to describe the degree of ethical leadership they experience from their boss. The mean value is moderate. The most indicative finding is that approximately 45% of the participants believe that their boss's actions are consistent with his/her stated values. On the contrary, 25% answered that he/she puts the needs of others above his/her own self-interest.

In conclusion, the research's findings indicate that during the Greek economic crisis, the majority of Greek employees are not engaged to their organizations, as well as they do not experience ethical leadership. The economic uncertainty and the unsteady working environment in Greece can explain this phenomenon.

### Correlation analysis

Detailed correlation statistics regarding the relations among employee engagement, job fit, affective commitment, psychological climate, and ethical leadership can be found in Table 1.

Table 1: Zero-order correlation coefficients

Variables	EE	MEE	SEE	AEE	PC	SMPC	CPC	RPC	CHPC	JF	AC	EL
EE	-											
MEE	0.878**	-										
SEE	0.881**	0.630**	-									
AEE	0.880**	0.654**	0.736**	-								
PC	0.767**	0.645**	0.688**	0.687**	-							
SMPC	0.689**	0.532**	0.674**	0.631**	0.831**	-						
CPC	0.644**	0.565**	0.542**	0.575**	0.817**	0.490**	-					
RPC	0.616**	0.512**	0.560**	0.553**	0.840**	0.567**	0.678**	-				
CHPC	0.467**	0.507**	0.313**	0.406**	0.682**	0.409**	0.528**	0.579**	-			
JF	0.621**	0.525**	0.542**	0.567**	0.691**	0.556**	0.520**	0.656**	0.555**	-		
AC	0.676**	0.591**	0.581**	0.609**	0.746**	0.547**	0.643**	0.724**	0.526**	0.804**	-	
EL	0.616**	0.479**	0.558**	0.590**	0.664**	0.624**	0.469**	0.554**	0.420**	0.639**	0.670**	-

\*\* Correlation is significant at the 0.01 level (2-tailed). EE: employee engagement, ME: meaningfulness engagement, SE: safety engagement, AE: availability engagement, PC: psychological climate, SMPC: supportive management psychological climate, CPC: contribution psychological climate, RPC: recognition psychological climate, CHPC: challenge psychological climate, JF: person-organization fit, AC: affective commitment, EL: ethical leadership.

### Correlation Analysis for Testing H1

In order to test H1, the first step was to examine employee engagement with subscales aggregated together to give a total composite score. Employee engagement was positively and significantly correlated with job fit ( $r = .621$ ,  $p < .001$ ). This means that the affected from crisis job fit negatively relates with employee engagement. Results suggested a strong (Cohen, 1988) and positive relation among the two variables, providing empirical support for H1. Employees who scored highly on employee engagement, also were more likely to report higher levels of job fit.

The second step was to examine each of the three subscales used to measure employee engagement (i.e., meaningfulness, safety and availability) for significant relationships with job fit. Meaningfulness, safety and availability subscales were positively and significantly correlated with job fit ( $r = .525$ ,  $p < .001$ ;  $r = .542$ ,  $p < .001$ ;  $r = .567$ ,  $p < .001$  respectively). Results suggest a strong (Cohen, 1988) positive relation between the affected from crisis job fit and each dimension of employee engagement, providing further support for H1. Employees who scored highly on each subscale of employee engagement, also were more likely to report higher levels of job fit.



### Correlation Analysis for Testing H2

Employee engagement was positively and significantly correlated with affective commitment ( $r = .676, p < .001$ ). This means that the affected from crisis affective commitment negatively relates with employee engagement. Results indicated a strong (Cohen, 1988) and positive relation among the two variables, providing empirical support for H2. Employees who scored highly on employee engagement, also were more likely to report higher levels of affective commitment.

Each subscale within employee engagement was examined for a meaningful relation with affective commitment. Meaningfulness, safety and availability subscales were positively and significantly correlated with affective commitment ( $r = .591, p < .001$ ;  $r = .581, p < .001$ ;  $r = .609, p < .001$  respectively).

Results indicate a strong (Cohen, 1988) positive relation between the affected from crisis affective commitment and the three subscales of employee engagement, providing further support for H2. Employees who scored highly on each subscale of employee engagement, also were more likely to report higher levels of affective commitment.

### Correlation Analysis for Testing H3

Employee engagement was positively and significantly correlated with psychological climate ( $r = .767, p < .001$ ). This means that the affected from crisis psychological climate negatively relates with employee engagement. Results suggested a strong (Cohen, 1988) and positive relation between the affected from crisis psychological climate and employee engagement, providing empirical support for H3. Employees who scored highly on employee engagement also experienced positive psychological climate.

