



The effects of ethical climate on organizational identification, supervisory trust, and turnover among salespeople

James B. DeConinck*

Department of Marketing and Professional Selling, Western Carolina University, Cullowhee, NC 28723, United States

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ABSTRACT

This study examined how an ethical work climate influences salespersons' organizational identification, supervisory trust, organizational commitment, turnover intentions, and turnover. Using a sample of 393 salespeople, the results found that facets of an ethical work climate are related directly to supervisory trust and organizational identification. One aspect of an ethical work climate, ethical norms, was related directly to turnover. These results indicate that an ethical work climate can directly affect salespersons' job attitudes and outcomes. The results indicate the importance of measuring ethical work climate from a multi-dimensional perspective.

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1. Introduction

During the last ten years, business scandals (or lapses in corporate ethical behavior) have created an increased awareness of the importance of an ethical work climate. Creating an ethical work climate is important for all organizations and types of employees. However, it is especially important for salespeople. Salespeople often work without direct supervision and are directly incented to produce top-line results. Thus, they may feel more pressure to behave unethically. In addition, an organization's long-term success with customers is often based on clients' ethical perceptions of the firm (Babin et al., 2004; Schwepker and Hartline, 2005). Since salespeople are representatives of the firm, their commitment to engage in ethical behavior is important for the success of the organization. Unfortunately, evidence exists that some salespeople are willing to make unrealistic promises to potential clients or lie in order to make a sale (Marchetti, 1997).

Scholars emphasize the importance of studying an organization's ethical work climate because of its importance in affecting employees' attitudes and behavior, and organizational outcomes (Lopez et al., 2009; Trevino et al., 1998). With respect to a selling environment, research reports that the presence of an ethical work climate can enhance salespersons' job satisfaction and organizational commitment (Mulki et al., 2006; Schwepker, 2001), reduce role stress

(Babin et al., 2000; Jaramillo et al., 2006; Schwepker et al., 1997), and indirectly influence turnover intentions and job performance (Jaramillo et al., 2006). While this research provides important insights into understanding the effects of an ethical work climate on the job attitudes and behaviors of salespeople, two other variables (organizational identification and supervisory trust) potentially are important factors in creating an ethical work climate. Supervisory trust and organizational identification have seldom been included in studies analyzing the effects of an ethical work climate even though both variables have shown to be highly correlated with employees' job attitudes and behaviors (see Dirks and Ferrin, 2002 and Riketta, 2005 for meta-analyses results of the two constructs respectively).

Organizational identification has emerged as an influential variable that is shown to influence employees' job attitudes and behaviors (e.g. Kreiner and Ashforth, 2004; van Dick, 2004). However, to the best of my knowledge no research examines how an ethical work climate impacts employees' identification with the organization. Logically, salespeople who work for a company that stresses high ethical values should have a high level of identity with the organization. Since organizational identification is linked to higher motivation, performance, and organizational citizenship behaviors, creating an ethical work climate may have significant, positive outcomes for the sales organization.

Trust also has been an important area of study for many years. It is linked to a variety of job antecedents and outcomes (see Colquitt et al., 2007 and Dirks and Ferrin, 2002 for recent meta-analyses). However, sparse research exists showing the relationship between an organization's ethical work climate and employees' perception of trust. Most prior research has investigated trust between the subordinate and the manager (Brashear et al., 2003; Gabarro, 1978; Wood et al., 2008) or

* Tel.: +1 828 2273704.

E-mail address: deconinck@wcu.edu.

between the buyer and seller (Hill et al., 2009; Morgan and Hunt, 1994). But, some evidence does exist indicating that employees will have a greater level of trust when organizational leaders are viewed as possessing high integrity and honesty (Dirks and Ferrin, 2002; Posner and Schmidt, 1992; Treviño et al., 2003).

The purpose of this paper is to expand on prior research by investigating how an ethical work climate influences salespersons' identification with their organization and their degree of trust in leadership in a model of turnover among a group of salespeople. Understanding the antecedents of turnover is important because of its costs to organizations (Griffeth and Hom, 2001). These direct costs can be substantial given the high rate of turnover among salespeople (Richardson, 1999). Thus, understanding reasons for sales force turnover is important to organizations if they are to reduce costs associated with attrition. In this study the major focus is to examine how an ethical work climate influences organizational identification and supervisory trust, which indirectly impacts turnover among salespeople. The hypothesized model appears in Fig. 1. Support for the model appears in the literature review below.

