THE RELATIONSHIP BETWEEN RETAIL

EMPLOYEES' PERCEPTIONS OF THEIR

SUPERVISORS' ETHICAL BEHAVIOR

AND EMPLOYEE ORGANIZATIONAL

COMMITMENT

By
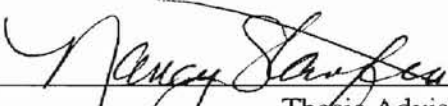
KELLY J. MIZE

Bachelor of Arts
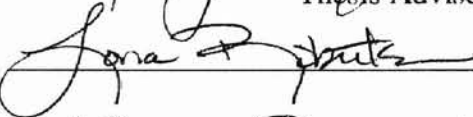
University of Tulsa

Tulsa, Oklahoma

1995

Submitted to the Faculty of the
Graduate College of the
Oklahoma State University
in partial fulfillment of
the requirements
for the Degree of
MASTER OF SCIENCE
July, 1998

THE RELATIONSHIP BETWEEN RETAIL

EMPLOYEES' PERCEPTIONS OF THEIR

SUPERVISORS' ETHICAL BEHAVIOR
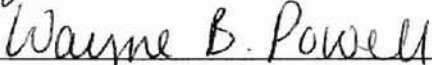
AND EMPLOYEE ORGANIZATIONAL

COMMITMENT

Thesis Approved:

_____
Thesis Adviser

_____

_____
Lynne Richards

_____
Dean of the Graduate College

ACKNOWLEDGEMENTS

The author wishes to sincerely thank her major professor, adviser and appointed professor Dr. Nancy Stanforth for her continual support, suggestions, and encouragement throughout the graduate program. In addition, appreciation goes to Dr. Lynne Richards and Dr. Lona Robertson for serving on the advisory committee. Special thanks goes to Dr. Christine Johnson for her interest, advice and insights into the statistical analysis of this project.

Thanks is extended to Dr. Donna Branson for her encouragement and support before and during the graduate program.

Appreciation is also extended to managers at participating retail stores for their willingness to provide information for this study.

A debt of gratitude goes to my parents Dr. Joe H. Mize and Mrs. Betty B. Mize for their loving support, encouragement and patience throughout the progress of this thesis. Their love and emotional support were overwhelming and much appreciated, as always.

In addition, thanks is extended to special friends Megan Dorr Trebilcock, Bridget Heist Mueller, Lori Grubbs Billy, Becky Snodgrass Donner, and John Dukewits for their continual support through e-mail, letters and phone conversations.

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

CHAPTER I

INTRODUCTION

Organizational commitment concerns the bond between an organization and an employee (Mathieu & Zajac, 1990). Employee commitment to an organization provides various tangible and intangible benefits to both the organization and the employee. Committed employees may experience feelings of belonging, have more job stability and have an increased positive self-image. The organization may benefit from greater employee stability, effectiveness, and a decrease in absenteeism and turnover (Mowday, Porter, & Steers, 1982). A committed employee may be highly valued by an organization because he or she may be: more willing to work hard for the organization, more likely to share the goals and values of the organization (Hutchison & Garstka, 1996) and less likely to leave (Porter, Steers, Mowday, & Boulian, 1974).

Organizations strive to decrease employee turnover. Within the retail industry, employee turnover may be higher than in other industries due to the increasing number of hourly sales staff (Fields & Nkomo, 1991). Turnover may also result indirectly from job-related tension, frustration and anxiety (Weeks & Nantel, 1992). One cause of anxiety within the retail environment is the inability to solve ethical dilemmas. Retail employees may be exposed to various ethical dilemmas due to their wide range of responsibilities,

small exposure to formalized training, and high pressure to perform effectively (Levy & Dubinsky, 1983). Situations that pose ethical dilemmas for employees may be problematic for retail organizations because these situations may increase job tension, which in turn may decrease employee commitment and cause an increase in turnover.

Reichers (1985) suggested that employees not only need to be committed to the goals and values of their organization, but to the goals and values of their supervisors. Retail managers and supervisors serve as role models for the appropriate behaviors required by their organization. Their behavior helps guide the behavior of subordinates. Thus, a high level of responsibility is placed on retail managers by the organization to act in a manner that is beneficial to all parties. These factors place managers and supervisors in a position to affect employee organizational commitment.

Within the retail environment, goals must be met and customers must be satisfied on a daily basis, and the pressures surrounding these and other duties may prove immense and overwhelming for retail employees. Thus, it is likely that within the retail setting, employees will eventually face various ethical dilemmas. Several explanations exist for unethical behavior by both sales staff and management within a retail organization. However, the blame for unethical behavior cannot be placed on any one party. Each ethical situation is different, and may be viewed differently by all involved (Kohlberg 1969). Nevertheless, the influence of management may affect the ethical conduct of other employees. If the behavior of a retail manager is ethical, this may have positive effects on

other employees, thereby setting an appropriate example of company policy. However, employees may also view unethical behavior by management as acceptable behavior. This may cause employees to become desensitized to the codes of ethical conduct within their organization. Employees may even be forced to leave their own ethical ideas at the door in order to meet deadlines, make goals and even maintain employment with the organization (Viswesvaran & Deshpande, 1996).

The ultimate effects of the retail employee's actions are not only influential on the organization itself, but on other employees and the customers who provide monetary support for the organization. Customer service and consumer behavior are widely studied, and since it is the salesperson who ultimately comes into close contact with the customer, the salesperson is a major factor in the customer service equation. The salesperson's happiness with or support for the organization may eventually affect the customer's happiness with the organization. Employees' commitment toward the organization plays an important role because with commitment, organizations gain the most from their employees and employees gain the most from the organization (Dubinsky & Levy, 1989). This exchange mechanism of commitment may actually help reduce turnover, which is beneficial for the organization, the employee and the customer.

Purpose

The previous discussion attempts to relate the ethical behaviors of managers to employee commitment within an organization. Our research proposes that a problem

within retail organizations today may be the influence of management's unethical behaviors on an employee's commitment to the organization. The purpose of this research is to determine the influence of retail employees' perceptions of their manager's ethical or unethical behavior on employee organizational commitment.

Objectives

The objectives of the study are as follows:

- Determine the relationship between the degree to which an employee believes his or her supervisor views a situation as an ethical dilemma and the degree to which the employee perceives a situation as an ethical dilemma.

- Determine the relationship between the degree to which an employee perceives a situation as an ethical dilemma and the employee's perception of his or her supervisor's ethical behavior.

- Determine the relationship between the degree to which an employee believes his or her supervisor views a situation as an ethical dilemma and employee's perception of his or her supervisor's ethical behavior.

- Determine the relationship between employee's perceptions of their supervisor's ethical behavior and that employee's level of commitment to the organization.

Hypotheses

The hypotheses that will direct our research will be as follows:

H1: The degree to which an employee believes his or her supervisor views a situation as an ethical dilemma will be positively related to employee perception of his or her supervisor's ethical behavior.

H2: An indirect effect of employee perception of an ethical dilemma and employee perception of his or her supervisor's view of an ethical dilemma will be positively related to the employee's perception of his or her supervisor's ethical behavior.

H3: Employee perception of his/her supervisor's ethical behavior will be positively related to employee organizational commitment.

Definitions

The following definitions serve as explanation for the terms used in the study:

Organizational Commitment: the strength of an individual's identification with and involvement in a particular organization (Porter, Steers, Mowday, & Boulian, 1974).

Job Satisfaction: emphasis or satisfaction related to the specific task environment where an employee performs his or her duties (Mowday, Steers, & Porter, 1979).

Supervisor: person within an organization who oversees the duties and responsibilities of subordinate employees.

Manager: person within an organization who delegates duties, manages the organization and its employees.

Salesperson: person who is employed by a retail organization to sell merchandise to customers.

Marketing Ethics: "inquiry into the nature and grounds of moral judgments, standards, and rules of conduct relating to marketing decisions and marketing situations" (Singhapakdi & Vitell, 1990, p. 4).

Ethical Climate: a combination of the individuals' perception of what is ethical and what is ethically correct behavior (Despahnde, 1996).

Organizational Culture: set of values and beliefs shared by members of the organization (Trevino, 1986).

Ethical: an individual's perception of an event or action that is considered morally acceptable.

Unethical: an individual's perception of an event or action that is not considered morally acceptable.

Theoretical Framework

The Model of the Antecedents and Correlates of Organizational Commitment (Fig. 1), provided by DeCotiis and Summers (1987), is an interpretation of previous literature that focuses primarily on the intra-organizational experiences of the individual. Within the model, the personal characteristics of the individual directly influence his or her organizational commitment. In addition, the organizational climate (influenced by organizational structure and organizational processes), influences the individual's organizational commitment. The model also indicates that the perceived structure and the human resources processes have a direct effect on commitment and on organizational climate. Organizational commitment is also influenced by morale and job satisfaction.

Within the Model of Organizational Commitment, we believe that the General Theory of Marketing Ethics (Hunt & Vittell, 1986) fits within the relationship as an influence on organizational commitment. The General Theory of Marketing Ethics (Fig. 2) is based on an individual's encounter with a potentially ethical dilemma. Specifically, the individual's perception of the ethical problem triggers the process. It is valid only if the individual perceives the dilemma as having ethical content. Once it has been established that there is an ethical problem, the individual perceives a set of alternatives to resolve the ethical dilemma. Once these alternatives have been identified, the individual evaluates them using teleological and deontological frameworks. The teleological evaluation considers the overall goodness or badness brought about by each alternative, and it takes into consideration the overall effect the decision will have on all persons involved. The deontological evaluation considers the inherent rightness or wrongness implied by each alternative. These evaluations combine to produce an overall ethical judgment which leads to an overall likelihood that one particular alternative will be chosen (intentions). These intentions influence behavior and thus the consequences of the behavior.

We believe the two theories are related in the following way (Fig. 3): within the Model of Organizational Commitment and the General Theory of Marketing Ethics, the concepts of organizational environment and organizational climate are similar such that at this point within the Model of Organizational Commitment, we can fit the General

Theory of Marketing Ethics; the outcome of behavior in the General Theory of Marketing Ethics may represent the concept of organizational commitment in the Model of Organizational Commitment; the General Theory of Marketing Ethics must fit into the Model of Organizational Commitment within the area of situational characteristics, as the General Theory of Marketing Ethics pertains differently to each situation. The results of the study are expected to lend further support for our hypothesized relationship between the two theories.

Our analysis will be based on a model that is representative of a portion of the combination of the two theories. The new model (Fig. 4), begins with an employee's perception of his or her supervisor's view of an ethical dilemma. This influences both the employee's perception of his or her supervisor's ethical behavior and the employee's perception of an ethical dilemma. Finally, the employee's perception of his or her supervisor's ethical behavior influences employee organizational commitment.

Assumptions

The following assumptions apply to the study:

1.   Respondents were able to answer the questionnaire honestly and truthfully.

2.   The instruments accurately measured organizational commitment and employee perceptions of management's ethical behavior.

3.   Respondents from the selected convenience sample accurately represent the population of employees of apparel retailers.

4.   Subjects are aware of their manager's ethical behaviors.

5.   Subjects were able to predict their own behavior to stated situations.

Limitations

The following limitations apply to the study:

1.   The sample is a convenience sample that does not represent the average retail employee.

2.   The questionnaire does not measure all the factors related to an employee's perception of his/her manager's ethical behaviors.

3.   The questionnaire does not measure all the factors related to employee organizational commitment.

CHAPTER II

REVIEW OF LITERATURE

The following sections will review the literature related to organizational commitment and ethics. The discussion of organizational commitment will concentrate on topics that relate to commitment as an exchange relationship, employee commitment and managerial commitment. The discussion of ethics will concentrate on topics that relate to management ethics, ethical culture in organizations, and individual perceptions of ethics.

A Definition of Organizational Commitment

Both past and present research abounds with information concerning the topic of commitment. Whether it be organizational, career or job commitment, various studies have covered the antecedents, predictors and relationships of various subjects to various types of commitment. In a meta-analysis conducted by Mathieu and Zajac (1990), various antecedents, correlates and consequences of commitment were analyzed in order to provide an analysis of the various concepts and their associations with commitment. This study is important because it lists the multiple concepts that have been associated with commitment in previous studies. However, in this review of the literature, we will only cover the antecedents and consequences of commitment that apply to our interests.

For this study, we will discuss organizational commitment, and we will refer to it through a definition motivated by Porter, Steers, Mowday, and Boulian (1974): organizational commitment is the strength of an individual's identification with and involvement in a particular organization. It can be characterized by at least three related factors: 1) a strong belief in and acceptance of the organization's goals and values; 2) a willingness to exert considerable effort on behalf of the organization; and 3) a strong desire to maintain membership in the organization (Porter et al., 1974). Mowday, Steers, and Porter (1979) proposed that commitment represents something beyond passive loyalty, rather it involves an active relationship with the organization. From an exchange perspective, commitment is a sense of support for and from the organization (Ogilvie, 1986).