Each of the three subscales used to measure employee engagement was examined for significant relationships with psychological climate. Meaningfulness, safety and availability subscales were positively and significantly correlated with psychological climate ( $r = .645, p < .001$ ;  $r = .688, p < .001$ ;  $r = .687, p < .001$  respectively). Results suggest a strong (Cohen, 1988) positive relation between the affected from crisis psychological climate and each dimension of employee engagement, providing further support for H3. Employees who scored highly on each subscale of employee engagement, also were more likely to report higher levels of psychological climate.

Moreover, psychological climate was measured using four subscales (i.e., supportive management, contribution, challenge, and recognition). Each of the four subscales was examined for statistical significance with all three employee engagement subscales. The meaningfulness subscale was positively and significantly correlated with supportive management ( $r = .532, p < .001$ ), contribution ( $r = .565, p < .001$ ), challenge ( $r = .507, p < .001$ ), and recognition ( $r = .512, p < .001$ ). The safety subscale was positively and significantly correlated with supportive management ( $r = .674, p < .001$ ), contribution ( $r = .542, p < .001$ ), challenge ( $r = .313, p < .001$ ), and recognition ( $r = .560, p < .001$ ). The availability subscale was positively and significantly correlated with supportive management ( $r = .631, p < .001$ ), contribution ( $r = .575, p < .001$ ), challenge ( $r = .406, p < .001$ ), and recognition ( $r = .553, p < .001$ ). Finally, each of the four psychological climate subscales was positively and significantly correlated with employee engagement (supportive management,  $r = .689, p < .001$ ; contribution,  $r = .644, p < .001$ ; challenge,  $r = .467, p < .001$ ; and recognition,  $r = .616, p < .001$ ). Employees who scored highly on each subscale of psychological climate (i.e., supportive management, contribution, challenge, and recognition) also were more likely to report higher levels of employee engagement, meaningfulness, safety and availability. The effect sizes of these associations were in the medium to large range (Cohen, 1988) and thus, the research evidence supports H3.

### Correlation Analysis for Testing H4

Employee engagement was positively and significantly correlated with employees' perception of ethical leadership ( $r = .616, p < .001$ ). This means that the affected from crisis ethical leadership negatively relates with employee engagement. Results indicated a strong (Cohen, 1988) and positive relation among the two variables, providing empirical support for H4. Employees who scored highly on employee engagement also experienced high ethical leadership.

Additionally, each of the three subscales of employee engagement was examined for significant relationships with ethical leadership. Meaningfulness, safety and availability subscales were positively

and significantly correlated with ethical leadership ( $r = .479, p < .001$ ;  $r = .558, p < .001$ ;  $r = .590, p < .001$  respectively). Results suggest a medium to strong (Cohen, 1988) positive relation among the affected from crisis ethical leadership and each dimension of employee engagement, providing further support for H4. Employees who scored highly on each subscale of employee engagement, also were more likely to report higher levels of ethical leadership.

### Discussion

Hypothesis 1 (H1): The affected from crisis job fit negatively relates to employee engagement.

Cooper & Antoniou (2013) suggest that employees who face an economic crisis may have lower levels of job fit. This study's findings indicate that job fit, and employee engagement relate during an economic crisis. This finding is consistent with Macey, et al. (2009) who posited that in order to develop employee engagement, individuals must have the capacity to engage in their role. Furthermore, capacity is derived from understanding one's job role and having a high degree of fit between the employee and his/her specific job responsibilities (Macey et al., 2009). Shuck et al. (2011) in their research also concluded to this finding. However, their study does not include the indirect effect of a crisis, and thus, it is difficult to compare.

Hypothesis 2 (H2): The affected from crisis affective commitment negatively relates to employee engagement.

In their study, Markovits et al. (2014) found that employees' affective commitment was strongly reduced during an economic crisis compared to employees before crisis. Shuck et al. (2011) reveal that there is a relation between affective commitment and employee engagement. Moreover, previous studies (Rhoades et al., 2007; Macey & Schneider, 2008; Macey et al., 2009; Harter et al., 2002; Schaufeli & Salavona, 2007; Maslach et al., 2001) have discussed the affective component of employee engagement in some detail. Similarly, this study reveals that affective commitment and employee engagement relate during an economic crisis. However, findings from this study are inconsistent with research by other scholars (e.g., Saks, 2006) who have studied employee engagement from a social exchange lens.

Hypothesis 3 (H3): The affected from crisis psychological climate negatively relates to employee engagement.

