## UNIVERSITY OF KWAZULU-NATAL

## THE IMPACT OF ETHICAL CLIMATE ON ORGANISATIONAL COMMITMENT

By:

# Xolani Ngcebo Sydney Dubazane 213569763

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Graduate School of Business & Leadership

College of Law and Management Studies

Supervisor: Dr Rosemary Sibanda

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## **DECLARATION**

I Xolani N. S. Dubazane, declare that this work, submitted for Master of Business
Administration (MBA) at the University of Kwa-Zulu Natal Graduate School of Business and
Leadership (GSB&L) is my own work and it has not been submitted to any other institution. I
also declare that all material used and quoted in this work have been acknowledged
accordingly in text and under reference section.

Ву

Xolani Ngcebo Sydney Dubazane

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#### **ABSTRACT**

Though there has been some research on ethical climate in both the public and the private sectors, but more particularly in retail industry, the importance of the issue is no way proportionate to the amount of research on the topic. The retail industry that is more labour intensive would benefit from conducting their organisations in a more responsible and ethical manner. This study examines the impact of an ethical climate on employee commitment which includes employee deviance and employee turnover. The study also looks at what decides employees to leave or commit to the organisation or behave in an unproductive manner while they are within the organisation.

It is proposed that employees who work in an ethical business environment are more likely to be satisfied with their jobs and more committed to the organisation resulting in low staff turnover. A high level of an ethical climate can have a positive effect on the organisational commitment with a concomitantly negative effect on turnover intentions. Literature further supports that the perception that employees have on the ethical climate of the organisation predicts the level of commitment and turnover intentions.

For the purpose of this study, a number of selected demographic variables (i.e. age, gender, length of service and level of management) were analysed in order to examine the extent to which they influence these relationships.

Data was collected through the use of a survey where questionnaires were distributed via emails to strategically selected members of the organisation. A total of 113 usable survey were collected from this method. The results showed that employees' perception of their organisational ethical climate had a less significant effect on the turnover intentions while other factors i.e. rewards and career development had a significant influence on the intentions of employees to leave their organisations.

**Key Words:** Ethical climate, ethical leadership, organisational commitment, employee deviance, employee turnover.

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## **ABBREVIATIONS**

DC – Distribution centre

FMCG – Fast Moving Consumer Goods

TCM- Three –Component Model

RECQ- Revised Ethical Climate Questionnaire

**CDP- Career Development Practices** 

**KPA- Key Performance Areas** 

#### **CHAPTER ONE: INTRODUCTION**

#### 1.1 Introduction

SPAR South Africa is the organisation under study in this thesis. Operating within the retail and FMCG (Fast Moving Consumer Goods) industry, it is a member of SPAR international with a head office based in Pinetown in KwaZulu Natal province. There are six distribution centres (DC) that are divisions of SPAR South Africa, responsible for providing logistics, operational and promotional support to all 879 SPAR stores spread over nine provinces in the country, as well as the distribution of goods and services to stores in Namibia, Botswana and Mozambique.

Distributing goods to so many stores is a function and a responsibility that requires a great deal of ethical awareness and accountability from both management and lower level employees in order to control and reduce shrinkage, damages and stock holding, ultimately leading to the profitability of the organisation. This organisation believes that in order to achieve this and sustain the highest level of productivity, it must rely on its people and keeping them positive and motivated to do their task is regarded as very important.

Competition in the retail industry is perceived as getting fiercer by the day due to the prevailing economic situation in the country. To ensure the competitive edge of the organisation, training on various aspects of the business both at DC and store level is provided by the DC's in their respective regions. This is done because the organisation believes that its people are the most important resource in the organisation and should be well equipped to deal with various challenges to sustain the profitability of the organisation. A combination of all human resources practices need to be properly implemented to ensure employee commitment towards an organisation and any task that they are assigned to do.

The researcher obtained permission to undertake this study from the management of the organisation as it was considered to be relevant to the culture of the organisation which aims at ensuring good business ethics when decisions are being made by anyone who is employed in the organisation. It is for this reason that the finding were reported back to management to ensure that proper actions would be taken to deal with all the factors that are affecting employee commitment as revealed by the study. It is imperative for the management of the organisation to pay attention to the ethical climate however companies should also focus on improving motivation and the morale of employees in order to recognise long term benefits of corporate success, loyalty, increased productivity and employee retention.

## 1.2 Motivation for the study

The ethical climate in the organisation is often not given much attention and the focus is always on productivity and the quality of the work being done, therefore the study provided much needed insight into the importance of ensuring the ethical climate in the organisation. Moore (2012) described an ethical climate as the shared perception of how things are done in that particular organisation with a significant difference from organisational culture in that it is the behaviour executed by individuals in the organisation that produce the climate. Taking this definition into consideration, it is clear that organisations need to address issues of ethics and clearly distinguish between what behaviour is acceptable and unacceptable.

## 1.3 Research questions

Given the introductory arguments that unfolded above, this research was initiated by the following questions:

- Do employees understand how ethical behaviour can affect the overall operation of the business?
- What would make committed employees stay longer in this organisation?
- Where there is employee deviance in the workplace, why do managers and leaders in this organisation condone this behaviour?
- Why are employees not willing to commit to a long relationship with this organisation?
- Among types of commitment, which one exist in this organisation?

## 1.4 Focus of the study

The main purpose of the study is to discuss an ethical climate and the effect it has on influencing organisational commitment by employees towards the organisation. It is also important to establish what type of commitment is found in the organisation so the goal of this study is to determine three types of commitment. Business ethics have a presence in every activity that takes place in an organisation and this study aims to highlight the importance of adhering to business ethics in order to create a positive ethical climate in the organisation which would ensure loyalty from employees.

According to Webber (2007) the component of self-interest poses the largest threat to degrading the ethical climate in an organisation and positive ethical climate give employees a formal platform to confront threats to principled performance.

Employees in the organisation have immediate supervisors and managers that they report to on daily basis. This study is also aimed at influencing these leaders in the organisation to adopt a moral leadership style that will influence their followers to always be principled when they make decision. The good behaviour of management and leaders in the organisation has a direct influence in the creating organisational ethical climate. According to Yukl (2012) business ethics is central to leadership because of the nature of the relationship between leaders and their subordinates.

Leaders have the power to influence their followers which means they affect the lives of their followers either negatively or positively. The character of the leader will always

determine the nature of the influence on the follower.

#### 1.5 Problem Statement

An ethical climate can be said to be an alternative to an extrinsic reward that has an influence in determining the commitment of employees in the organisation. Although leaders in organisations are aware of this, little effort has been expended to make sure that the implementation of good business ethics brings about positive results including employee commitment. Organisations with a strong focus on ethical decision making are likely to enjoy a high level of employee commitment.

There are several challenges within the SPAR group. These include employees' lack of awareness and understanding of the ethical climate. The challenge has been further amplified by the lack of emphasis on the importance of an ethical climate and how it affects the overall business operation. As a result employees do not regard an ethical climate as an important factor influencing their decision to be more committed to the organisation.

According to Ongori (2007) employees have a strong need to be informed about the culture of the organisation and they feel more comfortable to stay in positions where they are involved in some decision making processes.