Organizational Commitment Versus Job Satisfaction

It is important to note that we will not focus on job satisfaction within an organization because in this study we believe that its importance is overshadowed by the importance of an employee's commitment to an organization. For example, Porter, Steers, Mowday, and Boulian (1974) found that attitudes toward an organization may be more important in a decision to remain with the organization than the more specific attitudes associated with one's particular job. The authors also suggested that a greater amount of time would be required for an employee to determine his level of commitment to an organization than to determine his level of job satisfaction (Porter et al., 1974). Mowday, Steers, and Porter (1979) proposed that organizational commitment should be more stable over time than job satisfaction. Day to day events might affect an employee's

satisfaction, but these "should not cause an employee to seriously reevaluate his or her attachment to the overall organization" (Mowday, Steers & Porter, 1979, p. 226). It is important for us to make clear the difference between commitment and job satisfaction: organizational commitment emphasizes attachment to the employing organization, including its goals and values while satisfaction emphasizes the specific task environment in which an employee performs his or her duties (Mowday, Steers, & Porter, 1991, p. 226). Thus, commitment is more broad and generalized than the concept of job satisfaction (Ogilvie, 1986).

Individuals and Commitment

Because commitment is such a broad concept, it seems logical that it can be defined and interpreted in several ways. The definition of organizational commitment used for this paper was only one of several found in the literature. Thus, it is reasonable to assume that if so many different authors have various interpretations of the concept, each individual would also have his or her own ideas about commitment. Reichers (1985) proposed that "commitment experienced by any one individual may differ markedly from that experienced by another" (p. 473). For one person, commitment may be a function of the organization's dedication to customer service while for another person, it may depend on whether the organization values its employees. This suggests a vast array of interpretations of commitment, making the concept seem impossible to measure. However, a study by Becker and Billings (1993) revealed a pattern of commitment, referred to as "commitment profiles", which are related to other attitudes

and behaviors of individuals. Specifically these commitment profiles include globally committed, committed, locally committed and uncommitted individuals. Each individual's commitment profile differs in his or her commitment to supervisor, work, top management, and the organization (Becker & Billings, 1993). On the other hand, DeCotiis and Summers (1987) concluded that there is no commitment type of individual. In other words, no person is more predisposed than another to develop commitment towards an organization due to unique personal characteristics (Decotiis & Summers, 1987). Thus, although no one individual is predisposed to be committed to an organization, they can be classified into a commitment type that is based on other, more easily measured personal characteristics. The commitment profile is of interest because it shows us that commitment can in fact be measured, although it differs from one person to the next.

Organizational Commitment and Exchange with the Organization

The importance of organizational commitment is exemplified by the exchange mechanism it creates between the organization and the employee. Simply put, the employee needs the organization, and the organization needs the employee. Specifically, "employees are expected to expend effort and energy, utilizing their skills, training and abilities and in return receive organizational rewards (e.g., compensation, fringe benefits, promotion)" (Dubinsky & Levy, 1989, p. 222). Likewise, organizations provide the aforementioned benefits, and receive rewards such as increased profits, and skilled employees.

Individuals come to organizations with certain expectations, one of which is to be able to utilize their skills and satisfy their needs. When an organization provides this dependability, employee commitment will likely be enhanced (Steers, 1977). Further, "when an organization commits to meeting the needs and expectations of its members, its members commit to the service of the organization in terms of its goals and values" (DeCotiis & Summers, 1987, p. 467).

Likewise, if the employee is aware of the support provided by the organization, he or she might be more likely to provide support for the organization. For example, "actions by the organization or its representatives are the basis for an employee's perception of support from the organization, and the employee responds to this perception of support with commitment to the organization" (Hutchison, 1997, p. 169). Perceived rewards from the organization also play an important role. The more employees perceive that rewards such as recognition, promotion and bonuses are associated with their performance, the greater their commitment will be to the organization (Darden, Hampton, & Howell, 1989). Once employees feel valued by the organization, they will likely become more committed to the organization's goals, and then work harder to help the organization attain those goals (Hutchison & Garstka, 1996). For example, an organization may regularly print names of employees and their accomplishments in the local newspaper, recognizing them for their outstanding performance and long-time service with the company. This recognition demonstrates employer support of employees

and may cause employees to feel valued, prompting them to work harder for the benefit of the organization. Hutchison and Garstka (1996) proposed that human resource management practices such as performance appraisals serve as a basis for employees' perceptions of the organization's commitment to them. "These feelings of support in turn create an affective attachment to the organization" (Hutchison & Garstka, 1996, p. 1362).

Thus the exchange relationship illustrates the importance of organizational commitment to employees, organizations and society. Organizational commitment within the exchange approach implies both extrinsic (e.g. wages and benefits) and psychological (e.g., job satisfaction, relationships with co-workers) rewards for employees. From employees' commitment, the organization receives monetary benefits and a reduction in lateness and turnover. Finally, society as a whole benefits from higher productivity, higher work quality, and even lower rates of job movement (Mathieu & Zajac, 1990).

Side-Bets and Commitment

Becker (1960) first introduced the concept of the side bet theory of organizational commitment. Becker refers to this type of commitment as "commitment by default" (p.38), and it results from a series of acts that, taken together, represent a series of side bets that an employee does not want to lose by breaking an organizational commitment. For example, for many employees, vacation leave, monetary rewards, stock options and even the chance for promotion increase with time spent in the organization. Leaving the organization or decreasing commitment to an organization may lessen the chance of

receiving these accumulated rewards. Thus, the side bets an individual makes with the organization can be viewed as positive elements in the exchange between employee and organization. An employee reluctant to lose those positive elements may be more likely to stay with that organization. The individual becomes organizationally committed in order to maintain the benefits (Stevens, Beyer, & Trice, 1978).

Ogilvie (1986) found that tenure and organizational commitment were positively related, suggesting that additional time spent with the company increases the bond between the individual and the organization and that as an individual makes increased investments with a company, there are greater costs associated with leaving. Becker (1960) also suggested that "people feel that a man ought not to change his job too often and that one who does is erratic and untrustworthy" (p. 36). Becker explains this phenomenon in terms of cultural expectations which constrain activity by providing penalties to those who break them. These two examples suggest that both the organization and society help enforce the side bet theory by placing pressure on employees to live up to certain expectations.

Another example of the side bet theory comes from Darden, Hampton and Howell (1989) who suggested that visibility of behavior or the more visible or public the committing behavior, the stronger the behavior. In other words, making the employee's association with the organization highly visible and widely known will help increase organizational commitment. The previously cited example of an organization printing

employee accomplishments in the local newspaper provides further support to this aspect of the side bet theory.

Employee Commitment and Supervisor Support

Within an organization, supervisors play a large role in facilitating employee commitment. Not only are employees committed to the organization as a whole, and the values and goals of the organization, but they are also committed to the goals and values advocated by top management (Reichers, 1985). In fact, Becker, Billings, Eveleth, and Gilbert (1996) proposed that human resource management should focus on employee commitment to their supervisors rather than to the organization. Their results suggested that "propensity to become committed to a supervisor would be a more valid predictor of performance" (p. 477). Overall commitment to supervisors was more strongly linked to performance than was commitment to the organization. Their results suggested that enhancing commitment to a supervisors' goals and values would affect performance to a greater extent than increasing commitment to the organization (Becker et al., 1996). The importance of commitment to supervisors is also discussed in Reichers' (1985) definition of commitment, in that commitment is a process of identification with the goals of an organization's constituencies, which may include top management.

Supervisory style is also linked to organizational commitment. In their study of retail salespeople's commitment, Darden, Hampton, and Howell (1989) found that a friendly, participatory management style increases commitment to the organization. Their

results implied that a personal management style is satisfying to a salesperson and can enhance his or her performance through commitment (Darden et al., 1989). They also found that commitment of entry level employees is largely in the hands of their supervisors. A supervisor who can communicate role expectations clearly is likely to create lasting employee commitment (Darden et al., 1989). Similarly, Mathieu and Zajac (1990) found that accurate, timely communication from the supervisor is likely to increase organizational commitment.

Hutchison (1997) found that both management, in the form of formal policy and procedure, and immediate supervisors form the basis for employee perceptions of organizational support which in turn influences organizational commitment. In relation to procedure, Martin and Bennett (1996) discovered that procedural fairness has a direct influence on organizational commitment. Frequently, supervisors must maintain and distribute fair procedural policy, making this an important aspect of organizational commitment.

As role models, supervisors set an example of commitment that likely does not go unnoticed by other employees. Ogilvie (1986) proposed that commitment levels can not be increased by one action, rather, the organization needs an entire program dedicated to the topic. This includes a strong effort on the part of management to actively support employees and to provide an appropriate example of commitment. Not only does this benefit the manager and the employee, it also benefits the organization as a whole

because an employee committed to his or her organization will more than likely share the same goals and values of the organization and thus will become more productive and eager to assist the organization in meeting its objectives.

Organizational Ethics

Within organizations, ethical dilemmas may be faced on a daily basis. The ethical climate of an organization influences how each employee will respond to different situations, and each employee influences the overall ethical climate of the organization. Ferrell, Gresham, and Fraedrich (1989), combine previously used definitions of ethics and business ethics to create a working definition of ethics: "the study and philosophy of human conduct with an emphasis on the determination of right and wrong" (p. 56). Marketing ethics can be defined similarly as "inquiry into the nature and grounds of moral judgments, standards, and rules of conduct relating to marketing decisions and marketing situations" (Singhapakdi & Vitell, 1990, p. 4). And finally, for this analysis, we will define the ethical climate of an organization as follows: a combination of "the shared perception of how ethical issues should be addressed and what is ethically correct behavior" (Desphande, 1996, p. 655).

Ethics is an ambiguous term which can be defined in many ways, however, here we will focus on ethics as a judgment of right or wrong within an organization. In addition, we will focus on the ethical climate as a guideline for employees in solving questionable ethical dilemmas in an appropriate manner. The first two sections that

follow will focus on providing a basis for understanding ethical decision-making by the individual. The remaining sections will provide an explanation of how ethical decision-making works within and is influenced by an organization.

Cognitive Moral Development

Each individual interprets ethical dilemmas in a different way. Ethical problems are obscure and difficult to define, so it is logical to assume that organizations experience difficulty in developing an ethical code of conduct that is appropriate for all employees in all situations.

In an article on ethical decision making in organizations, Trevino (1986) proposed that each individual reacts differently to an ethical dilemma according to his or her current moral development stage. The model of cognitive moral development was first introduced by Kohlberg (1969) who proposed that an individual's decision regarding what is right or wrong is influenced by that individual's level of cognitive moral development. Thus, each individual will react differently to an ethical situation due to his or her advancement within their own moral development. According to Kohlberg, there are six stages of moral development which combine to form three broad levels. Within the first, "preconventional" level, the individual is concerned with his or her own interests, including rewards and punishments. At the second, or "conventional" level, the individual is concerned with conforming to expectations of larger society. And at the highest or "principled" level, the individual determines what is right using universal

values. This person sees beyond the norms and laws of groups or individuals (Ferrell, Gresham, & Fraedrich, 1989). One limitation to Kohlberg's model, as pointed out by Trevino (1986), is its inability to predict behavior in a situation. The Kohlberg model can help measure how a person might think about moral dilemmas, but it cannot predict how he or she will actually behave in that situation (Trevino, 1986). However, it is important for us to note Kohlberg's analysis here because it allows us to understand how individuals view ethical dilemmas.

Teleological and Deontological Frameworks

Another approach to explaining organizational ethics is through the use of teleological versus deontological philosophies. The basic difference between the two may be described as follows: deontological theories focus on specific actions of the individual, while teleological theories focus on the consequences of the actions (Hunt & Vittell, 1986). Another way to describe the difference is that deontological theories focus on the inherent rightness of a behavior, while teleological theories focus on the amount of good or bad in the consequences of the behaviors (Hunt & Vittell, 1986).

The deontological perspective proposes that a person needs to choose the best set of rules by which to live. One example is that of the golden rule which encourages doing unto others as you would have them do unto you. Murphy and Laczniak (1981) point out that within this perspective, people should ask themselves if the action they choose should become the "rule of thumb," and one they should always choose.

The teleological perspective proposes that people determine the consequences of various behaviors in a certain situation, and then choose the one that would best benefit everyone involved (Hunt & Vittell, 1986). There are two popular perspectives regarding who should be the focus of the decision outcome. Ethical egoism proposes that the individual making the decision should focus on his or her long term interest. On the other hand, utilitarianism proposes that the individual should focus his or her decision to maximize benefits for as many other people as possible (Murphy & Laczniak, 1981). Under utilitarianism, an act is unethical if the individual seeks purely personal gain at the expense of others. An act is ethical only if the person has made sure the actions will result in value for all persons affected by the act (Ferrell & Gresham, 1985).

Ethical Culture of the Organization

The culture of an organization can be a powerful influencer for employees within the organization. Organizational culture is the common set of values and beliefs shared by members of the organization. Not only does it guide behavior, it also influences thoughts and feelings (Trevino, 1986). There are several positive aspects of this powerful influence. One is that an ethical culture trains employees to see things in a certain way and it predisposes them to act ethically (Williams & Murphy, 1990). In addition, an organization can maintain this ethical climate by rewarding ethical behavior and punishing unethical behavior (Trevino, 1986). However, the influence can become deleterious in this respect: although individual decisions are based upon personal

standards, the organization can ultimately control standards and define situations in which decisions are made (Boling, 1978) thus leading the individual to rely solely on the organization for guidance in making a decision. In other words, organizations may actually shape an employee so that he or she does not see the other considerations involved when making an important decision. For example, when "efficiency and productivity are the only values reinforced in the organization, people slowly are molded to do whatever will get the job done" (Williams & Murphy, 1990, p. 24) without considering other factors.