2. Literature review

2.1. Ethical work climate

While an organization consists of many climates (Schneider, 1975), the organization's ethical work climate is important to organizations, because it influences the ethical behavior of employees (Wimbush and Shepard, 1994). Ethical climate is "the prevailing perceptions of typical organizational practices and procedures that have ethical content" (Victor and Cullen, 1988, p. 101). Ethical work climate involves the perceptions of rightness or wrongness present in the organization's work environment (Babin et al., 2000), and establishes the norms for acceptable and unacceptable behavior within the company. It is linked to the ethical behavior of employees (Trevino et al., 1998; Verbeke et al., 1996), employees' commitment to the organization (Trevino et al., 1998; Weeks et al., 2004), role stress

(Babin et al., 2000; Mulki et al., 2006) and intention to leave (Mulki et al., 2006; Schwepker, 2001).

Ethical work climate is particularly important to sales organizations. Research shows that the public has a low perception of the ethical standards of salespeople (Ramsey et al., 2007). In addition, unlike other employees, salespeople encounter situations that routinely incur ethical dilemmas. For example, since salespeople often work without direct supervision, they can be susceptible to ethical dilemmas (Weeks and Nantel, 1992). Second, sales managers may be willing to overlook unethical behavior if it leads to higher performance (Hunt and Vasquez-Parraga, 1993; Bellizzi and Hasty, 2003). Third, the pressure to attain quota may lead salespeople to behave unethically (Wortruba, 1990).

2.2. Organizational identification

Organizational identification theory derives from the work on social identity theory (SIT) (Tajfel, 1982; Tajfel and Turner, 1985; Turner, 1975, 1984). SIT posits that people classify themselves according to social categories such as gender or religious affiliation (Tajfel and Turner, 1985). People identify with other group members based on similar characteristics they possess with each other and are defined on the basis of that membership (Olkkonen and Lipponen, 2006). According to Ellemers et al. (1999), peoples' degree of identification with a particular social group determines their willingness to behave similarly to other group members, thus creating an affinity group.

Identification is defined as "the perception of oneness with or belongingness to some human aggregate" (Ashforth and Mael, 1989, p. 21). It refers to "a relatively enduring state that reflects an individual's readiness to define him or herself as a member of a particular social group" (Haslam, 2001, p. 383). Identification involves the social aspects of an individual's self-concept (Pratt, 1998). The self-concept involves personal identity which encompasses a person's interests and abilities, and a social identity, which encompasses salient group classifications (Tajfel and Turner, 1985). People classify themselves and other individuals into

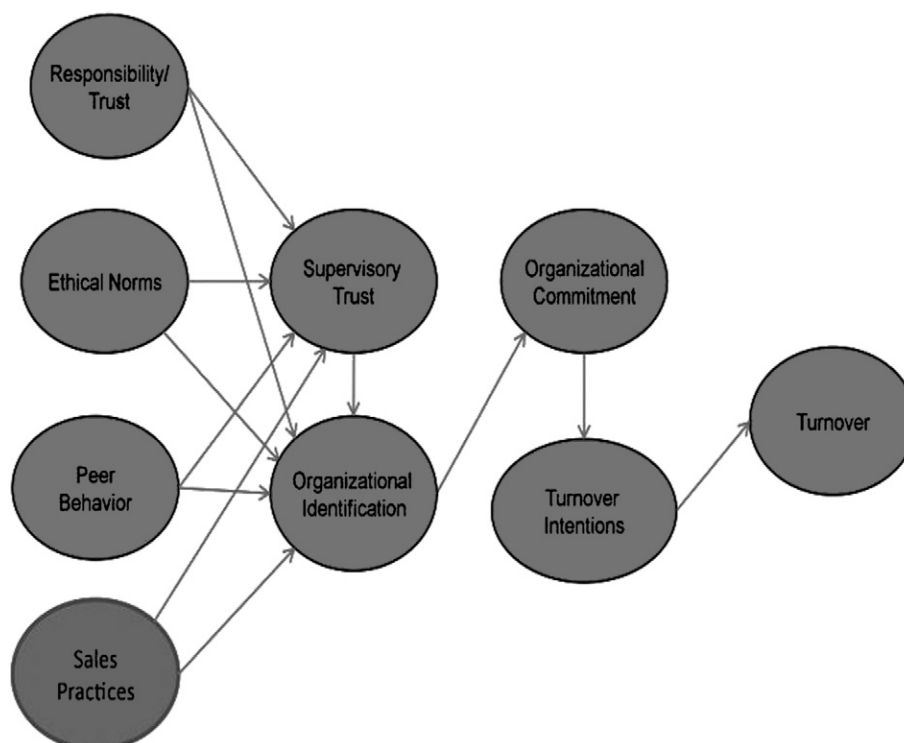


Fig. 1. Hypothesized model.

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