Other challenge include the general perception that management contributes to the emergence of employee deviant behaviour. According to Mitchell and Ambrose (2007) employees have expectations of their workplace and they tend to make psychological contracts with their organisation. When these expectations are not met employees perceive a psychological contract being breached by the employer. Employers, therefore, can unknowingly make decisions that will contribute to their employees' deviant behaviour.

Employee turnover is another challenge that the organisation has been experiencing over the years, believed to be costing the organisation money, reputation and credibility on the eyes of the customers. It is against this background that this study will address a lack of awareness, employee turnover and employee deviance in the organisation.

## 1.6 Objectives of the study

The aim of the study is to address the effect that an ethical climate has on organisational commitment focussing on employee deviance and labour turnover as the main elements of organisational commitment. The objectives of the study are highlighted as follows:

- To determine whether employees are aware of and understand the concept of ethical climate
- To determine whether there are employees who are still committed to the organization.

- To determine the employer's influence on creating and discouraging employee deviance in the workplace.
- To determine the reasons for the high level of employee turnover in the organization.
- To investigate the types of commitment that exist in the organization.

## 1.7 Significance of the Study

Organisational climate refers to features of the environment that employees in the organisation experience on daily basis which in return influences how they behave. Rousseau (2011) states that it is important to note that an ethical climate according to experts encompasses both the organisational dimensions of structure, responsibility, reward, support, operational standards and individual reactions to these. The study will help to highlight how employees in the organisation perceive their organisational ethical climate and how it influence their behaviour and decision to commit to the organisation. Management in the organisation will be encouraged not to turn a blind eye to issues that will damage the ethical climate of the organisation.

The study is significant in that it will encourage managers to take a firm stance against any unproductive behaviour by anyone in the organisation if they expect employees to be ethically minded. When a good example is set by managers and team leaders, lower cadre employees will be pressurised and discouraged to engage in work place deviance. If the inverse is the case, it will have a negative impact on employees as they will not see the need to be ethically minded while management does the opposite.

Labour turnover has been a problem for some time in the retail industry but little effort has been made to actually understand why employees move from one company to another within a short space of time. This study will pin-point the actual cause of turnover so that management can take actions and be transparent with decisions made. Ongori (2007) states that management need to show commitment and support to their employees in order to motivate employees to stay in the organisation. The significance of the study will be to emphasise the importance of management not only in supporting their employees on work related matters but also with their personal issues which will strengthen their relationship and cohesion in the organisation.

## 1.8 Contribution of the study

The main aim of the study was to collect information that will help SPAR management to comprehend the reasons for the high employee turnover experienced in this organisation. The results are expected to give SPAR management an opportunity to develop retention strategies aimed at reducing employee turnover.

## 1.9 Limitations of the study

## 1.9.1 *Sample*

SPAR South Africa has a total of six Distribution Centres (DC). This study was done in one of these for convenience purposes therefore compromising the effectiveness of the study. The responses and views were limited due to the sample size being small, therefore it cannot be claimed that the sample was a sufficient representative of a target population (Surakan and Bougie, 2013:252). The results cannot be generalised across the company or industry.

## 1.9.2 Identifying and targeting respondents

The other limitation to this study concerns the confidentiality aspect of the survey. An ethical climate, which involves business ethics, integrity and organisational justice are sensitive issues (McMillan and Schumacher: 2010). The investigation was considered by participants as a medium- risk study, meaning that most participants thought that they were exposed to some risks and were therefore aware of possible negative results. The researcher realized that some potential participants lacked a clear understanding of some of the concepts of the topic presented to them and as a results lost interest in participating.

## 1.9.3 The size and scope of the study

The fact that the study was not done in the other six regions within which SPAR operates, made the size and scope of the study limited. This is considered a limitation because different regions all around the country are affected by different

economical and socio-economic factors which are critical in organisational decision making by both employers and employees.

#### 1.9.4 *Time*

The nature of the work that the employees do in this organisation made it difficult to manage and select times for meetings, employees that provide IT, operational and training support to SPAR stores are always on the road which made it difficult for them to participate in the survey as they don't have access to internet while on the road. A researcher found this as limitation because these participants took too long to respond to the questionnaires sent to them.

## 1.10 Research methodology

To determine a potential influence that an ethical climate has on organisational commitment, a non-experimental quantitative approach to research was used in this study. Quantitative approach emphasis the use of formalised standard questions that are sent to a sample which represent a large number of respondents with pre-determined responses (Hair, Bush & Ortinau, 2000). Coldwell and Herbst (2004) stated that quantitative research includes the collection of primary data from a large numbers of individual units with an aim of projecting the results to a bigger population. According to Hair et al, (2000:216) a quantitative approach is more directly related to descriptive and causal research design as oppose to exploratory designs. Numbers provided a common language that can easily be understood by anyone and provides some descriptive aspects (Coldwell & Herbst, 2004).

One of the aims of a descriptive study is to describe or define a subject, which is often achieved by creating a profile of a group, people or events (Nzimande, 2012).

The objective of this study is to descriptively reveal the experiences of employees currently working for the organisation of issues of ethics and their commitment to the organisation.

Considering the sensitive nature of the study, participants were ensured of anonymity and confidentiality of their responses. This allowed participants to respond without fear of being identified.

The population in this study was 1100 employees and the questionnaires were sent via an internet link to a sample of 200 employees from different levels of employment or positions.

For this study a non-probability sampling (purposive sampling strategy) was used to choose the sample because not all employees in the organisation have access to the internet due to the nature of their job.

Employees that had only been employed for one year by the company were excluded from the study. However those who had been there for one year old and had adequate years of experience from their previous organisations were encouraged to participate in the survey. According to Sekaran and Bougie (2013:252) purposive sampling takes place when a researcher confines the research to specific people who can provide the desired information, either because they are the only ones who have it or they conform to a specific criteria that a researcher used.

Heterogeneous purposive sampling was used in order to capture a wide range of perspectives relating to the survey being done.

This was done by looking at attributes, employee behaviour noted from previous engagement with company structures, experience in different positions and qualities of the employees.

The motivation behind using heterogeneous purposive sampling was to gain a greater insight into the phenomenon by looking at it from all angles and all levels of employment and positions in order for researcher to get common themes evident across the sample (Sekaran and Bougie, 2013: 252)

For this research, the criteria was to look for people with access to the internet in the organisation to ensure anonymity and confidentiality of their answers.

## 1.11 Chapter outline

The study on an ethical climate, organisational commitment, employee workplace deviance, job satisfaction and labour turn-over is discussed with the following research layout.

Chapter One:

This chapter provides an overview of the study and the processes of how it will be conducted. This includes the problem statement, motivation of the study, its focus, research questions, objectives and proposed methodology.

Chapter Two:

is an in depth discussion and overview of studies previously done within the domain of an ethical climate, organisational commitment, employee deviance and job satisfaction. There will be an inclusion of ethical leadership and discussion of how it is associated with employee organisational commitment.

Chapter Three:

This chapter explains in detail the methodology used in the study. It will specifically highlight the aims of the study, provides details of the participants in the study and where they are based.