When employees become committed to an organization, they take on the goals and values of the organization (Hutchison & Garstka, 1996). Within this framework, employees then begin to sacrifice their own personal values so that the organization will achieve its goals (Lincoln, Pressley, & Little, 1982). This may lead to diminution of an employee's "conscience" in order to succeed in the organization. Once employees allow themselves or others to practice small indiscretions, they may have a tendency to become engaged in more serious offenses (Newstrom & Ruch, 1975). This may result in an internal moral conflict, as employees recognize that their inclination to act ethically might lead to a violation of the organization's values or norms (Viswesvaran & Deshpande, 1996).

Supervisor Influence on Ethical Behavior

A more specific example of the organization's influence on employees' ethical decision making and behavior is characterized by the influence of top management or supervisors. Managers regularly engage in decision making that affects the lives of others. They are involved in ethical decision making because their decisions may produce consequences for the health, safety and welfare of consumers, employees and the community (Trevino, 1986).

The example set by top management filters down to every employee, and their ethical behavior and decision-making styles are not ignored by subordinates. For example, in a longitudinal study of managers, Porter, Crampton, and Smith (1976) found that the ethical beliefs of employees are similar to their perceptions of the ethical beliefs of top management. The authors' explanation of this phenomenon is that either employees project their ethical beliefs onto management or employees pattern their thoughts on ethics after management (Porter, Crampton, & Smith, 1976). This information also supports findings from Ferrell and Weaver (1978) that top management must assume at least some responsibility for the ethical conduct of employees within their organization. In addition, mid-level managers should be equally responsible for unethical behavior, and they should take action to prevent employees from engaging in unethical behavior (Ferrell & Weaver, 1978).

Ethical Perceptions and Commitment

It is the responsibility of management to fully explain and serve as an example of the appropriate ethical codes of conduct within an organization. The actions of management to reduce chances of unethical decision-making may have a direct impact on employees' job satisfaction. An employee's perceptions of his or her supervisor's ethical beliefs and actions may have a direct impact on job satisfaction and this may also have an effect on the employee's organizational commitment.

Little literature was found relating organizational ethics and organizational commitment, thus we feel that this is an important area to research. In a study on employee's ethical fit and its relationship to organizational commitment, satisfaction and turnover, Sims and Kroeck (1994) found that employees work for organizations with ethical climates similar to their own ethical preferences. In addition, these employees continue to work for the same organization, therefore achieving a match between ethical work climate and ethical preferences, and finally become more likely to indicate commitment to their organization (Sims & Kroeck, 1994).

However, our research focuses on the overall ethical climate of the organization. We believe that this is important to measure, however, because managers and supervisors are so influential to employees, it seems that employees should also take on the ethical actions and beliefs of these significant others. In addition, employees may not have the opportunity to select an organization that matches their own ethical standards, and as they

become more involved, their actions are influenced more and more by their organization and their ethical standards may change. More specifically, employees may be influenced by the managers with whom they come into contact and after whom they tend to pattern their actions. If this influence is positive, and the employee's perceptions of management's ethical behavior and decision making are positive, we might expect higher levels of commitment from the employee. This commitment then benefits the employee and the organization. Therefore the focus of this study is on an employee's perception of his or her manager's ethical actions and decision making and how this might influence an employee's commitment to the organization.

Specifically, we are concerned with the relationship between ethical behavior (which we will measure using employees' perceptions of their manager's behavior) and its relationship with organizational commitment. With this knowledge, we will gain a better understanding of how ethical decision making of managers impacts employee commitment, which may have implications on employee turnover as well. This information could be an important indication for managers and supervisors as well as corporate employees wishing to decrease turnover rates within their organization. In addition, it will provide a better understanding of ethical decision making styles of managers in the organization.

CHAPTER III

METHODS AND PROCEDURE

The purpose of this study was to determine the influence of a retail employee's perception of his or her manager's ethical behaviors on that employee's organizational commitment. The objectives were to assess retail employee's perceptions of their manager's ethical decision making style and retail employee's commitment to the retail organization. The following hypotheses directed the research:

- H1: Employee perception of an ethical dilemma and employee perception of his or her supervisor's view of an ethical dilemma will be positively related to the employee's perception of his or her supervisor's ethical behavior.

- H2: The degree to which an employee believes his or her supervisor views a situation as an ethical dilemma will be positively related to the degree to which the employee perceives a situation as an ethical dilemma

- H3: Employee perception of his/her supervisor's ethical behavior will be positively related to employee organizational commitment.

Design of Instrument

Two instruments will be used in this study. One will assess retail employees' perception of manager's ethical behavior and the other will assess employee organizational commitment.

Organizational Commitment Questionnaire (OCQ)

The Organizational Commitment Questionnaire (OCQ) was developed by Mowday, Steers, and Porter in 1979. The OCQ consists of 15 statements with seven response categories including "strongly disagree," "moderately disagree," "slightly disagree," "neither disagree nor agree," "slightly agree," "moderately agree," and "strongly agree." Six of the statements are reverse scored items. The following statement precedes the 15 statements:

Listed below are a series of statements that represent possible feelings that individuals might have about the company or organization for which they work. With respect to your own feelings about the particular organization for which you are now working, please indicate the degree of your agreement or disagreement with each statement by checking one of the seven alternatives below each statement. (p. 228)

The OCQ is self-administered, and was tested over a nine-year period with several different groups of employees from various dissimilar work organizations. The group of interest to us here is that of retail management trainees. For the retail

management trainee group, test-retest reliability was high over a two-month period (r = .72). The predictive validity for this group was the highest of all the groups in relation to performance (r = .36). Overall, the study found strong evidence for internal consistency and test-retest reliability. In addition, the results suggested that the items were homogenous and the overall measure of commitment was stable over short periods of time. When compared to other similar measures, the OCQ had acceptable levels of convergent, discriminant and predictive validity.

Mowday, Steers, and Porter (1979) also suggested that the predictive validity of the OCQ demonstrates consistent relationships between commitment and measures of employee turnover, absenteeism, tenure, and job performance. They argued that the OCQ is thus a better predictor of certain employee behaviors than job satisfaction measures. The OCQ has been used in various studies and has a high reliability and validity, lending its use in the present study.

Ethical Perceptions Measure

The measure that will be used to evaluate employee's perceptions of their manager's ethical behavior was developed by the researcher. It includes four situations which contain ethical dilemmas of the teleological nature. The statements were formed with help from the results of a study by Dubinsky and Levy (1985), which asked retail salespeople to select situations they believed to contain ethical dilemmas. The authors developed a list of situational topics that salespeople most frequently chose to contain

ethical dilemmas. These topics were used to create situations to be used for the present study. Each situation is followed by three questions: "Do you believe this situation poses an ethical dilemma?" "Do you believe that your present manager/supervisor views this as an ethical dilemma?" and "If your present manager/supervisor were in this situation do you believe he/she would handle this situation in an ethical manner?" Each question has seven response categories: "definitely no," "moderately no," "slightly no," "unable to answer," "slightly yes," "moderately yes," and "definitely yes." In addition, subjects were asked to select a solution they would choose if they were presented with the ethical dilemma.

Pretest

The pretest was conducted to determine if subjects would clearly understand and be able to appropriately answer questions within the ethical portion of the questionnaire. The questionnaire was pretested with undergraduate students from the Design, Housing and Merchandising department at Oklahoma State University. Senior students in the class had all been required to take a summer internship program which allowed them to work in a retail environment. Other students also had some retail experience.

Final Instrument

The final questionnaire was changed only slightly due to some questions raised during pretesting. Some details were added to the ethical situations. These details will provided more information for subjects.

Selection of Subjects

The subjects for this research were taken from a convenience sample of retail employees who worked in stores within a large shopping mall located in a moderately large midwest city. All managers that worked in each store were asked to complete a questionnaire. Permission to hand out the self-administered questionnaires to managers of stores within the mall was granted by the mall management.

Data Collection

In order to collect the data for this study, the researcher obtained permission to hand out questionnaires to managers working in stores within the shopping mall. The researcher hand-delivered questionnaires to the manager on duty at the time. A letter accompanied each questionnaire, and the manager was asked to pass out questionnaires to all other managers working within the store. Each questionnaire was accompanied by an envelope that was stamped and addressed to the researcher. Subjects were instructed to fill out the questionnaire on their own time, place the finished questionnaire in the envelope provided and mail it directly to the researcher.

CHAPTER IV

MANUSCRIPT

Organizational commitment concerns the bond between an organization and an employee (Mathieu & Zajac, 1990). Committed employees may experience feelings of belonging, have more job stability and have an increased positive self-image. The organization may benefit from greater employee stability, effectiveness, and a decrease in absenteeism and turnover (Mowday, Porter, & Steers, 1982). A committed employee may be highly valued by an organization because he or she may be: more willing to work hard for the organization, more likely to share the goals and values of the organization (Hutchison & Garstka, 1996) and less likely to leave (Porter, Steers, Mowday, & Boulian, 1974).

Within the retail industry, turnover may be higher than in other professions due to the increasing number of hourly sales staff (Fields & Nkomo, 1991). Turnover may also result indirectly from job-related tension, frustration and anxiety (Weeks & Nantel, 1992). One cause of anxiety within the retail environment is the inability to solve ethical dilemmas. Retail employees may be exposed to various ethical dilemmas due to their wide range of responsibilities, limited exposure to formalized training, and high pressure to perform effectively (Levy & Dubinsky, 1983). Situations that pose ethical dilemmas

for employees may be problematic for retail organizations because these situations may increase job tension, which in turn may decrease employee commitment and cause an increase in turnover.

Reichers (1985) suggested that employees not only need to be committed to the goals and values of their organization, but to the goals and values of their supervisors. Retail managers and supervisors serve as role models for the appropriate behaviors required by their organization. Their behavior helps guide the behavior of subordinates. Thus, a high level of responsibility is placed on retail managers by the organization to act in a manner that is beneficial to all parties. These factors place the behavior of managers and supervisors in a position to affect employee organizational commitment.

Theoretical Framework

The Model of the Antecedents and Correlates of Organizational Commitment, provided by DeCotiis and Summers (1987), is an interpretation of previous literature that focuses primarily on the intra-organizational experiences of the individual. Within the model, the personal characteristics of the individual directly influence his or her organizational commitment. In addition, the organizational climate (influenced by organizational structure and organizational processes), influences the individual's organizational commitment. The model also indicates that the perceived structure and the human resources processes have a direct effect on commitment and on organizational climate. Organizational commitment is also influenced by morale and job satisfaction.

Within the Model of Organizational Commitment, we believe that the General Theory of Marketing Ethics (Hunt & Vittell, 1986) fits within the relationship as an influence on organizational commitment. The General Theory of Marketing Ethics is based on an individual's encounter with a potentially ethical dilemma. Specifically, the individual's perception of the ethical problem triggers the process. The remainder of the process is valid only if the individual perceives the dilemma as having ethical content. Once it has been established that there is an ethical problem, the individual perceives a set of alternatives for solving the ethical dilemma. After these alternatives have been identified, the individual evaluates them using teleological and deontological frameworks. The teleological evaluation considers the overall goodness or badness brought about by each alternative, and it takes into consideration the overall effect the decision will have on all persons involved. The deontological evaluation considers the inherent rightness or wrongness implied by each alternative. These evaluations combine to produce an overall ethical judgment which leads to an overall likelihood that one particular alternative will be chosen (intentions). These intentions finally influence behavior and thus the consequences of the behavior.

We believe the two theories are related in the following way (Fig. 1): within the Model of Organizational Commitment and the General Theory of Marketing Ethics, the concepts of organizational environment and organizational climate are similar such that at this point within the Model of Organizational Commitment, we can fit the General Theory of Marketing Ethics; the outcome of behavior in the General Theory of Marketing

Ethics may represent the concept of organizational commitment in the Model of Organizational Commitment; the General Theory of Marketing Ethics must fit into the Model of Organizational Commitment within the area of situational characteristics, as the General Theory of Marketing Ethics pertains differently to each situation.

The purpose of the present study is to determine the relationship between employee's perceptions of their supervisor's ethical behavior and organizational commitment. In addition, we wish to investigate the indirect relationship between an employee's perception of his or her supervisor's view of an ethical dilemma, the employee's own view of the ethical dilemma and an employee's perception of his or her supervisor's ethical behavior.

Our analysis will be based on a model that is representative of a portion of the combination of the two theories. The new model (Fig. 2), begins with an employee's perception of his or her supervisor's view of an ethical dilemma. This influences both the employee's perception of his or her supervisor's ethical behavior and the employee's perception of an ethical dilemma. Finally, the employee's perception of his or her supervisor's ethical behavior influences employee organizational commitment.

A Definition of Organizational Commitment

According to Porter, Steers, Mowday, and Boulian (1974) organizational commitment is the strength of an individual's identification with and involvement in a

particular organization. It can be characterized by at least three related factors: 1) a strong belief in and acceptance of the organization's goals and values; 2) a willingness to exert considerable effort on behalf of the organization; and 3) a strong desire to maintain membership in the organization (Porter et al., 1974). Mowday, Steers, and Porter (1979) proposed that commitment represents something beyond passive loyalty, rather it involves an active relationship with the organization. From an exchange perspective, commitment is a sense of support for and from the organization (Ogilvie 1986).

Commitment is a broad concept that can be defined and interpreted in several ways. Each individual has his or her own ideas about commitment. Reichers (1985) proposed that "commitment experienced by any one individual may differ markedly from that experienced by another" (p. 473).