Cooper & Antoniou (2013) argue that the economic crisis may create a lower employee perception of psychological climate. According to the results of this study, the most significant relation among employee engagement and the other work-related variables is the one with psychological climate. The meaning of this finding is interesting: the deterioration of employees' psychological climate at work is the most important factor that affects negatively their engagement to their organizations during an economic crisis. This finding parallels with previous research (Bakker & Derks, 2010; Brown & Leigh, 1996; Hodges, 2010; Shuck et al., 2011) that has evidenced that there is a relation between psychological climate and employee engagement.

Hypothesis 4 (H4): The affected from crisis employees' perception of ethical leadership negatively relates to employee engagement.

Research (e.g., Plinio et al., 2010) has shown that leaders' perceptions are changing due to the crisis. Khuong & Yen (2014) recommended that in order to enhance employee engagement, companies should apply visionary and ethical leadership styles. The results of this research indicate that there is a relation between employees' perception of ethical leadership and employee engagement during an economic crisis. However, it is the factor with the least significance. This is an unexpected finding regarding the role leadership plays in such an unsteady and insecure environment as Greece is.

### Conclusions

Judge & Kammeyer-Mueller (2012) underlines the significant importance of work-related attitudes in organizational life & behaviour as an individual's job is important to his/her identity, health and personal life. However, all work attitudes are unstable as external and internal factors can influence (i.e.,

political, financial changes). The ongoing Greek economic crisis which started in 2008 has dramatically influenced all areas of Greek social and economic life and has undoubtedly influenced organizational behaviour and organizational climate.

This research investigates the interaction of employee engagement with four work related attitudes being influenced from the Greek economic crisis - employee engagement, job fit, affective commitment and employees' perceptions of psychological climate and ethical leadership-. Correlation analysis shows that there is positive medium to strong relations between the studied research variables and employee engagement. The affected from crisis psychological climate is the factor that relates the most with employee engagement. The affected from crisis affective commitment and job fit respectively follows. Finally, the affected from crisis ethical leadership is the one that relates the least with employee engagement. Furthermore, the findings indicate that the subscales of psychological climate (i.e., supportive management, contribution, recognition and challenge) relate to employee engagement respectively. All research hypotheses are confirmed meaning that as job fit, affective commitment, psychological climate and ethical leadership decrease, levels of employee engagement also decrease.

Moreover, an evaluation of the study's descriptive statistics findings is not optimistic. More than 40% of the participants feel that their work demands change every day and over 60% of the responders do not find that the work they do on this job is important for them. Over 50% of the respondents are careful in taking responsibility as their bosses are often critical of new ideas. However, over 80% of the responders believe that doing their job well really makes a difference, while approximately 40% would be very happy to spend the rest of their career with the organization they work. Finally, approximately 45% of the participants believe that their boss's actions are consistent with his/her stated values but, 25% answered that he/she puts the needs of others above his/her own self-interest.

Concluding, this study contributes to literature by providing evidence, through critical literature review, about the influence of crisis on a number of important organizational attitudes and by examining, through an empirical study, whether they relate to employee engagement. There is no other study to date that examines the relations among job fit, affective commitment, psychological climate and ethical leadership, as they are affected by the Greek economic crisis, with employee engagement. The fact that the study's findings reveal positive correlations among the variables studied may lead to further research into exploring the causation between them.

### **Limitations and directions for future research**

Regarding the limitations of this study the limited time is one of them. The time period for collecting the questionnaires was two months. The second limitation is the sample size (n=204). The sample is clearly not representative of the total population in Greece. A small sample is clearly a limitation; however, these sample sizes are typical in this type of organizational research (Markovits et al., 2014). Moreover, a limitation of this study could be the methodology used in it as only correlation analysis and descriptive statistics take place. Another noteworthy limitation is that the approach taken in this study involved measurement of individual respondents. As a result, social desirability bias could occur as participants were asked to report their own frequency of involvement in engaging behaviours, as well as potentially sensitive information about their manager regarding his/her ethical behaviour and actions.

Future extensions of this work could be both under CM and Human Resource Management perspectives. Further evidence from other countries that face an economic crisis would help CM researchers generalize these results. Another recommendation for further research could be a longitudinal employee engagement study focusing on how engagement levels change during the time of crisis. Furthermore, researchers could test an employee disengagement model during the crisis as more than an estimated 70% of the global workforce is disengaged at work (Czarnowsky, 2008; Wagner & Harter, 2006). On the other hand, Human Resource Management researchers could examine the researched relationships with different organizational settings and for different populations (e.g., knowledge workers, skill workers) using a number of organizational variables (e.g., profit, culture, etc.). Finally, both CM and Human Resource Management researchers could test the studied variables using causation methods. It would be very interesting to identify whether there exist causal relationships between employee engagement and ethical leadership, job fit, affective commitment and psychological climate.

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