The research approach, sampling strategy, data collection, instrument used, ethical consideration and the reliability of instrument utilised will also be highlighted. The Researcher will specify presentation and validation of data including development of questionnaires and how data will be analysed.

Chapter Four:

The results of the survey taken from responses of participants are presented and analysed in chapter four using the descriptive method.

Chapter Five:

In this chapter the key findings of the study are discussed as per the objectives highlighted.

It also included the recommendations of strategies that can be used to resolve business challenges as highlighted in previous chapters.

## 1.12 Summary

The retail sector is pressurised by declining growth and profit margins, thus leaders play an important role in the management of their employees, meeting expectations of clients and shareholders and providing a safe and conducive working environment.

Ethical business decision making and the encouragement of employee commitment to the organisation have been identified as the key drivers of social cohesion in the organisation.

Therefore working for an organisation often compels one to follow an ethical model framework when decisions are made which may directly have a positive impact in helping an organisation to select the best business opportunity. The literature review of the study is presented in detail in the next chapter.

## **CHAPTER 2**

#### **REVIEW OF LITERATURE**

#### 2.1 Introduction

Most employers have realised that for their organisations to function at their optimum level, more focus should be given to employee commitment to the organisation which is a crucial factor that drives the profitability of the organisation. As businesses continue to attempt to improve their efficiencies in order to survive and sustain their competitive edge, it is imperative for organisations to identify the factors that have an influence on employee commitment to the organisation and develop a strategy to manage these factors.

Commitment of employees is a crucial factor that has a positive impact on improving the performance of the organisation. Previous studies on employee commitment have determined that employees that possess a higher level of commitment are more willing to engage in organisational citizen behaviour which in the long run brings about improved operational results and a better financial performance of the organisation.

According to Riggle (2007) there is an increasing significance that employers have placed on understanding the behaviour of employees in the organisation which has produced a huge interest in researching the perception of employees of the prevailing climate within the organisation. The perception of employees on organisational climate has significant consequences for individuals and organisation. This is because the organisational atmosphere affects employees' motivation, behaviour attitude and potentials, which eventually influence profitability of the organisation. According to Al-Saudi (2012) the climate of the organisation is crucial in the life of the organisation because it affects the satisfaction of employees and their performances and eventually the success and continuity of the organisation.

This study will present different arguments on the concept and other facets of employee commitment, the ethical climate and a fuller understanding of how these aspects can lead to employees being less committed to the organisation.

#### 2.2 Ethical climate

It is imperative to discuss ethics in the organisation before looking at the ethical climate:

#### 2.2.1 Definition of ethics

Organisational ethics involves principles of what is deemed right and wrong which is used to govern the behaviour of employees in the organisation. According to Buckley, Beu, Dwight, Howard and Berkson (2011) these principles are crucial to ensure the successful management of negative behaviour and counterproductive response by employees.

Boshoff and van Zyl (2011) describe organisational ethics as the study of how employees behave within the organisational context that consistently base decisions on principles, norms and certain standards that are adhered to when business practices are carried out according to the agreement with the stakeholders.

DuBrin (2009:74), describes organisational ethics as the study of moral obligation, or the act of separating right from wrong doing, acting according to the societal and business moral norms, promoting the overall welfare of society and avoiding harmful decision making.

Supporting the statement Darcy (2010) state that ethical leadership is not only about the process but rather a way of being and making the right decisions and choices, leading to the inner morality of a leader being examined. Jones (2007) state that organisational ethics are mostly concerned with both the moral values and moral behaviour of employees. According to Wolmarans (2014) moral values are the basic ideals considered necessary for the interaction of employees and human in general, while moral actions are the overt expressions and implementation of these values. Organisational ethics are needed and used when moral values and moral actions in the organisational decision making is in conflict with what society would consider commonly acceptable (Jones, 2007). The author further stated that the rationale for organisational ethics as good practice, is that the context of ethics in the organisation will bring about appropriate ethical climate that employees will enjoy and in turn show ethical behaviour.

#### 2.2.2 Definition of ethical climate

Ethical awareness in an organisation is undoubtedly the foundation upon which an ethical climate can be built. According to Boone and Kurtz (2011:45) ethical dilemmas in an organisation occur frequently which makes it important for management to provide help to their employees to be able to identify ethical problems when and if they occur, and guidance on how they should deal with these ethical issues should be provided.

Moore (2012) suggests that an organisational ethical climate has a lot to do with the behaviours that are perceived to be ethically correct and how the organisation deal with issues that are deviations away such expected behaviours.

Bowditch, Buono and Stewart (2008: 335) describe an ethical climate as a measure of the expectations of people either inside the organisation or stakeholders who are outside of the organisation, and how these expectations are met.

According to DuBrin (2009: 78) the concept of ethically centred management simple emphasizes that the high quality of an end product should take precedence over its scheduled completion, and that setting high quality standards will be used when dealing with employees and production management.

McDowell and Tabuena (2007) mention a significant difference between ethical climate and organisational culture, in that organisation culture has to do with beliefs and values that guide the way members of the organisation think and behave whereas ethical climate would conceptually refer to the perception of the employee and other stakeholders of the practices and behaviours that eventually get rewarded and supported with regards to ethics in the workplace and have the ability to predict ethical outcomes of interests.

## 2.2.3 Types of ethical climate

Victor and Cullen (1988) devised the following types of ethical climate:

1 *Caring:* in an ethical climate that is largely dominated by the caring element, employees are likely to have a sincere interest in helping others that might be affected by ethical decision to succeed within and outside the organisation.

This dimension relies on the bases of utilitarianism, which means that the policies and the behaviour of the employees will foster the concerns of those who are affected by the decisions and behaviour of employees Moore (2012) These policies and practices would not only promote this dimension but most employees would consider conducting themselves in this manner.

- 2 Rules: An organisation that has a "rules" dimension in their ethical climate as its characteristic, would have employees who strictly adhere to the organisational rules and policies. The foundation for an ethical climate that is based on rules requires an allegiance to rules and principles, therefore rules would be used to influence the decision making by employees (Shacklock, Manning and Hort; 2011)
- 3 **Law and codes**: Employees would be required to adhere to the codes and regulations of their profession or to those laid down by the government if the organisation has an ethical climate that is based on law and codes.
- 4 Independence: Employees are guided by their personal morals beliefs in an ethical climate that emphasises the "independence" dimension. This dimension of an ethical climate emphasises and alludes to the fact that employees would act according to their own personal morale beliefs based on principles that are set for them (Tseng and Fan; 2011). The authors also state that employees would also guide themselves to the extent that those from within and outside the organisation will have less or no influence on how their ethical decisions are made.
- 5 Instrumental: According to Shacklock et al. (2011) in an organisation with an ethical climate that is based on the "instrumental" element, members of the organisation are concerned with their individual interest, and exclude the interest of other members who might be affected by their decision.

According to Wolmarans (2014) the existence of different types of ethical climate may lead to certain types being subjected to particular problems due to a particular behaviour.

The author further state that there is evidence provided by research stating that there is a substantial relationship that exists between the attitude and behaviour of employees and the organisational culture.