Organizational Commitment and Exchange with the Organization

The importance of organizational commitment is exemplified by the exchange mechanism it creates between the organization and the employee. Specifically, "employees are expected to expend effort and energy, utilizing their skills, training and abilities and in return receive organizational rewards (e.g., compensation, fringe benefits, promotion)" (Dubinsky & Levy, 1989, p. 222). Likewise, organizations provide the aforementioned benefits, and receive rewards such as increased profits, and skilled employees. When an organization provides these organizational rewards, employee commitment will likely be enhanced (Steers, 1977). Further, "when an organization

commits to meeting the needs and expectations of its members, its members commit to the service of the organization in terms of its goals and values" (DeCotiis & Summers, 1987, p. 467).

Side-Bets and Commitment

Becker (1960) first introduced the concept of the side bet theory of organizational commitment. Becker refers to this type of commitment as "commitment by default" (p.38), and it results from a series of acts that, taken together, represent a series of side bets that an employee does not want to lose by breaking an organizational commitment. For many employees, vacation leave, monetary rewards, stock options, even the chance for promotion, increase with time spent in the organization. Leaving the organization or decreasing commitment to an organization may lessen the chance of receiving these accumulated rewards. An employee reluctant to lose those positive elements may be more likely to stay with that organization. The individual becomes organizationally committed in order to maintain the benefits (Stevens, Beyer, & Trice, 1978).

Employee Commitment and Supervisor Support

Not only are employees committed to the organization as a whole, including the values and goals of the organization, but they are also committed to the goals and values advocated by top management (Reichers, 1985). Darden, Hampton, and Howell (1989) found that a friendly, participatory management style increases commitment to the

organization. Their results implied that a personal management style is satisfying to a salesperson and can enhance his or her performance through commitment (Darden et al., 1989). They also found that commitment of entry level employees is largely in the hands of their supervisors. A supervisor who can communicate role expectations clearly is likely to create lasting employee commitment (Darden et al., 1989; Mathieu & Zajac, 1990).

Organizational Ethics

The ethical climate of an organization influences how each employee will respond to different situations, and each employee influences the overall ethical climate of the organization. Ferrell, Gresham, and Fraedrich (1989), combine previously used definitions of ethics and business ethics to create a working definition of ethics: "the study and philosophy of human conduct with an emphasis on the determination of right and wrong" (p. 56). The ethical climate of an organization can be defined as follows: a combination of "the shared perception of how ethical issues should be addressed and what is ethically correct behavior" (Desphande, 1996, p. 655).

Cognitive Moral Development

Trevino (1986) proposed that each individual reacts differently to an ethical dilemma according to his or her current moral development stage. The model of cognitive moral development was first introduced by Kohlberg (1969) who proposed that

an individual's decision regarding what is right or wrong is influenced by that

individual's level of cognitive moral development. Each individual will react differently

to an ethical situation due to his or her advancement within their own moral development.

According to Kohlberg, there are six stages of moral development which combine to form

three broad levels. Within the first, "preconventional" level, the individual is concerned

with his or her own interests, including rewards and punishments. At the second, or

"conventional" level, the individual is concerned with conforming to expectations of

larger society. And at the highest or "principled" level, the individual determines what is

right using universal values. This person sees beyond the norms and laws of groups or

individuals (Ferrell, Gresham & Fraedrich, 1989). One limitation to Kohlberg's model,

as pointed out by Trevino (1986), is its inability to predict behavior in a particular

situation. Although the Kohlberg model cannot predict how a person will actually behave

in a situation (Trevino, 1986), it is important to note that it can help measure how an

individual might view moral dilemmas.

Teleological and Deontological Frameworks

Another approach to explaining organizational ethics is through the use of

teleological versus deontological philosophies. The basic difference between the two

may be described as follows: deontological theories focus on specific actions of the

individual, while teleological theories focus on the consequences of the actions (Hunt &

Vittell, 1986). In addition, deontological theories focus on the inherent rightness of a

behavior, while teleological theories focus on the amount of good or bad in the consequences of the behaviors (Hunt & Vittell, 1986).

The deontological perspective proposes that a person needs to choose the best set of rules by which to live. One example is that of the golden rule which encourages doing unto others as you would have them do unto you. Murphy and Laczniak (1981) point out that within this perspective, people should ask themselves if the action they choose should become the "rule of thumb," and one they should always choose.

The teleological perspective proposes that people determine the consequences of various behaviors in a certain situation, and then choose the one that would best benefit everyone involved (Hunt & Vittell, 1986). There are two popular perspectives regarding who should be the focus of the decision outcome. Ethical egoism proposes that the individual making the decision should focus on his or her long term interest. On the other hand, utilitarianism proposes that the individual should focus his or her decision to maximize benefits for as many other people as possible (Murphy & Laczniak, 1981). Under utilitarianism, an act is unethical if the individual seeks purely personal gain at the expense of others. An act is ethical only if the person has made sure the actions will result in value for all persons affected by the act (Ferrell & Gresham, 1985).

Ethical Culture of the Organization

Organizational culture is the common set of values and beliefs shared by members of the organization. Not only does it guide behavior, it also influences thoughts and

feelings (Trevino, 1986). An ethical culture trains employees to see things in a certain way and it predisposes them to act ethically (Williams & Murphy, 1990). An organization can maintain this ethical climate by rewarding ethical behavior and punishing unethical behavior (Trevino, 1986). However, the influence can become deleterious in this respect: although individual decisions are based upon personal standards, the organization can ultimately control standards and define situations in which decisions are made (Boling, 1978) thus leading the individual to rely solely on the organization for guidance in making a decision. In other words, organizations may actually shape an employee so that he or she does not see the other considerations involved when making an important decision. For example, when "efficiency and productivity are the only values reinforced in the organization, people slowly are molded to do whatever will get the job done" (Williams & Murphy, 1990, p. 24) without considering other factors.

When employees become committed to an organization, they take on the goals and values of the organization (Hutchison & Garstka, 1996). Within this framework, employees then begin to sacrifice their own personal values so that the organization will achieve its goals (Lincoln, Pressley, & Little, 1982). This may lead to diminution of an employee's "conscience" in order to succeed in the organization. Once employees allow themselves or others to practice small indiscretions, they may have a tendency to become engaged in more serious offenses (Newstrom & Ruch, 1975). This may result in an internal moral conflict, as employees recognize that their inclination to act ethically might

lead to a violation of the organization's values or norms (Viswesvaran & Deshpande, 1996).

Supervisory Influence on Ethical Behavior

Managers are involved in ethical decision making because their decisions may produce consequences for the health, safety and welfare of consumers, employees and the community (Trevino, 1986). The example set by top management filters down to every employee, and their ethical behavior and decision-making styles are not ignored by subordinates. Porter, Crampton and Smith (1976), found that the ethical beliefs of employees are similar to their perceptions of the ethical beliefs of top management. Ferrell and Weaver (1978) found that top management must assume at least some responsibility for the ethical conduct of employees within their organization. In addition, mid-level managers should be equally responsible for unethical behavior, and they should take action to prevent employees from engaging in unethical behavior (Ferrell & Weaver, 1978). Thus, an employee's perception of his or her supervisor's ethical behavior is an important influence on employee ethical behavior. Therefore, we hypothesize the following:

H1:   The degree to which an employee believes his or her supervisor views a situation as an ethical dilemma will be positively related to employee perception of his or her supervisor's ethical behavior.

In addition, each individual may differ in his or her view of a situation as ethical or unethical. We believe that this perception of an ethical situation will influence an

employee's ability to handle the situation in an ethical manner and his or her perception of a supervisor's ethical behavior. Therefore we hypothesize the following:

> H2: An indirect effect of employee perception of an ethical dilemma and employee perception of his or her supervisor's view of an ethical dilemma will be positively related to the employee's perception of his or her supervisor's ethical behavior.

Ethical Perceptions and Commitment

Our research focuses on the overall ethical climate of the organization. We believe that this is important to measure because managers and supervisors are so influential to employees, it seems that employees should also take on the ethical actions and beliefs of these significant others. Employees may be influenced by the managers with whom they come into contact and after whom they tend to pattern their actions. If this influence is positive, and the employee's perceptions of management's ethical behavior and decision making are positive, we might expect higher levels of commitment from the employee. The focus of this study is on an employee's perception of his or her manager's ethical actions and decision making and how this might influence an employee's commitment to the organization. Therefore, we hypothesize:

> H3: Employee perception of his/her supervisor's ethical behavior will be positively related to employee organizational commitment.

Specifically, we are concerned with the relationship between ethical behavior (which we will measure using employee's perceptions of their manager's behavior) and

its relationship to organizational commitment. With this knowledge, we will gain a better understanding of how ethical decision making of managers impacts employee commitment, which may have implications on employee turnover as well. This information could be important for managers and supervisors as well as corporate employees wishing to decrease turnover rates within their organization.

Methodology

Measures

The Organizational Commitment Questionnaire (OCQ) was developed by Mowday, Steers, and Porter in 1979. The OCQ consists of 15 statements with seven response categories including "strongly disagree," "moderately disagree," "slightly disagree," "neither disagree nor agree," "slightly agree," "moderately agree," and "strongly agree." Six of the statements are reverse scored items.

The OCQ is self-administered, and was tested over a nine-year period with several different groups of employees from various dissimilar work organizations. Mowday, Steers and Porter (1979) suggested within the study that the predictive validity of the OCQ demonstrates consistent relationships between commitment and measures of employee turnover, absenteeism, tenure, and job performance. They argued that the OCQ is thus a better predictor of certain employee behaviors than job satisfaction measures.

The OCQ has been used in various studies and has a high reliability and validity, leading to its use in the present study.

The measure used to evaluate employees' perceptions of their manager's ethical behavior was developed by the researcher. It included four situations which contained ethical dilemmas of the teleological nature. The statements were formed with aid from the results of a study by Dubinsky and Levy (1985), which asked retail salespeople to select situations they believed to contain ethical dilemmas. The authors developed a list of situational topics that salespeople most frequently chose to contain ethical dilemmas. These topics were used to create situations to be used for the present study. Each situation is followed by three questions: "Do you believe this situation poses an ethical dilemma?" "Do you believe that your present manager/supervisor views this as an ethical dilemma?" and "If your present manager/supervisor were in this situation do you believe he/she would handle this situation in an ethical manner?" Each question has seven response categories: "definitely no," "moderately no," "slightly no," "unable to answer," "slightly yes," "moderately yes," and "definitely yes." In addition, subjects were asked to select a solution they would choose if they were presented with the ethical dilemma.

The four ethical situations used in the questionnaire were of a customer service nature. The first hypothetical situation concerned an employee's use of an employee discount for members of the family not indicated in the store policy. The second situation concerned allowing an employee to take home merchandise that was not yet purchased.

The third situation concerned merchandise exchange over a period of time. The final situation concerned informing customers of defective merchandise

Subject Selection

Subjects were taken from a convenience sample of retail employees that were employed in stores within a large shopping mall located in a moderately large midwest city. The researcher hand-delivered a total of 182 questionnaires to the managers on duty at each store. Managers were asked to pass out questionnaires to all other managers working within the store. Subjects were asked to fill out the questionnaire on their own time, place the finished questionnaire in the envelope provided and mail it directly to the researcher.

Results

Demographics

The means and standard deviations are presented in Table I. Out of 182 questionnaires handed out, 102 were returned a 55 percent return rate. Only 5 questionnaires were returned from a total of four department stores, the remainder coming from specialty stores. Over 75 percent of subjects indicated that four or fewer managers worked at their store, which is indicative of the size of stores that were involved in the study. In addition, the number of stores in the district within which the subjects' stores were located, were small. Specifically, 23.30 percent had 5 or fewer stores in their

district; 26.21 percent had between 6 and 10 stores in their district; 36.89 percent had

between 11 and 20 stores in their district.

Table 1: Means and Standard Deviations of Sample

	Mean	Standard Deviation
Age	33.17	9.62
Stores in district	12.54	17.98
Times per month see manager	5.62	2.42
Managers work in store	3.51	3.42
Years with organization	3.99	3.33
Years lived in Oklahoma	18.55	14.36
Gender: 66.66% Female; 33.33% Male		

More than 55 percent of subjects were managers of their store while 26.21 percent

were assistant managers and 9.71 percent were district managers. The remainder were

either department managers, co-managers or sales associates. Most respondents (69.9

percent) had been employed by their organization for at least two years.

More than 66 percent of subjects were female. Respondents' ages ranged from 18

to 62. The majority (58.25 percent) were between 26 and 39; 17.48 percent were younger

than 25 and 20.38 percent were age 40 and up.

Descriptives

Organizational Commitment

Each subject's responses to the organizational commitment portion of the

questionnaire were classified into three response categories from the original seven.

Subjects who responded to a statement by choosing one of the three "agree" responses were classified as the "agree" category, subjects who chose one of the three "disagree" responses were classified as the "disagree" category, and those who chose to neither agree nor disagree were categorized as "neutral." The questionnaires were reverse coded so that a high score indicated strong commitment and a lower score indicated lower levels of commitment. For each question, subjects indicated their agreement or disagreement with statements on a scale of one to seven, with seven indicating high organizational commitment.