Consequently, it has been suggested that an organisational climate may be a significant factor that helps in shaping the behaviour and attitude of employees (Parboteeth & Victor, 2003, Elci & Alpkan, 2009, Wang & Hsieh, 2012). A significant justification behind the domain of research on ethical climate is said to be the realisation of the perceptions that ethical climate issues affect the reaction, behaviour and attitude of people towards their work and the organisation as a whole (Martin & Cullen, 2006; Simba & Cullen, 2011).

#### 2.2.4 Core ethical values

According to Wolmarans (2014) strong basic values are crucial in order to guide and influence leadership behaviour. These values act as social constructs that give a leader the opportunity to make decisions about the direction that followers will need to be led to and how to proceed. Leadership can be destructive if the organisation does not have adequate values to guide the decision making. In addition to this statement, Wolmarans (2014) further state that ethical leadership starts with an individual having an understanding of and commitment to core values. Core values must be known to an ethical leader and they should possess the courage to live according to them while servicing the common good (Bauman, 2011). Ciulla (2006) state that strong ethical values like integrity are imperative for leaders to lead effectively in the organisation. Taking the above statement into consideration, ethical values with specific reference to integrity and altruism will be investigated in this study.

## 2.2.4.1 Definition of integrity

Palanski and Yammarino (2007) defined integrity as "the consistency of an acting words and actions of entity" which is described by Wolmarans (2014) as an entity at any level of analysis, i.e. Individuals, group or organisation. This definition is similar to the definition of behavioural integrity which describes integrity as the perceived act of aligning words and deeds of an actor (Kannan- Narasimhan & Lawrence, 2012)

According to Palanski and Yammarino (2009) the various meanings of integrity in the management context are classified into five main categories: 1) wholeness integrity, 2) integrity as being consistency between words and actions, 3) adversity in integrity,

4) Integrity as being honest to oneself, and 5) integrity that includes morals/ ethics which include trustworthiness, justice and compassion.

There are, however concerns with regard to overlapping definitions of integrity. According to Palanski and Yammarino (2007, 2009) the interchangeable use of the concept creates difficulty when trying to put it into use, to measure and test integrity. The aforementioned authors proposed that this confusion can be addressed by looking at integrity as a virtue, which can be described as a distinct component of a good character. This approach gives a vital theoretical base on which discrete and usable concept of integrity can be established and considering integrity as a virtue, the domain of integrity will best fit the second category within the five categories that are mention above, which is integrity as the consistency of words and deeds.

The proposed conceptualisation of integrity is influenced by the view of it being an adjunctive virtue, which is neither morally good nor bad however essential for achieving moral respect (Bauman 2011). Taking this into consideration Wolmarans (2014) states that even an evil person may be considered to have integrity, however based on the theory that a morally good character has many virtues. Darcy (2010) argue that high level of integrity is defined by morally good virtues which are substantive virtues e.g. honesty and fairness.

There are different perspectives on how significant integrity is, including being true to oneself, consistency and being morally ethical (Fields 2007). The author further states that there are views that still suggest that followers differentiate between the extent to which a leader is true to him/ herself and the extent to which he/ she is honest to others, further suggesting that the definition of integrity which is "to act according to an acceptable moral code, captures the essence of a leader being considered as being true to others including immediate followers". These perceptions that are formed are established from the assessment of how the leader's behaviour towards the followers reflects the moral character of a leader and the ethics obtained from the process and choices that are directed by the leader (Fields 2007).

According to Bauman (2011) perception about the integrity of an individual are always based on the assertion that it is difficult for one to fake his/her fundamental principles and values. In situations where followers are scrutinising the integrity of a leader, agreement among the group members may be crucial since these are shared perceptions from socially formed reality within organisational structure (Fields, 2007; Lamertz, 2002).

Integrity can also be defined as being committed to moral principles. This commitment is shown in an individual's ethical ideologies, which include an integrated system of beliefs, values, standards and self-definition which describe an orientation of an individual towards matters of right and wrong (Miller &Schlenker, 2011; Schlenker, 2008; Schlenker, Miller & Johnson, 2009). These ideologies provide a moral logic used to evaluate events and a moral identity which reflects a character of an individual. High integrity can be defined by an upstanding ideology that consist of the view that ethical principles have a trans-situational quality which should be followed regardless of personal results or rationalisations and that integrity is an intrinsic valuable component of an individual's identity (Miller & Schlenker, 2011). On the other hand, the author state that low integrity can be defined by a practical ideology which includes ideas that moral principles are supple in a sense that it is crucial to take advantage of rewarding opportunities that are justifiable and that integrity is not an important component of an individual's identity although it is important on its own.

There are two ways in which a leader may indirectly influence the integrity of followers: Firstly trust, which is also a leader's integrity, can be used by a leader to influence the followers by offering them the certainty that their own actions are based on their word. By so doing followers are more like to trust the leader and imitate similar acts of integrity.

Secondly, followers' integrity can be indirectly influenced by a leader through setting group norms for good and significant behaviour.

Through constant transformation which involves ability to adapt to change, questioning and re-examining deeply held beliefs and convictions, leaders can succeed in influencing their followers' integrity (Souba, 2011)

According to Kar (2012) ethical leaders with high level of integrity will influence ethics related conduct through modelling a variety of learning processes. Supporting the statement, Binns (2008) argues that leaders do not have an ability to develop ethically if not learned through academics and research studies because with knowledge, leaders are better able to shed their incorrect ways of thinking and are liberated to think ethically and without bias.

Another requirement of integrity that was identified is that it should conform with an individual's inner drive that is related to being authentic (Barnard; Schurink; DeBeer 2008). An irony as stated by Wolmarans (2014) is to relate a sense of a high level of integrity with being authentic while on the other hand poor integrity is related with behaviour that is motivated by self-interest. A person cannot be said to be authentic if he/she doesn't take into consideration his/her inner wants and needs when making a decision. Kar (2012) suggest that ultimately integrity is driven by one's inner drive as well as the moral compass of that individual, therefore should be genuine with regards to both drives that are said to be a foundation of integrity.

Barnard et al (2008) suggested that the functions of integrity influence an individual's ability to find a balance within the foundational drives of integrity, moral compass and inner drive. As a result, it is suggested that moral intelligence and an individual's insight in addition to self-regard and conscience influence integrity related actions. Wolmarans (2014) concluded by saying that the development of integrity can be determined by one's upbringing, through which parents and other role model had a significant role to play in shaping the moral compass, inner drive, self-interest and moral intelligence of an individual. Therefore integrity can be regarded as a progressive trait that is developed and determined by different contextual factors that range from childhood until death of an individual (Bauman; 2011).

## 2.2.4.2 Definition of altruism

According to Engelbrecht, van Aswegen & Theron (2005) altruism can be defined as the intended behaviour that is aimed at benefiting others without expecting any external reward.

Wolmarans (2014) emphasise that altruism involves a significant sacrifice that one has does for the benefit of others. Kidwell and Page (2011) state that altruistic acts within the organisation are of voluntary nature and voluntary behaviour is directly and intentionally aimed at helping other employees within an organisation. Carmeli and Josman (2006) highlight orienting new employees in the organisation and promoting them to be involved in beneficial activities that will assist others. Altruism can be regarded as a pro-social act towards other employees in the organisation and other stakeholders might benefit from it in one way or another.

O'Shea, Sorenson and Burns (2004) state that there is an agreement across the board that altruism focuses on acts that are aimed at benefiting others. Sharing the same sentiment, Luce and Neuberg (1997) state came up with concept of "oneness" which means that altruism takes place as others become integrated into the sense of help by the helper. The relevance of this concept is around leadership as leadership is always concerned with influencing followers, at the same time altruism involves the dimension of helping others into the definition of a leader (Wolmarans, 2014). Leaders can use altruism as a tool to influence followers in the organisation or society towards achieving the collective goal (Kanungo, 2001). The influence of a leader on followers is determined by the fact that followers know that there is an effort on behalf of the leader to be selfless and the intent is to be altruistic. Consequently followers will be inspired and willing to be identified with such a leader. Employees in the organisation and ordinary people in the society are inspired by altruistic leadership to use their human potential and efforts in the best way that will benefit others with the result that the main objectives of the organisation will be achieved (Engelbrecht et al, 2005; Malan & Smith, 2001).

The effective organisational leadership role includes shifting the organisation from the status quo to future anticipated results. These behaviours of a leader can be performed in three different altruistic stages.

According to Wolmarans (2014) in the first stage the assessment of an environment is done by a leader in order to identify the deficiencies in the status quo and the possible opportunities in line with the resources and constraints of the organisation and needs, aspirations and abilities of all members in the organisation.

The second stage which is the formulation and articulation of an identified vision, which conflict with the status quo but incorporates a perspective that is shared by members of the organisation.

In the third stage, leaders take the necessary steps that will help to achieve the vision that ultimately highlights the objectives of the organisation. The basic characteristics and thrust of these stages are encapsulated in strategies and interventions that are designed to empower the followers (Wolmarans, 2014). According to Kanungo (2001) the behaviour of leaders generally enable followers to develop a perception that leaders are trustworthy and have expertise and ability to make followers realise the leader's vision. The aforementioned analysis of a leader using the three stages of altruism, reveals that these behavioural attributes can be demonstrated by a leader who believe in a high level of moral altruism.

## 2.3 Ethical climate and ethical behaviour

Based on the initial findings by Wimbush and Shepard (1994) the behaviour of an employee is determined by the dimension of the climate that is associated with the organisation. Suffices to say that not all dimensions equally contribute to promoting ethical behaviour by employees in the organisation. Differences in these dimensions are caused the beliefs that are fundamental to the climate of ethical theories which serve as the basis for influencing decisions that are ethically accepted (Wimbush & Shepard, 1994). The type of ethical climate in the organisation can enhance the awareness of employees in terms of moral obligation, which will prevent the undertaking of unethical behaviour and enhance the willingness of employees to divulge acts of corruptions and other organisational problems (Wang &Hsieh, 2012)

Amongst all types/ dimensions of ethical climate, the prediction is that an instrumental climate will possible encourage unethical behaviour.

This can be attributed to the fact that the decision making of an individual in an instrumental ethical climate is likely to encourage the exclusive self-interest of employees, regardless of law, rules and the impact that their actions might have on other employees (Wimbush & Shepard, 1994).

In contrast, the ethical behaviour of employees is expected to be visible in the organisations where an altruistic and principled climate are predominant. These organisational climates have policies and behaviours that is accepted, requiring the consideration of others when ethical decisions are to be made (Simba and Cullen, 2011). A principled climate will be found in the organisations that need to adhere to visible code of conduct and rules (such as engineering, accounting and law firms). According to Wolmarans (2014) firms that operate within the conditions where there is high volatility and competitiveness are more likely to bear egoistic climates. Simha & Cullen (2011) state that research reveals that organisations have a need to strive to encourage and establish a benevolent and principled climate while making efforts to avoid the development and effect of an egoistic climate.

Managers' and researchers' diagnosis of the evident ethical climate and employee ethical behaviour in the organisation will be enhanced by an understanding of the relationship between different ethical dimensions and the behaviour that is evident within the work groups (Wolmarans, 2014).

## 2.4 Relationship between ethical leadership and ethical climate

Understanding the need to practice good ethical business decisions is deemed an important part of leaders and any employee in an organisation. This is due to the fact that customers, suppliers and potential new employees who are to be brought into the structures of the organisation always prefer to deal with ethical companies. There has been wide research on the influence that ethical leaders have on developing and shaping organisational ethical climate (Holland & Warnich, 2000; Dickon et al., 2001; Grojean et al., 2004). Ethical leaders will be able to earn credibility if they succeed in position their organisation in an effective manner as well as through their ability to organise a variety of human capacities to work together as a unity and or team (Wolmarans, 2014).

Griffin and Ronald (2006: 58) make it clear that an individual's value, morals and the social context within which his or her behaviour takes place, will always determine whether that behaviour is regarded as ethical or unethical.

In other words ethical behaviour is more about beliefs of an individual and his or her social norms about what can be regarded as right or wrong.

Noe, John, Hollenbeck, Gerhart and Wright (2011:533) emphasize that ethical behaviour is more likely to result from the values that the organisation's leader's hold combined with the systems that will always promote ethical behaviour.

Moore (2012) state that leaders within an organisation have a responsibility to establish a vision, mission, goals and values of an organisation and therefore it is important that all stakeholders in an organisation take note of the role that a leader play within the climate of an organisation.

Bowditch, Buono and Stewart (2008:239) warn against narcissistic leaders who instead of aligning their visions with the long term interests of the organisation, and getting the followers to embrace their vision, such leaders censure critical or opposing views, normally with force demanding that their decisions be accepted and implemented without being challenged. Ethical climate can be considered as a mechanism to work against and eradicate counterproductive behaviour through the use of ethics codes of conduct however that does not guarantee ethical behaviour in the organisation. It is essential for an organisation to have ethics codes of conduct, however the process of developing and communicating these codes to all stakeholders must be done in a transparent and consultative manner (Lloyd & May, 2010; Rossouw & Van Vuuren, 2010).

A leader is the one with influence on the proceedings of the organisation, so it is important to maintain credibility and legitimate role modelling for the followers to see. Boone and Kurtz (2011:47) state that it is vital for executives in the organisation to not only talk about ethical behaviour but to also be seen demonstrating it in what they do and decide, showing personal commitment to the core values of the company and willingness to base their actions and decisions on them.

Fisher and Lovell (2009: 412) emphasize the importance of an organisational leader to set an example and point out a direction in terms of what is considered to be acceptable practice within the organisation and there must be certainty on whether it shape and inform the behaviour of other employees in the organisation.

According to Brewster, Carey, Grobler, Holland and Warnich (2000) within the work context, developing and ensuring proper communication between managers and employees can be seen as an imperative leadership activity. This is because the behaviour of the ethical leader is seen as a critical determinant of an ethical climate of an organisation as the responsibility of a leader is not only to ensure financial sustainability of an organisation but also to ensure moral values and ethical standards in their followers.

Engelbrecht et al.(2005) state that the ethical climate of an organisation should represent the leader's commitment to ethical principles and values that are expressed in daily efforts to live by them. The author further state that ethical leaders who take strong personal stands to ensure ethical behaviour will promote an ethical climate. Kar (92012)) state that an ethical leader also provides indications about what is ethical by rewarding and standing against certain behaviours.