The mean score for the total commitment scale was 34.26, with a minimum score of 15 and a maximum score of 83, indicating a moderately high degree of organizational commitment for most subjects. More specifically, 99.03 percent (M = 6.58) of subjects agreed that they would be willing to extend a great deal of effort in order to help their organization succeed. Similarly, 92.23 percent (M = 6.39) agreed that they were proud to tell others about their organizational affiliation. In addition, 90.29 percent (M = 6.39) of subjects agreed that they cared about the fate of their organization, and 90.29 percent (M = 6.14) of subjects agreed that they were glad they chose to work for their particular organization. The majority of subjects (93.2 percent; M = 6.62) disagreed with the statement "deciding to work for this organization was a definite mistake on my part," indicating that subjects were content with the choice they had made to work for their particular organization. These scores indicate that the majority of subjects were

committed to the organization as far as their decision to work there and pride in telling others about their organization.

However, when given the option to work for a different organization (with similar working conditions), a sizable percentage of subjects (33.01 percent; M = 4.38) agreed they could work elsewhere (over 14 percent were neutral regarding a change of organization). Only 26.01 percent (M = 4.65) of subjects agreed that they would be willing to accept any type of position to stay with their present organization. In addition, 24.27 percent (M = 5.16) of subjects found it difficult to agree with their organization's employee policy. These results indicate that even though the majority of total scores suggest high levels of organizational commitment, the subjects' agreement with statements concerning tenure with the company or the option to take a different job within the company indicate that a sizable percentage of subjects were not as committed.

Ethical Situations

The ethical situations portion of the questionnaire was reverse coded so that a high score indicated high agreement. The majority of subjects believed that each of the four ethical situations posed ethical dilemmas. For the first ethical situation, 69.9 percent of subjects believed the situation posed an ethical dilemma. On a scale of 1 to 7 (with 7 being high agreement that the situation posed an ethical dilemma), the mean score for this first situation was 5.01. For the second situation , 90.29 percent (M = 6.28) of subjects

believed the situation posed an ethical dilemma. For the third situation, 85.44 percent

(M = 5.69) of subjects believed the situation posed an ethical dilemma. For the fourth

situation, 81.55 percent (M = 5.44) of subjects believed the situation to be an ethical

dilemma.

When asked if their supervisor would view the situation as an ethical dilemma,

subjects were slightly more divided. For situation one, 70.87 percent (M = 5.20) of

subjects believed their supervisor would view the situation as an ethical dilemma. For

situation two, 86.41 percent (M = 6.26) of subjects believed their supervisor would view

the situation as an ethical dilemma. For situations three and four, 82.52 percent and

73.79 percent (respectively) of subjects believed that their supervisor would view the

situation as an ethical dilemma (mean scores were 5.73 and 5.16, respectively).

The majority of subjects agreed that their manager or supervisor would handle

each situation in an ethical manner. For situation one, 89.32 percent (M = 6.25) of

subjects believed that if his or her supervisor were in the situation, he or she would

handle the situation ethically. For situation two, 93.20 percent (M = 6.63) believed their

supervisor would handle the situation in an ethical manner. For situations three and four,

93.20 percent and 89.32 percent (respectively) of subjects believed their supervisor would

handle the situation in an ethical manner (with mean scores of 6.48 and 6.11,

respectively).

When asked what action they would take if they were presented with the ethical situation, the majority of subjects chose a response that would comply with company policy. However, a significant percentage of subjects also chose an unethical action, and many were not sure what action they would take if presented with the ethical situation given. For example, for situation one, concerning the employee discount policy, 80.50 percent of subjects believed they would tell the manager to discontinue giving the discount to family members not entitled to a discount according to store policy. However, 10.68 percent of subjects believed they would allow the manager to continue to break store policy, and 8.74 percent were unsure how they would handle the situation. The results from situation two (concerning giving permission to an employee to take home unpurchased merchandise) were similar. The majority of subjects (93.20 percent) thought they would ask the manager not to take the merchandise home, and no subjects indicated any uncertainty concerning this particular situation. When asked how they would handle situation three, concerning the continual exchange of "defective" merchandise from the same customer, most subjects (80.58 percent) believed they would tell the manager to discontinue giving out new items. However, 9.71 percent believed they would allow the manager to continue giving the customer new merchandise, and 9.71 percent of subjects were unsure how they would handle the situation. Finally, for situation four, concerning informing customers of defective merchandise, 81.55 percent of subjects believed they would either inform customers about possible defects in the product or send back the defective merchandise. However, 8.74 percent believed they

would allow the defective merchandise out on the sales floor, and 9.71 percent were unsure how they would handle the situation.

Regressions and Correlations

The correlations are presented in Table II, and results of multiple regression analysis are presented in Table III. The relationship between the perception of supervisor's view of an ethical dilemma, and employee's own perception of an ethical dilemma were highly correlated ($R^2 = 0.841$, $p = 0.000$). This may indicate that a subject's perception of an ethical dilemma is affected by their supervisors' perception of an ethical dilemma. This high correlation may also indicate multicollinearity for the two measures; in other words, the two variables may have actually been measuring the same construct. However, diagnostics showed that multicollinearity was not an issue. Thus, there were two possibilities that would explain this high correlation. Either employees' ethical perceptions are shaped by their beliefs concerning their supervisor's ethical perceptions, or an employee's own perceptions of an ethical dilemma are the same as the employee's perceptions about his or her supervisor's view of an ethical dilemma.

Table II: Correlation Matrix for Each Construct

	Perception of Supervisor's Behavior	Perception of Supervisor's View	Perception of Ethical Dilemma
Perception of Supervisor's View	0.189		
Perception of Ethical Dilemma	0.159	0.917	
Total Score on Organizational Commitment Questionnaire	0.439	0.018	0.08

Table III: Multiple Regression Analysis

Dependent Variable	Independent Variable	β	R^2	p-value
Perception of Ethical Dilemma	Perception of Supervisor's View of Ethical Dilemma	0.917	0.841	0.000
H1:Perception of Supervisor's Ethical Behavior	Perception of Supervisor's View of Ethical Dilemma	0.271	0.037	0.275
H2:Perception of Supervisor's Ethical Behavior	Perception of Supervisor's View of Ethical Dilemma	0.271	0.018	0.155
	Perception of Ethical Dilemma	-0.090		
H3:Total Score on Organizational Commitment Questionnaire	Perception of Supervisor's Ethical Behavior	0.439	0.193	0.000

Theoretical Model
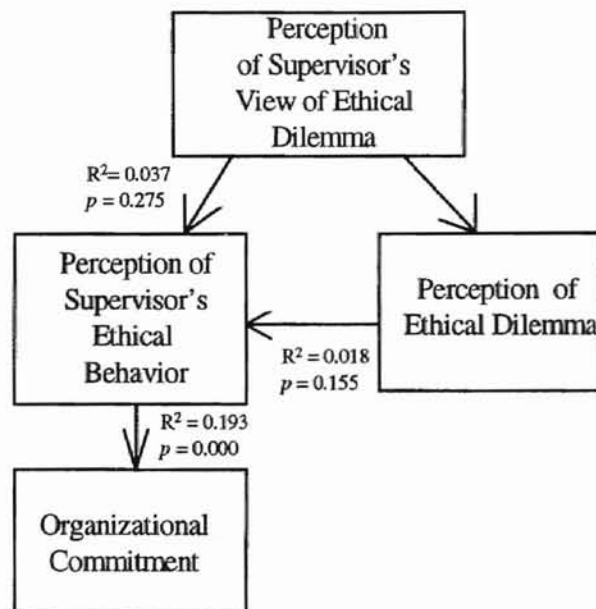
Hypothesis 1 states that there is a relationship between an employee's perception

of his or her supervisor's view of an ethical dilemma and employee perception of his or

her supervisor's ethical behavior. Results of multiple regression analysis did not reveal a

significant relationship between these variables ($R^2 = 0.037$, $p = 0.275$). Thus,

Hypothesis 1 was not supported.

Hypothesis 2 states that an indirect effect of employee perception of an ethical dilemma, and employee perception of his or her supervisor's view of an ethical dilemma, will be positively related to employee perception of his or her supervisor's ethical behavior. Multiple regression analysis revealed no linear relationship between these two variables. In other words, an employee's perception of his or her supervisor's view of an ethical dilemma may not affect that employee's perception of his or her supervisor's ethical behavior. In addition, an employee's own perception of an ethical dilemma may not affect an employee's perception of his or her supervisor's ethical behavior. Thus, there is no evidence to support Hypothesis 2.

Hypothesis 3 states that there will be a positive relationship between an employee's perception of his or her supervisor's ethical behavior, and employee organizational commitment. Multiple regression analysis revealed a significant relationship between these variables, such that 19.3 percent of the variance in employee organizational commitment is explained by employee perception of his or her supervisor's ethical behavior. The more an employee perceives his or her supervisor to be acting ethically, the higher that employee's organizational commitment. These results support the model (Fig. 3) that represents a combination of the theories provided by Hunt and Vittel (1986) and Decottis and Summers (1987). In this model, the areas on which the present study focused are highlighted with gray. These areas are significant because they represent the tested model. Although only a small section of the combined model

was tested, it is a significant section because it represents an antecedent of organizational commitment.

The relationship between the variables in Hypothesis 3 is important in view of the related literature on the antecedents and consequences of organizational commitment. There are numerous variables that potentially influence organizational commitment: side bets (Becker, 1960), exchange with the organization (Hutchison, 1997), job satisfaction (Decottis & Summers, 1987), etc. Of all the possible influences on organizational commitment, it is important to note that the ethical behavior of supervisors is a significant antecedent. In addition, because no other studies were found regarding the relationship between perception of supervisory ethical behavior and organizational commitment, further study is necessary in order to determine its importance.

Conclusions

Numerous studies have been conducted regarding the antecedents and consequences of organizational commitment, but none have attempted to relate the perceptions of ethical behavior to employee organizational commitment. The present study found that an employee's perception of his or her supervisor's ethical behavior is a significant influence on the employee's organizational commitment. Almost one-fifth (19.3 percent) of the variance in the measurement of organizational commitment can be explained by an employee's perception of his or her supervisor's ethical behavior.

The present findings can be compared to findings from previous studies. Darden, Hampton, and Howell (1989) found that a friendly, participatory management style tends to increase employee commitment to the organization. Supervisors displaying ethical behavior in the workplace may have a positive influence on employee organizational commitment. Becker, Billings, Eveleth, and Gilbert (1996) found that employees are committed not only to the goals and values of their organization but also to the goals and values advocated by top management. If an employee is satisfied with the ethical behavior of his or her supervisor and thus committed to that supervisor, then it is likely that he or she will also be committed to the organization. A study by Martin and Bennett (1996) found that procedural fairness had a direct influence on organizational commitment. Thus, employees who observe their supervisors conducting procedures in an ethical manner may feel more committed to their organization.

The findings from the present study are important to retail managers for several reasons. First, while supervisors alone may act as role models by setting an example of organizational commitment and appropriate ethical behavior, Ogilvie (1986) proposed that organizations need an entire program dedicated to the emphasis of organizational commitment. The findings from the present study suggest that ethical behavior should play a large role in programs dedicated to improving organizational commitment. Second, Ferrell and Weaver (1978) found that top management must assume responsibility for both the ethical and unethical behavior of employees. In addition, supervisors should take action to prevent employees from engaging in unethical behavior

(Ferrell & Weaver, 1978). Thus, supervisors must not only be responsible for their own actions, but for the ethical or unethical actions of their employees. This further emphasizes the need for supervisors to fully explain and serve as an example of the appropriate ethical codes of conduct within an organization. Finally, Hutchison (1997) found that when employees perceive support from their organization, they will feel more committed to that organization. If employees perceive rewards, recognition, promotion and bonuses as associated with their performance, they will feel more organizational commitment (Hutchison & Garstka, 1996). Thus, employees should also be rewarded for their ethical behavior. Not only does this benefit the employee psychologically and extrinsically, it also benefits the organization with higher productivity, higher work quality, lower rates of job movement, and even lower turnover (Mathieu & Zajac, 1990). Reducing turnover in the retail industry benefits the organization, the employee and the consumer.

Although the results from the present study may not apply to all retail managers, the results point to a possible relationship between an employee's perception of his or her supervisor's ethical behavior and employee organizational commitment. These results support the portion of the theoretical model represented by the combination of the two original theories, The General Theory of Marketing Ethics (Hunt & Vittel, 1986) and The Antecedents and Consequences of Organizational Commitment (Decottis & Summers, 1987). These findings provide a better understanding of the influence of ethical behavior in the workplace, which may serve as a foundation for future research studies focusing on perceived ethical behavior and organizational commitment.

The present findings also provide new knowledge to retail organizations regarding organizational commitment. In addition, the study raises awareness of the importance of positive perceptions of ethical behavior. This information may be helpful in developing training programs for retail organizations.

Recommendations for Further Study

The following recommendations can be made for future research:

- Conduct the study using a larger, random sample of retail managers from various locations and working in organizations of varying size.

- Present ethical dilemmas that do not focus primarily on customer-related issues, but also on those issues facing management alone (i.e., hiring procedures, scheduling, inventory, employee relations).

- Introduce a measure that will determine employee commitment to a supervisor in addition to determining commitment to the organization as a whole.

- Pretest the ethical portion of the questionnaire with retail managers.

- Use ethical dilemmas from both teleological and deontological frameworks.

- Conduct the study using retail sales staff as subjects rather than managers, in order to determine the organizational commitment of employees who come into direct contact with customers on a regular basis.