It can therefore be concluded that the senior management of an organisation must be in a position to learn and willing to focus on personal qualities, attitudes and the mind-set of employees which in return will bring about improvement in the processes of the business.

French, Rayner, Rees, Rumbles, (2011; 450) suggest that apart from promoting positive direction and get everyone engaged, ethical leaders need to put effective sanctions and barriers in place that will be imposed on those who are unethical in the organisation. This requires moral, courage which is a leadership attribute that will help leaders to intervene effectively.

Ethical leadership also has a responsibility to develop future ethical leaders amongst the employees of the organisation in order for everyone in the organisation to be aware of problems that might affect the reputation of the organisation and therefore be able to defend the standard of the organisation.

Ethical leadership is defined as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision making (Kar, 2012).

DuBrin (2009:75) came up with different philosophical principles that underline business and leadership ethics, which are:

## 2.4.1 Consequences and pragmatism

When trying to decide on what is deemed right or wrong, in most cases people will focus on the consequences of their behaviour. If the behaviour doesn't lead to anyone getting hurt, the decision is said to be ethical.

DuBrin (2009:75) highlighted that pragmatism, which is the belief that if there are no absolute principles, standards, no objective truth and there is no objective reality, the behaviour is ethical as long as it brings the required results.

## 2.4.2 Focus on the rights of individuals

Ethical decisions can also be made by using an approach which focuses on examining one's duty when making a decision. According to DuBrin (2009:75) this theory can be referred to as deontology which also refers to moral philosophies that take into consideration the right of an individual and the intentions that are associated with particular behaviour.

Further to that, this approach encourages that when making a decision, equal respect must be given to all persons that are part of the decision will in one way or another, will be affected by that particular decision or behaviour.

#### 2.4.3 Focus on integrity

The character of the person involved in the decision making or behaviour determine how ethical a person is. Combo (2009) focusses on the leader when discussing integrity, saying that a leader's integrity is shown when inward virtues direct the leader's decision making process which eventually benefits the followers.

Fisher and Lovell (2009: 202) state that a commitment to either loyalty or integrity can determine what the decision on what should be done in a particular situation.

The extent of the ethical horizon of an individual and how much they wish to exercise their loyalty and integrity towards a situation, will always influence their ultimate decision.

It is imperative to look at how right and correct principles are followed by a person who is making a decision and how much she or he respect the rights of other people who will be affected by the decision before good or bad character is concluded about that person.

Fisher and Lovell (2009: 413) warn about the problem of unnecessary media attention that could cast doubt upon the entire range of organisational activities when an organisation that demonstrate more ethical commitment and keeps high ethical standards in all its business dealings experience an unfortunate departure from such commitments and standards.

#### 2.5 Antecedents of Ethical climate

According to Putranta (2008) citing Victor and Cullen (1988) there are three broad categories that will help determine the perceived ethical climate of an organisation: social norms, organisational forms or structure and specific factors of the organisation

Social norms: These are based on the perception by an organisation that in order for legitimacy to be gained, an organisational must ensure that it always conforms to the external pressures and factors that force the way in which organisations conduct business. DuBrin (2009: 101) suggests that, because to a larger extent, the structure and operation of the organisation is determined by the rules of the society, it is therefore crucial for organisations to set up ethics committee that will be responsible for addressing ethical and social responsible behaviour in an organisation and make ethical training mandatory for all employees.

*Organisational structure:* After a study on Russian organisations that had a difficult history due to the political regime that can be described as totalitarian, Deshpande, George and

Joseph (2003) discovered that national culture has the ability to influence the ethical climates of the organisation within a specific country.

Looking at South African organisations and their structures, there is a lot of government influence in terms of following affirmative action that was developed to undo the imbalances of the apartheid regime.

*Organisational forms*: Organisational forms are believed to have an influence on ethical climate. Malloy and Agarwal (2003) state that different organisational administrative structures (e.g. profit vs non-profit organisations) will always determine the form of the organisation.

A qualitative study that was done by Malloy and Agarwal (2003) on possible differences in ethical climates between state- managed organisations and a non-profit organisation, the findings indicated that there are significant differences in the ethical climates of these two different types of organisations. Public servants rely more on sources that are external to the organisation when dealing with ethical climate issues, while the non-profit organisation seemed to have stronger beliefs that personal ethics are important in making decisions.

Organisation's specific factors: Each organisation may have its unique characteristics such as the history of the organisation, member's achievement while they were with the organisation and recognition from the society within which the organisation operate, these can play a crucial role in determining ethical climate. In Canada, Malloy and Agarwal (2003) conducted a study within the provincial sport federation, and based on this study there is no significance in the perceptions of ethical climates based on individual specific characteristics such as gender, level of education and length of service. Similar results by the same authors were found with regards to two organisational specific characteristic namely; organisational code of ethics and size. The only specific characteristic that was found to have an influence on the perceptions of ethical climate was the decision making style of each member of the organisation.

## 2.6 Consequences of ethical climate

Taking into consideration the analytic view from existing researches on ethical climate, Martin and Cullen (2006) distinguish between four categories of consequences of ethical climate, which are: **job satisfaction, dysfunctional behaviour, organisational commitment and psychological well-being.** For the purpose of this study more attention will be paid to job satisfaction and organisational commitment.

Describing dysfunctional behaviour, Levine (2010) describe it as a counterproductive organisational behaviour. This can be described as an action that unfavourable affects the customers, competitors and any other stakeholder of the organisation done by a significant member of the organisation through the policies and norms of the organisation that permits, overlooks or encourages such action to be taken either explicitly or implicitly. Taking this definition into consideration, one would argue that the capacity of dysfunctionality in the organisation among the individuals or team is a concern of the senior management however robust risk and assessment management measures must always be in place in order to mitigate the risks of a huge financial crisis as dysfunctional organisational behaviour has an organisational and societal impact with significant consequences.

Putranta (2008) describes psychological well-being as the subjective feeling- states, such as life satisfaction, personal morale and anxiety that might affect the individual. Martin and Cullen (2006) take cognoscente of the view that psychological well-being might be as a result of trust, cooperation, cohesion, autonomy, mutual support or a different combination of these.

An example of this would be a contract between employee and an organisation based on commitment and values shared between the two, contribute to development of psychological well-being.

#### 2.6.1 Job satisfaction

Robbins, Judge, Odendaal and Roodt (2009: 74) describe job satisfaction, which can also be referred to as employee attitude, as the positive feeling that employees have about the job they do, resulting from an evaluation of its characteristics.

According to Bowditch, Buono and Stewart (2008: 57) a person's attitude in the workplace is an important factor that determines performance related behaviour.

The quantity and quality of output, commitment towards an organisation, absconding from work, labour turnover and other important outcomes are also determined by the attitude of an individual in a workplace. Job satisfaction will create positive attitude and a person's negative behaviour will be reduced.

According to Moore (2012) job satisfaction can be described as the reaction that employees will have towards their job which stems from employees' comparison of actual outcomes with required or expected outcome.