REFERENCES

Becker, H.S. (1960). Notes on the concept of commitment. <u>American Journal of Sociology, 66,</u> 33-40.

Boling, T.E. (1978). The management of ethics "crisis": An organizational perspective. <u>Academy of Management Review, 3,</u> 360-365.

Darden, W.R., Hampton, R., & Howell, R.D. (1989). Career versus organizational commitment: Antecedents and consequences of retail salespeoples' commitment. <u>Journal of Retailing, 65</u>(1), 80-106.

DeCotiis, T.A., & Summers, T.P. (1987). A path analysis of a model of the antecedents and consequences of organizational commitment. <u>Human Relations, 40</u>(7), 445-470.

Deshpande, S.P. (1996). The impact of ethical climate types on facets of job satisfaction: An empirical investigation. <u>Journal of Business Ethics, 15</u>(6), 655-660.

Dubinsky, A.J., & Levy, M. (1989). Influence of organizational fairness on work outcomes of retail salespeople. Journal of Retailing, 65(2), 221-252.

Ferrell, O.C., Gresham, L.G., & Fraedrich, J. (1989). A synthesis of ethical decision models for marketing. Journal of Macromarketing, 9, 55-64.

Ferrell, O.C., & Weaver, K.M. (1978). Ethical beliefs of marketing managers. Journal of Marketing, 42(3), 69-73.

Fields, D.M., & Nkomo, S.M. (1991). Examining the role of job attribute preferences in the rapid turnover of newly hired retail employees. Journal of Applied Business Research, 7(4), 28-35.

Hunt, S.D., & Vitell, S. (1986). A general theory of marketing ethics. Journal of Macromarketing, 6, 5-16.

Hutchison, S. (1997). A path model of perceived organizational support. Journal of Social Behavior and Personality, 12(1), 159-174.

Hutchison, S., & Garstka, M.L. (1996). Sources of perceived organizational support: Goal setting and feedback. Journal of Applied Social Psychology, 26(15), 1351-1366.

Kohlberg, L. (1969). Stage and sequence: The cognitive developmental approach to socialization, in Handbook of Socialization Theory and Research, D.A. Goslin ed., Chicago: Rand McNally, 347-480.

Levy, M., & Dubinsky, A.J. (1983). Identifying and addressing retail salespeople's ethical problems: A method and application. Journal of Retailing, 59(1), 46-66.

Lincoln, D.J., Pressley, M.M., & Little, T. (1982). Ethical beliefs and personal values of top level executives. Journal of Business Research, 10, 475-487.

Mathieu, J.E., & Zajac, D.M. (1990). A review and meta-analysis of the antecedents, correlates and consequences of organizational commitment. Psychological Bulletin, 108(2), 171-194.

Mowday, R.T., Porter, L.W., & Steers, R.M. (1982). Employee-Organization Linkages: The Psychology of Commitment, Absenteeism and Turnover. New York: Academic Press.

Murphy, P.E., & Laczniak, G.R. (1981). Marketing ethics: A review with implications for managers, educators and researchers. Review of Marketing, 251-266.

Newstrom, J.W., & Ruch, W.A. (1975). The ethics of management and the management of ethics. MSU Business Topics, 23, 29-37.

Ogilvie, J.R. (1986). The role of human resource management practices in predicting organizational commitment. Group and Organization Studies, 11(4), 335-359.

Porter, L.W., Crampton, W.J., & Smith, F.J. (1976). Organizational commitment and managerial turnover: A longitudinal study. Organizational Behavior and Human Performance, 15, 87-98.

Porter, L.W., Steers, R.M., Mowday, R.T., & Boulian, P.V. (1974). Organizational commitment, job satisfaction and turnover among psychological technicians. Journal of Applied Psychology, 59(5), 603-609.

Reichers, A.E. (1985). A review and reconceptualization of organizational commitment. Academy of Management Review, 10(3), 465-476.

Steers, R.M. (1977). Antecedents and outcomes of organizational commitment. Administrative Science Quarterly, 22, 46-56.

Stevens, J.M., Beyer, J.M., & Trice, H.M. (1978). Assessing predictors of managerial commitment. Academy of Management Journal, 21(3), 380-396.

Trevino, L.K. (1986). Ethical decision making in organizations: A person-situations interactionist model. Academy of Management Review, 11(3), 601-617.

Viswesvaran, C., & Deshpande, S.P. (1996). Ethics, success and job satisfaction: A test of dissonance theory in India. Journal of Business Ethics, 15(10), 1065-1069.

Weeks, W.A., & Nantel, J. (1992). Corporate codes of ethics and sales force behavior: A case study. Journal of Business Ethics, 11(10), 753-760.

Williams, O.F., & Murphy, P.E. (1990). The ethics of virtue: A moral theory for marketing. Journal of Macromarketing, 19-29.

CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

The purpose of the research was to determine the relationship between retail employee's perceptions of their manager's ethical behavior and employee organizational commitment. The proposed model was based on a combination of the following theories: The Model of the Antecedents and Consequences of Organizational Commitment, proposed by DeCottis and Summers (1987) and The General Theory of Marketing Ethics, proposed by Hunt and Vittel (1986). The objectives of the study were as follows: (1) to determine the relationship between the degree to which an employee believes his or her supervisor views a situation as an ethical dilemma and the degree to which the employee perceives a situation as an ethical dilemma; (2) to determine the relationship between the degree to which an employee perceives a situation as an ethical dilemma and the employee's perception of his or her supervisor's ethical behavior; (3) to determine the relationship between the degree to which an employee believes his or her supervisor views a situation as an ethical dilemma and employee's perception of his or her supervisor's ethical behavior; and (4) to determine the relationship between employee's perceptions of his or her supervisor's ethical behavior and that employee's level of commitment to the organization.

Summary of Findings

Results of multiple regression analysis indicated that there was no linear relationship between an employee's perception of his or her supervisor's view of an ethical dilemma and employee perception of his or her supervisor's ethical behavior. Thus, Hypothesis 1 was not supported.

Multiple regression analysis also revealed that the combination of an employee's perception of his or her supervisor's view of an ethical dilemma and that employee's own view of an ethical dilemma was not significantly related to an employee's perception of his or her supervisor's ethical behavior. Thus, there was no support for Hypothesis 2.

Results showed a linear relationship between an employee's perception of his or her supervisor's ethical behavior and employee organizational commitment. These results supported the section of the model that was based on the combination of the theoretical models proposed by Hunt and Vittel (1986) and DeCottis and Summers (1987). These results supported Hypothesis 3. This relationship is significant when viewing the related literature because it suggests that a sizable portion of the variance in organizational commitment may be explained by the perception of a supervisor's ethical behavior. This is important to note because no related literature was found relating the two variables.

The results as summarized above, did not support the entire proposed theoretical model. However, results did support the section of the model which represents a combination of the two original theoretical models (The Model of the Antecedents and Consequences of Organizational Commitment (Hunt & Vittel, 1986) and The General Theory of Marketing Ethics (Decottis & Summers, 1987).

Conclusions

Numerous studies have attempted to explain both antecedents and correlates of organizational commitment, but no studies were found relating perceived ethical behavior to employee organizational commitment. Conclusions from the present study may not apply to all retail managers due to the use of a convenience sample in only one city. However, the results point to a possible relationship between retail employees' perceptions of their supervisor's ethical behavior and employee organizational commitment.

It seems that the organizational commitment of the subjects from the present study was influenced by the actions they believed their supervisors would take if faced with an ethical dilemma. This relationship suggests several possibilities to retail organizations. Obviously there are several steps to be taken to ensure organizational commitment, and these steps will differ for each organization. However, in terms of maintaining ethical conduct in order to ensure commitment in retail organizations, retailers need to first make sure that all employees understand and are rewarded for following procedure and policy.

In addition, retailers must communicate to managers and supervisors the need to lead by example.

Recommendations for Future Research

After conducting the study as described, several recommendations can be made to overcome the limitations of this study and to contribute to further understanding of the relationship between perceptions of ethical behavior and organizational commitment. These recommendations are as follows:

- Conduct the study using a larger, random sample of retail managers from various locations and working in organizations of varying size.

- Present ethical dilemmas that do not focus primarily on customer-related issues, but also on those issues facing management alone (i.e., hiring procedures, scheduling, inventory, employee relations).

- The use of a measure to determine employee commitment to a supervisor in addition to determining commitment to the organization as a whole.

- Pretest the ethical portion of the questionnaire with retail managers.

- Use ethical dilemmas from both teleological and deontological frameworks.

- Conduct the study using retail sales staff as subjects rather than managers, in order to determine the organizational commitment of employees who come into direct contact with customers on a regular basis.

Future research should be conducted to determine the impact of perceived ethical behavior on organizational commitment. It is an aspect of employee turnover that retail organizations may overlook. Although ethical behavior may be considered difficult to enforce, companies may want to consider the addition of ethical testing and education when recruiting, hiring, and training new employees, and during the continual education of current employees. This may result in an increase in employee organizational commitment and a decrease in turnover.

In addition, future research should be conducted in order to determine what factors lead an employee to perceive his or her supervisor's behavior as ethical or unethical. This information could be helpful in developing training programs for both retail management and sales positions.

BIBLIOGRAPHY

Becker, H.S. (1960). Notes on the concept of commitment. American Journal of Sociology, 66, 33-40.

Becker, T.E., & Billings, R.S. (1993). Profiles of commitment: An empirical test. Journal of Organizational Behavior, 14, 177-190.

Becker, T.E., Billings, R.S., Eveleth, D.M., & Gilbert, N.L. (1996). Foci and bases of employee commitment: Implications for job performance. Academy of Management Journal, 39(2), 464-482.

Boling, T.E. (1978). The management of ethics "crisis": An organizational perspective. Academy of Management Review, 3, 360-365.

Darden, W.R., Hampton, R., & Howell, R.D. (1989). Career versus organizational commitment: Antecedents and consequences of retail salespeoples' commitment. Journal of Retailing, 65(1), 80-106.

DeCotiis, T.A., & Summers, T.P. (1987). A path analysis of a model of the antecedents and consequences of organizational commitment. Human Relations, 40(7), 445-470.

Deshpande, S.P. (1996). The impact of ethical climate types on facets of job satisfaction: An empirical investigation. Journal of Business Ethics, 15(6), 655-660.

Dubinsky, A.J., & Levy, M. (1985). Ethics in retailing: Perceptions of retail salespeople. Journal of the Academy of Marketing Science, 13(1), 1-16.

Dubinsky, A.J., & Levy, M. (1989). Influence of organizational fairness on work outcomes of retail salespeople. Journal of Retailing, 65(2), 221-252.

Ferrell, O.C., & Gresham, L.G. (1985). A contingency framework for understanding ethical decision making in marketing. Journal of Marketing, 87-96.

Ferrell, O.C., Gresham, L.G., & Fraedrich, J. (1989). A synthesis of ethical decision models for marketing. Journal of Macromarketing, 9, 55-64.

Ferrell, O.C., & Weaver, K.M. (1978). Ethical beliefs of marketing managers. Journal of Marketing, 42(3), 69-73.

Fields, D.M., & Nkomo, S.M. (1991). Examining the role of job attribute preferences in

the rapid turnover of newly hired retail employees. Journal of Applied Business

Research, 7(4), 28-35.

Hunt, S.D., & Vitell, S. (1986). A general theory of marketing ethics. Journal of

Macromarketing, 6, 5-16.

Hutchison, S. (1997). A path model of perceived organizational support. Journal of

Social Behavior and Personality, 12(1), 159-174.

Hutchison, S., & Garstka, M.L. (1996). Sources of perceived organizational support:

Goal setting and feedback. Journal of Applied Social Psychology, 26(15), 1351-

1366.

Kohlberg, L. (1969). Stage and sequence: The cognitive developmental approach to

socialization, in Handbook of Socialization Theory and Research, D.A. Goslin

ed., Chicago: Rand McNally, 347-480.

Levy, M., & Dubinsky, A.J. (1983). Identifying and addressing retail salespeople's

ethical problems: A method and application. Journal of Retailing, 59(1), 46-66.

Lincoln, D.J., Pressley, M.M., & Little, T. (1982). Ethical beliefs and personal values of top level executives. Journal of Business Research, 10, 475-487.

Martin, C.L., & Bennett, N. (1996). The role of justice judgments in explaining the relationship between job satisfaction and organizational commitment. Group and Organization Management, 21(1), 84-104.

Mathieu, J.E., & Zajac, D.M. (1990). A review and meta-analysis of the antecedents, correlates and consequences of organizational commitment. Psychological Bulletin, 108(2), 171-194.

Mowday, R.T., Porter, L.W., & Steers, R.M. (1982). Employee-Organization Linkages: The Psychology of Commitment, Absenteeism and Turnover. New York: Academic Press.

Mowday, R.T., Steers, R.M., & Porter, L.W. (1979). The measurement of organizational commitment. Journal of Vocational Behavior, 14, 224-247.

Murphy, P.E., & Laczniak, G.R. (1981). Marketing ethics: A review with implications for managers, educators and researchers. Review of Marketing, 251-266.

Newstrom, J.W., & Ruch, W.A. (1975). The ethics of management and the management of ethics. MSU Business Topics, 23, 29-37.

Ogilvie, J.R. (1986). The role of human resource management practices in predicting organizational commitment. Group and Organization Studies, 11(4), 335-359.

Porter, L.W., Crampton, W.J., & Smith, F.J. (1976). Organizational commitment and managerial turnover: A longitudinal study. Organizational Behavior and Human Performance, 15, 87-98.

Porter, L.W., Steers, R.M., Mowday, R.T., & Boulian, P.V. (1974). Organizational commitment, job satisfaction and turnover among psychological technicians. Journal of Applied Psychology, 59(5), 603-609.

Reichers, A.E. (1985). A review and reconceptualization of organizational commitment. Academy of Management Review, 10(3), 465-476.

Sims, R.L., & Kroeck, K.G. (1994). The influence of ethical fit on employee satisfaction, commitment and turnover. Journal of Business Ethics, 13(12), 939-947.

Singhapakdi, A., & Vittell, S.J. (1990). Marketing ethics: Factors influencing perceptions of ethical problems and alternatives. Journal of Macromarketing, 10, 4-18.

Steers, R.M. (1977). Antecedents and outcomes of organizational commitment. Administrative Science Quarterly, 22, 46-56.

Stevens, J.M., Beyer, J.M., & Trice, H.M. (1978). Assessing predictors of managerial commitment. Academy of Management Journal, 21(3), 380-396.

Trevino, L.K. (1986). Ethical decision making in organizations: A person-situations interactionist model. Academy of Management Review, 11(3), 601-617.

Viswesvaran, C., & Deshpande, S.P. (1996). Ethics, success and job satisfaction: A test of dissonance theory in India. Journal of Business Ethics, 15(10), 1065-1069.

Vitell, S.J., & Davis, D.L. (1990). The relationship between ethics and job satisfaction: An empirical investigation. Journal of Business Ethics, 9(6), 489-494.

Weeks, W.A., & Nantel, J. (1992). Corporate codes of ethics and sales force behavior: A case study. Journal of Business Ethics, 11(10), 753-760.

Williams, O.F., & Murphy, P.E. (1990). The ethics of virtue: A moral theory for marketing. Journal of Macromarketing, 19-29.

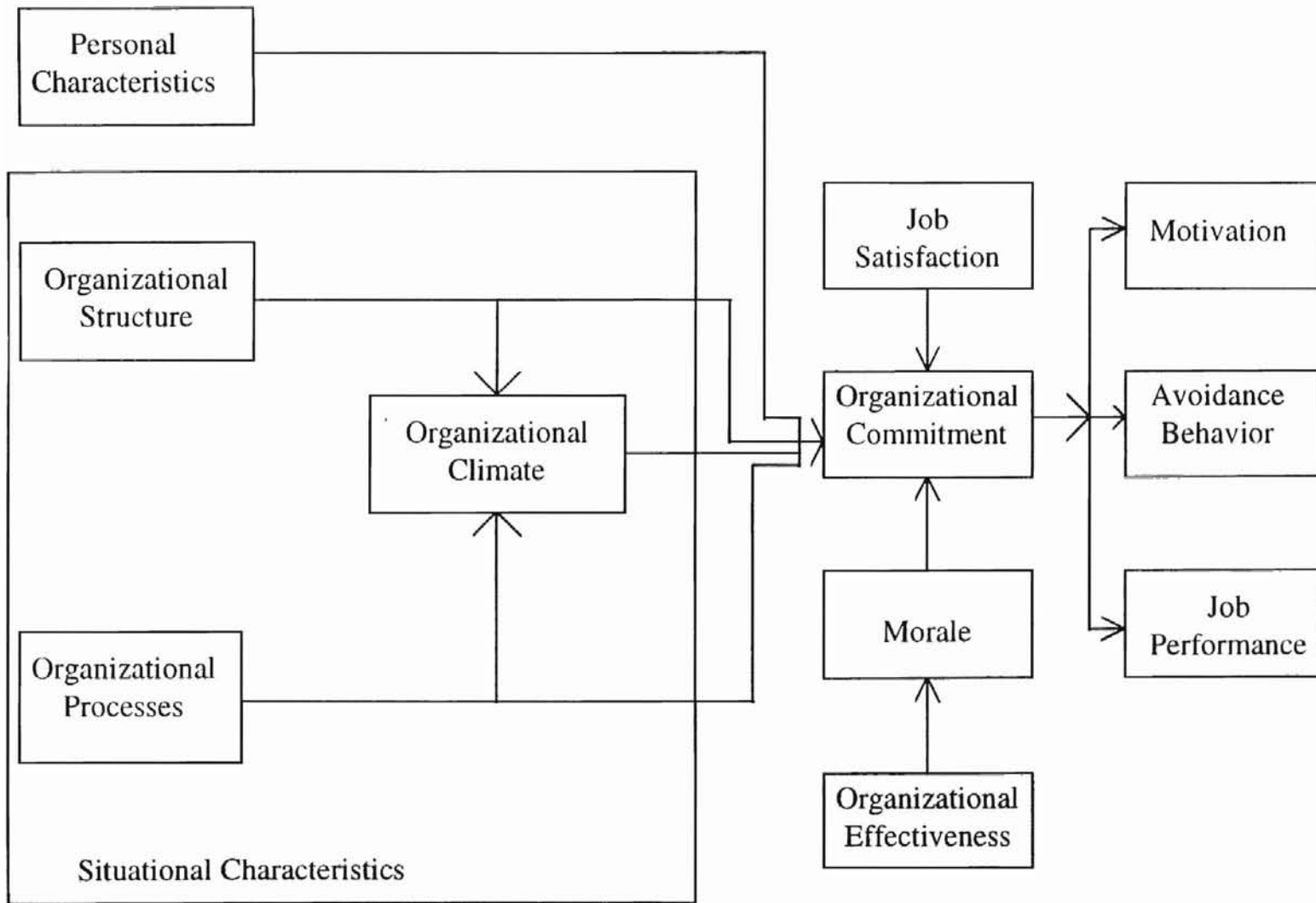Fig. 2: General Theory of Marketing Ethics
(Hunt and Vitell, 1986)
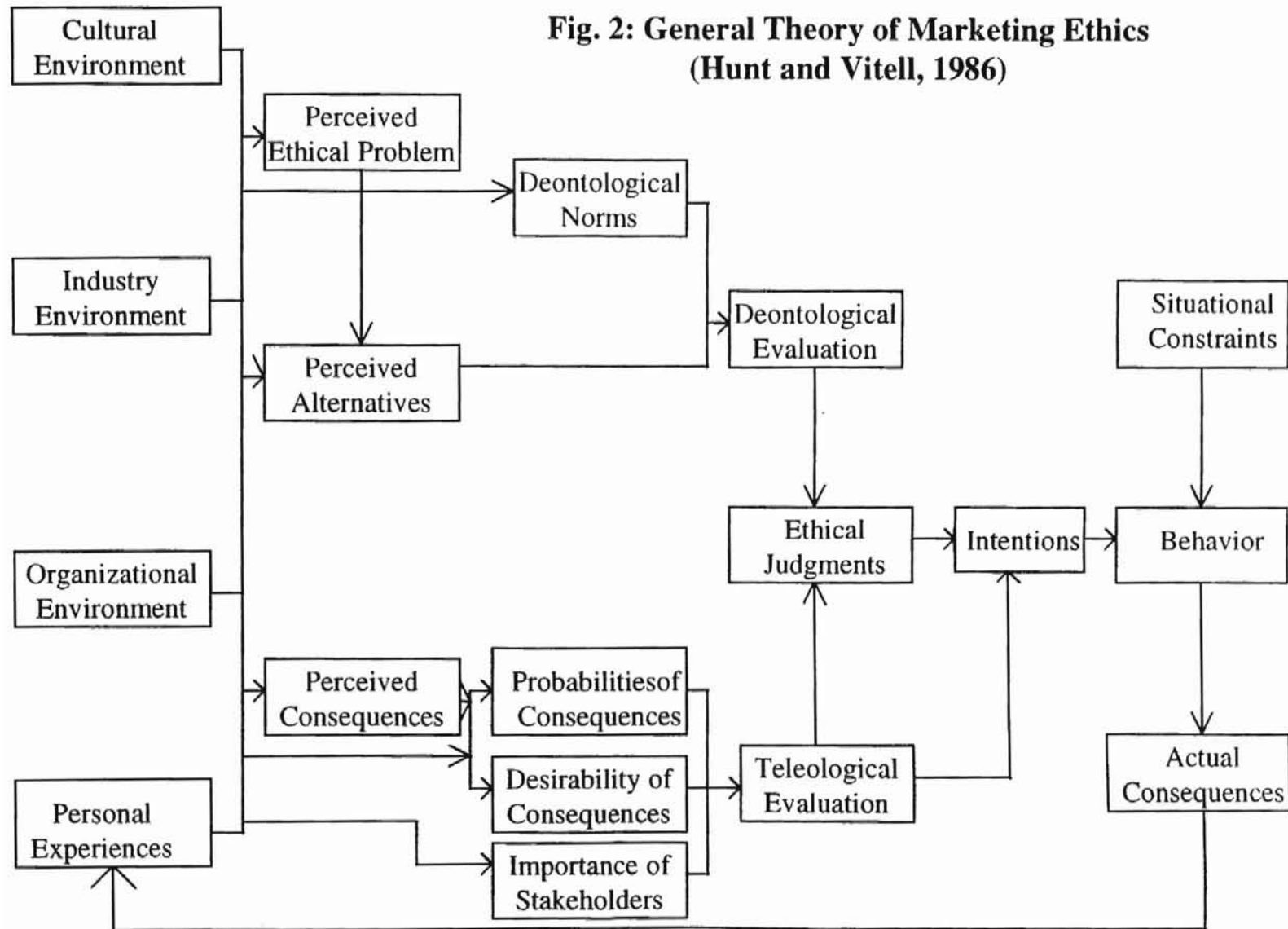
Fig. 1: Model of the Antecedents and Consequences of Organizational Commitment (DeCotiis and Summers, 1987)
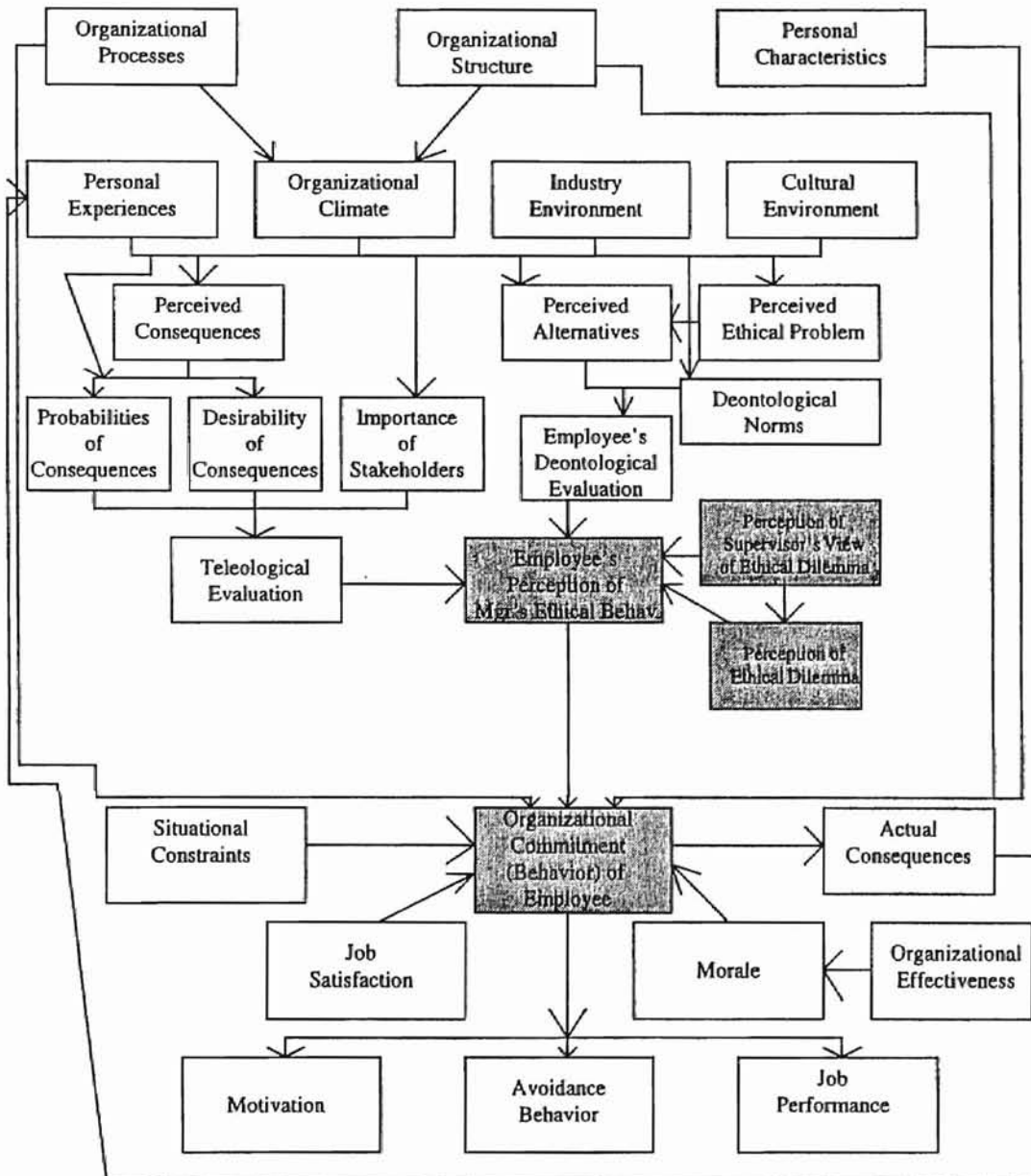
Fig. 3: Combined Model: The Antecedents and Consequences of Organizational Commitment and The General Theory of Marketing Ethics
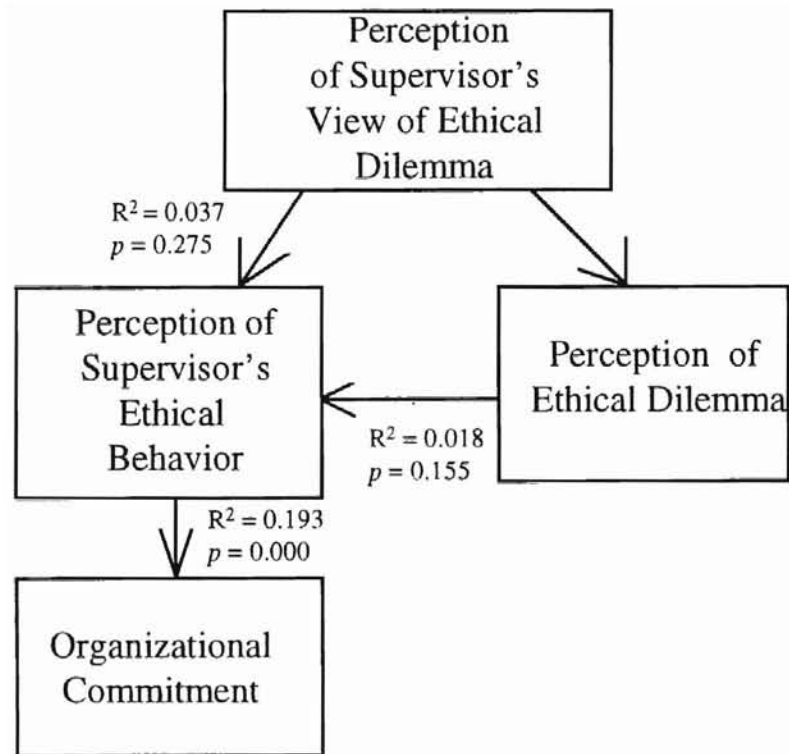
Fig. 4: Theoretical Model