Putranta (2008) argues that there is a relationship that exist between some ethical climate types and certain aspects of job satisfaction in which one of them is the supervisory satisfaction which can be found to have a positive association with a benevolent climate and has a negative relation to egoistic climate.

# 2.7 Measuring ethical climate

According to McDowell and Tabuena (2007) the concept of ethical climate reflects organisational practices with moral consequences which arise when stakeholders of an organisation believe that certain forms of ethical reasoning and behaviour are expected norms to be considered when decisions are made.

The most important argument by McDowell and Jose Tabuena (2007) on ethical climate that is that it is not necessarily characterised by the individual's ethical standards or level of moral development, rather like all work climate, it represents the components of the environment as perceived by employees.

Moore (2012) emphasized that ethical values have a presence in every organisational activity such as goal setting, budgeting, marketing and developing good operational practices and policies. In this case, ethical climates plays a crucial role in helping employees and other participants in an operation of an organisation to identify ethical issues within an organisation, address them by determining what would be the right thing to do when faced with an ethical dilemma.

In order for an organisation to measure the level of ethical climate within its structures, it is advisable to look at the ability of employees to diagnose and assess different situations and address them ethically when required to.

McDowell and Tabuena (2007) do agree that there is no academic approach that is used to measure ethical climate in an organisation. However, the moral philosophy which refers to the rules and principles that an employee should consider when attempting to make a decision, distinguishing between wrong or right, should be used.

### 2.8 Organisational commitment

According to Watson (2010) organisational commitment is traditionally defined as the strong belief and acceptance of the goals and values of the organisation, a willingness to put considerable effort to the functions to be carried out on behalf of the organisation and an undisputed desire to remain a member of the organisation.

Noe et al (2011:342) describe organisational commitment as the degree to which employees identify with the organisation and their willingness to put forth effort on behalf of the organisation. One would argue that this description by both researchers makes it clear that employees with high organisational commitment will always go the extra mile in helping the organisation reach its objectives as opposed to employees with a low sense of commitment to the organisation who are likely to leave the organisation when the first opportunity for a better job presents itself.

Koh, and Boo, (2006) explain the three types of commitment that may be experienced in the workplace from employees, which are otherwise known as Meyer and Allen's Three Component Model:

- Affective or cohesion commitment refers to the emotional attachment that employees have towards the organisation, the belief in the values of the organisation and the will to be identified and involved with the organisation. High ethical standards of the organisation may have a huge role to play in the decision by employee to stay in the organisation and wanting to be associated with that particular company (Robbins et al, 2009: 74)
  According to Putranta (2008) affective committed employees may chose to remain in the organisation because they believe that their personal values are congruent with the goals and values of the organisation, they are also willing to assist the organisation to achieve its goals and objectives. The author further suggest that it is important for the organisation to select employees with similar values to those of the organisation in order to achieve a high level of commitment of employees to their place of employment.
- 2 Continuance commitment also known as perceived cost commitment, refers to the type of commitment where employees base their commitment towards the company on the costs that they will incur when leaving the organisation.
  According to Woods and West (2010:114) this form of commitment is said to be less desirable to foster among employees due to the significant investments that employees have made to the organisation.

A salary benefit from the organisation that an employee enjoy plays a crucial role in employees' decision to remain with a company even if there are other issues that might have contributed to an employee departing from a company.

According to a study by Putranta (2008) in the University of Notre Dame Australia, the academic staff who have attachments based on continuance commitment remains with the university because they are reluctant to lose the privileges during their tenure after they have departed from the university, plus they fear that they may not be able to find better work opportunities outside of their current employment.

**3 Normative commitment**, also referred to as obligatory commitment, has to do with employees' feelings of being obligated to remain in the organisation.

According to Robbins et al (2009:74) normative commitment can be described as an obligation to remain with an organisation because of morale and ethical reasons that an employee might have.

Puntranta (2008) highlights that when employers offer something that employees may perceive as being above what the ordinary employer would provide, such as additional training, payment towards studies and other personal considerations like compassionate leave, employees feel a social obligation to repay the employer by committing their services to the organisation.

A sensible argument would be that in normative commitment employees do not commit themselves to an organisation because of their personal gain but they always put the interest of an organisation before theirs.

## 2.8.1 Antecedents of organisational commitment

Woods et al (2011: 115) specify different antecedents that can be associated with different types of commitment:

### 1) Antecedents of affective commitment:

Organisational characteristics: Organisational culture which is described by Martin and Fellenz (2010:481) as the set of shared values, beliefs, sense making procedures that help influence and guide how members behave and think in the organisation, and such behaviour of members has the ability to reinforce or change it. People normally feel attached to an organisation that has values, goals and objectives that are consistent with their or when it is easy for them to adapt to the culture of the organisation.

**Work experience**: Putranta (2008) states that work experience of employees demonstrates a stronger correlations with all commitment types however it has a stronger correlation with affective commitment. After an individual has developed experiences within an organisation, he or she feels more connected to the

organisation and leaving is not an easy decision to make. Work experience has the ability to allow employees to create psychological comfort in their feelings. Having said all that, negative relationship can be found between affective commitment and work experiences that have a negative element such role ambiguity, issues of ethical conflict and role stress.

**Personality:** Meyer et al (2002) argues that personal characteristics show that the correlation between demographic variables and affective commitment are neither consistent nor strong.

Woods et al (2010: 84) reveals that employees who have developed high level of ability tend to perform better and are comfortable staying with the organisation because they are in a position to acquire more knowledge within a short space of time.

Martin and Fellenz (2010:79) state that personality is seen as being visible in the aspects of behaviour that appear to be more stable across different situations over a period of time however some of the behaviours may appear more meaningful indicators of personality than other behaviours.

### 2) Antecedents of continuance commitment

**Alternatives**: The availability of alternative jobs that offers more than what an employee is currently earning from their current employer will be seen as the primary or immediate antecedent of continuance commitment. To guard against this employers tend to offer benefits that will tempt employees to commit more to their organisation however offers do differ among employers.

Internal and external interest: Disruption of employee's personal interest in the organisation due to disruption of relation with management, cutting of mentorship and other career related support can reduce the level of commitment by an employee towards their organisation. On the other hand, if such support is more from the outside or from other organisations, an employee can easily develop and interest on that organisation and commitment to and performance on current job will be negatively affected.

## 3) Antecedents of normative commitment:

**Socialisation**: According to Putranta (2008) personal predisposition and organisational intervention can play an important role in the development of normative commitment by employees. Normative pressure that is internalised may develop before an employer starts with an organisation due to attractive cultural socialisation or it can develop post employee's entry into the organisation due to organisational socialisation.

Moore (2012) takes job satisfaction and work ethics into consideration as the other antecedent that can lead to normative commitment which is brought about by organisational socialisation. Woods et al (2010: 114) warn that sometimes individuals do get dissatisfied with their jobs, get annoyed by unethical decision making and think that an organisation is heading in the wrong direction but still feel obliged to stay and be loyal to the organisation.

Investment of organisation: When an employee's perception is that there is a significant investment by an organisation in an employee's personal growth, they do feel obliged to stay with an organisation irrespective of the financial and social performance of an organisation as the level of normative commitment is high.