APPENDIXES

APPENDIX A:

RETAIL MANAGEMENT QUESTIONNAIRE

RETAIL MANAGEMENT QUESTIONNAIRE

Instructions

Listed below are a series of statements that represent possible feelings that individuals might have about the company or organization for which they work. With respect to your own feelings about the particular organization for which you are now working, please indicate the degree of your agreement or disagreement with each statement by circling one of the seven alternatives below each statement.

1. I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

2. I talk up this organization to my friends as a great organization to work for.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

3. I feel very little loyalty to this organization.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

4. I would accept almost any type of job assignment in order to keep working for this organization.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

5. I find that my values and the organization's values are very similar.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

6. I am proud to tell others that I am a part of this organization.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

7. I could just as well be working for a different organization as long as the type of work was similar.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

8. This organization really inspires the very best in me in the way of job performance.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

9. It would take very little change in my present circumstances to cause me to leave this organization.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

10. I am extremely glad that I chose this organization to work for over others I was considering at the time I joined.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

11. There's not too much to be gained by sticking with this organization indefinitely.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

12. Often, I find it difficult to agree with this organization's policies on important matters relating to its employees.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

13. I really care about the fate of this organization.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

14. For me this is the best of all possible organizations for which to work.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

15. Deciding to work for this organization was a definite mistake on my part.

1	2	3	4	5	6	7
Strongly agree	Moderately agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Moderately disagree	Strongly disagree

Instructions

Four hypothetical situations are listed below followed by questions about each one. Please answer the remaining questions as honestly as possible regarding your feelings toward the organization for which you presently work and your present manager/supervisor. For each situation, please answer the questions that follow it by circling the appropriate answer.

16. The discount policy in a large department store allows an employee's immediate family members to purchase items using the employee's discount. According to company policy, "immediate family" includes an employee's spouse and children. The store manager becomes aware that a co-manager who has a spouse and children has been giving a discount to his mother.

- Do you believe this situation poses an ethical dilemma?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

- Do you believe that your present manager/supervisor views this as an ethical dilemma?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

- What action would you take if you were the store manager in this situation?

1	2	3
Allow the co-manager to continue giving the discount to his mother.	Tell the co-manager to stop giving the discount to his mother.	Unsure.

- If your present manager/supervisor were in this situation, do you believe he/she would handle this situation in an ethical manner?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

17. A shipment of unusually colored cashmere sweaters arrives in a specialty store. An assistant manager tries on several of the sweaters, but is unable to determine what color would look good with the other clothing she has at home. Before leaving for the evening, the assistant manager announces to the store manager that she is going to take home a few sweaters for the night in order to determine which one to purchase tomorrow.

- Do you believe this situation poses an ethical dilemma?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

- Do you believe that your present manager/supervisor views this as an ethical dilemma?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

- How would you handle this situation if you were the store manager?

1	2	3
Allow the manager to take the sweaters home for the night.	Ask the manager to not take the sweaters home for the night.	Unsure.

- If your present manager/supervisor were in this situation, do you believe he/she would handle this situation in an ethical manner?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

18. A very loyal customer purchased an expensive purse from a local department store. One year later, she returned the purse, complaining that the straps were coming unattached. She demanded that the co-manager allow her to exchange the purse for a new one. One year later, the woman returned this purse and complained that the catch was not working properly. She again demanded the co-manager allow her to exchange the purse for a new one. Each year since then, the woman has returned to the same co-manager with the purse purchased a year earlier, complaining there is a problem, and demanding a merchandise exchange for a new purse. The store manager becomes aware that the co-manager has been allowing this in the store.

- Do you believe this situation poses an ethical dilemma?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

- Do you believe that your present manager/supervisor views this as an ethical dilemma?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

- How would you handle this situation if you were the store manager?

1	2	3
Allow the co-manager to continue to give the woman a new purse.	Tell the co-manager to discontinue giving the woman new purses.	Unsure.

- If your present manager/supervisor were in this situation, do you believe he/she would handle this situation in an ethical manner?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

19. A large shipment of printed dresses arrives at a specialty store. The label says "dry clean only," but an assistant manager buys one and when it comes back from the cleaners the colors are slightly faded. The assistant manager insists to the store manager that there is no time to change the labels or ensure that all customers are notified, and that the dresses should simply be sold as usual. In addition, the assistant manager points out that the fading is only slightly noticeable, and many customers may not even realize there is a problem because they will not be able to compare their cleaned dress to the new dresses in the store.

- Do you believe this situation poses an ethical dilemma?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

- Do you believe that your present manager/supervisor views this as an ethical dilemma?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

- What would you do if you were the store manager in this situation?

1	2	3	4
Allow the assistant manager to put the dresses out on the sales floor.	Tell the manager that she must find a way to inform customers about possible fading.	Send all the dresses back to the manufacturer.	Unsure.

- If your present manager/supervisor were in this situation, do you believe he/she would handle this situation in an ethical manner?

1	2	3	4	5	6	7
Definitely Yes	Moderately Yes	Slightly Yes	Unable to Answer	Slightly No	Moderately No	Definitely No

<u>Please give the appropriate answer for the remaining items.</u>

20. How many total stores are in your district? (please include your store within this total)

_____ STORES

21. What position do you hold within the organization for which you presently work?

_____

22. How many times per month do you see your district manager or supervisor?

_____ TIMES PER MONTH

23. How many managers presently work at your store? (please include yourself)

_____ MANAGERS

24. How many years have you been with the organization for which you now work?

_____ YEARS

25. How many years have you lived in Oklahoma?

_____ YEARS

26. What state do you call home?

_____

27. In what year were you born?

_____

28. I am:
      Male   _____
      Female   _____

The time you have taken to fill out this questionnaire has been greatly appreciated! Thank you for your help!

APPENDIX B:

LETTER TO RETAIL MANAGERS

OSU

January 12, 1998

Dear Retail Manager,

Working within a retail organization involves balancing a great number of responsibilities and requires managerial diplomacy. As a manager you come into contact with customers, sales staff, and upper management on a daily basis. In addition, your involvement in the retail environment exposes you to various situations that may include ethical dilemmas. Studies have been conducted concerning the ethical situations posed for the retail salesperson and the retail manager, but none has attempted to relate these ethical dilemmas to organizational commitment. Organizational commitment is the relationship that occurs over time between the employee and his or her organization. We are interested in researching organizational commitment within the retail setting because we feel it is beneficial in decreasing turnover and increasing employee stability and productivity.

The retail organization for which you work, no doubt, values its employees and the effort they extend to help the organization meet its goals. Therefore, your retail organization has been selected as part of a convenience sample selected to complete a questionnaire regarding employee perceptions of ethical behaviors and employee organizational commitment. It is important that you complete the questionnaire in its entirety as accurately as possible. Please place the questionnaire into the stamped, addressed envelope and mail it promptly to the researcher.

Your confidentiality is assured. Neither your name nor the name of your organization will be placed on your questionnaire. The questionnaire has an identification number on it for collection purposes only, and will not, in any way, be associated with you or your organization.

If you are interested, I will be happy to provide a summary of the research findings upon completion of my thesis.

Please call (405) 743-2210 or write if you have questions of any kind.

Thank you again for your assistance.

Sincerely,

Kelly J. Mize
Graduate Research Assistant

Dr. Nancy Stanforth, Research Director,
Associate Professor,
Design, Housing and
Merchandising Department

APPENDIX C:

FOLLOW-UP LETTER

TO RETAIL MANAGERS

OSU

College of Human Environmental Sciences
Department of Design, Housing and Merchandising
431 Human Environmental Sciences
Stillwater, Oklahoma 74078-6142
405-744-5035

February 25, 1998

Dear Retail Manager,

Approximately five weeks ago, you received a questionnaire regarding organizational commitment. Your business was chosen to be a part of a random sample of businesses included in a study concerning organizational commitment and ethics in the workplace.

If you have already completed and returned the questionnaire, please accept our thanks for your participation. If not, please take a few moments to do so today. Another copy has been attached to this letter for your convenience. Because this questionnaire is only being given to a small convenience sample, it is extremely important that your response be included in the results to accurately represent the opinions of retail managers. In order for the results to be truly representative, it is important that you complete and return the questionnaire no later than March 6, 1998.

Please call me at (405) 743-2210 if you have questions of any kind.

Thank you for your cooperation.

Sincerely,

Kelly J. Mize,
Graduate Research Assistant,
Oklahoma State University

OKLAHOMA STATE UNIVERSITY
INSTITUTIONAL REVIEW BOARD
HUMAN SUBJECTS REVIEW

Date: 01-05-98   **IRB #: HE-98-037**

Proposal Title: THE RELATIONSHIP BETWEEN RETAIL EMPLOYEES' PERCEPTIONS OF
THEIR MANAGERS' ETHICAL BEHAVIOR AND EMPLOYEE ORGANIZATIONAL
COMMITMENT

Principal Investigator(s): Nancy Stanforth, Kelly J. Mize

Reviewed and Processed as: Exempt

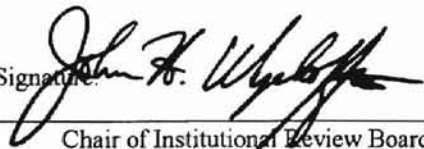**Approval Status Recommended by Reviewer(s):** Approved

ALL APPROVALS MAY BE SUBJECT TO REVIEW BY FULL INSTITUTIONAL REVIEW BOARD AT
NEXT MEETING, AS WELL AS ARE SUBJECT TO MONITORING AT ANY TIME DURING THE
APPROVAL PERIOD.
APPROVAL STATUS PERIOD VALID FOR DATA COLLECTION FOR A ONE CALENDAR YEAR
PERIOD AFTER WHICH A CONTINUATION OR RENEWAL REQUEST IS REQUIRED TO BE
SUBMITTED FOR BOARD APPROVAL.
ANY MODIFICATIONS TO APPROVED PROJECT MUST ALSO BE SUBMITTED FOR APPROVAL.

==

Comments, Modifications/Conditions for Approval or Disapproval are as follows:

Signature: _____   Date: January 6, 1998

Chair of Institutional Review Board
Cc: Kelly J. Mize

VITA

Kelly J. Mize

Candidate for the Degree of

Master of Science

Thesis: THE RELATIONSHIP BETWEEN RETAIL EMPLOYEES' PERCEPTIONS
OF THEIR SUPERVISORS' ETHICAL BEHAVIOR AND EMPLOYEE
ORGANIZATIONAL COMMITMENT

Major Field: Design, Housing, and Merchandising

Biographical:

Education: Graduated from Stillwater High School, Stillwater, Oklahoma in May
1991. Received Bachelor of Arts in Psychology from The University of
Tulsa, Tulsa, Oklahoma in May 1995. Completed the requirements for the
Master of Science degree with a major in Apparel Merchandising at
Oklahoma State University in May 1998.

Experience: Employed by various retail organizations throughout college,
including Banana Republic, The Limited, (Tulsa, OK) and Harold's
(Houston, TX). Employed by Oklahoma State University as a graduate
research assistant, Department of Design, Housing, and Merchandising,
1996-1998.