According to Putranta (2008) it may not be easy for an employee to develop a high level of normative commitment towards an organisation if that employee do not have strong positive emotional feelings towards the organisation. Taking that into consideration, one could conclude by saying that there is a significant correlation between normative and affective commitment.

### 2.9 Employee turnover

Robbins et al (2009:18) describe employee turnover as a permanent voluntary and involuntary withdrawal of employee from the organisation. Both voluntary and involuntary turnover takes place for various reasons however they both affect the organisation negatively in terms of costs and the ability of an organisation to render services to the clients effectively. In support of the statement, Robbins (2009:18) state that a high rate of turnover may have a negative impact on the efficient operation of an organisation when

employees with knowledge and experience decide to leave the organisation and suitable replacements must be found and be prepared within a short space of time to assume the positions and responsibilities.

The variety of effects that not only have a negative impact on organisations but also on the wellbeing of an employee and the society at large may be as a result of an employee's decision to leave the organisation or the employer's decision to terminate the employment relationship.

According to Ongori (2007) turnover as a term is also used to measure the relationships of employees with an organisation as they depart from the organisation irrespective of the reason. Taking this narrative into consideration, turnover is therefore acknowledged only when the employees leave their jobs from an organisation and are hired by another employer.

## 2.10 Types of turnover

**Voluntary Turnover**: Amantha and Arokiasamy (2013) describe voluntary turnover as a withdrawal from the organisation that is initiated by the employee. According to Rita-Negrin and Tzafrir (2004) voluntary turnover can be caused by various factors like lack of job satisfaction, stress in the current job and availability of alternative and better opportunities. Taking this into consideration, voluntary turnover can be predicted by management and therefore it can be measured and controlled.

**Involuntary turnover**: Involuntary turnover reflects an employer's decision to terminate the employment relationship between employer and employee. Amantha et al (2013) further stated that involuntary turnover may include retirement, death, dismissal and employee's decision to leave an organisation in order to resolve family matters that cannot be easily resolved if an employee is permanently employed. Bratton J and Gold J (2003) state that involuntary turnover includes an operational decision by the organisation to cut costs, restructuring through downsizing due to reasons that are independent of the effected employees. Involuntary turnover as initiated by employer may have a minimal impact on the organisation.

Supporting the statement, Ut Lon (2011) sates that because in most cases involuntary turnover is under the control of management, it is the responsibility of management to make sure that the impact on the operation of the organisation is minimal.

#### 2.11 Sources of turnover

#### 2.11.1 Job Related sources

Ongori( 2007) state that after a lot of research aimed at finding out what determine the intention of people to leave their organisation, little consistency in findings has been revealed which is due to the diversity of employee who were included in different research studies.

#### 2.11.1.1 Stress

Firth L. Mellor, Moore and Loquest (2007) suggest that the stressors that are related to jobs, lack of commitment towards the organisation by employees, lack of commitment by the organisation to ensure retention of employees and job dissatisfaction by employees are the main reasons that people leave their organisations. Robbins (2009: 19) emphasises that managers need to understand the behaviours of employees and address any form of employee dissatisfaction. This is possible if managers are in a position to understand the wide range of stressors and what actually put employees under pressure in order to contribute positively in solving problems and retaining good employees. According to Thomas (2015) employees that have job discontent are more likely to leave their current organisation which makes the link between job satisfaction and employee turnover be a strong one.

# 2.11.1.2 Economic reasons and fringe benefits

Rita- Negrin and Tzafrir (2010) pointed out economic reasons for people to leaving their jobs stating that as economic needs arise and if the current employer is not in a position to help an employee meet those needs, an employee will leave for another organisation that is willing to offer better salary and ease the financial pressure on the employee.

According to Amantha et al (2013) a fringe benefit is an indirect reward that is given to an employee because of their organisational membership, which has a significant bearing in their financial support. These benefits are crucial as they are believed to have a direct significance in influencing employees to either stay or leave the company.

Employees will always look for companies with better benefits in order to use them for future investment (Amantha et al. 2013).

## 2.11.1.3 Poor communication and unclear expectations

Ongori (2007) suggest that insufficient information on how the responsibilities are to be carried out sufficiently, unclear expectations of fellow employees and management, ambiguity of performance evaluation methods, extensive job pressure and lack of cohesion on matters that are related to job functions may contribute to an employees' feeling less committed to the organisations and as a result develop a desire to leave the organisation. According to Chabaya et al. (2014) unrealistic expectations and lack of knowledge that applicants may have about the job at the time when an offer is received, are the other reasons that employees decide to leave their jobs as the workers become disappointed, frustrated and decide to vacate their positions.

Grobler, Warnich and Carrell (2011: 16) state that because of the size of companies in this day and age, businesses depend more on developing communication strategies to coordinate activities carried out by employees in the organisation which in turn allows people to work together as a team and learn from each other's experiences in order to produce better results. Failure by organisational leadership to develop clear communication channel may lead to more frustration, wrongful accusation when mistakes take place which may force some employees to consider leaving the organisation as a the best alternative.

## 2.11.2 Organisational factors

### 2.11.2.1 Organisational instability

An instability in the organisation has been named as the main culprit for high labour turnover as employees are more likely to stay in an organisation where their work environment is predictable and there is a high level of efficiency (Ongori, 2007).

It suffices to say that when organisations show signs of instability, employees will always leave and go to organisations where there is stability and clear career advancement.

Instability in an organisation can be brought about by ineffective leadership by management. Lack of clear vision, execution of operational strategy and support of employees may lead to an organisation being unstable.

It is imperative for organisations to always develop their leaders in order to improve their leadership skills in order to achieve organisational stability and retain good competitive employees.

### 2.11.2.2 Management

Booth and Hamer (2007) state that the imposition of a quantitative approach to the management of employees has created the problem of disenchantment by employees and eventually leads to high labour turnover.

It is crucial for management to avoid quantitative and cost oriented approach in managing employees in order to reduce labour turnover. Amantha et al. (2013) suggest that a positive work relationship between the management of the organisation and the employee has a significant influence on an employee's decision to stay with the organisation therefore managers and supervisors must always be aware that they have a direct impact on managing and controlling employee turnover because the length of time that employees stay in the organisation is significantly determined by how management relates to their staff.

Employees have certain characteristics that they value on their managers and based on those they learn more and eventually become more committed to the organisation.

### 2.11.2.3 Career development

Muteswa, Ortlepp (2011) point out inadequate career path strategies that organisations use to retain employees in management positions has a major influence on the decisions by employees to leave their organisations. In support of the statement, Amantha et al. (2013) state that organisations use pay, bonuses and other types of rewards to encourage improvement in performance and productivity of employees. However a lack of promotion and career advancement make a significant contribution to employees' decision to leave the organisation. Ongori (2007) states that with the adoption of job enrichment programmes by an organisation, many employees were able to be retained by their employers as they realised better career advancement opportunities. Chabaya (2014) states that besides promotion opportunities, the change in the selection and evaluation methods applied to rate reward and promotion systems also have a valuable impact on influencing employees to leave the organisation. Ineffective performance and appraisal and planning methods contributed to employees' identifying unfairness in the system and ultimately they are more likely to consider leaving their jobs (Amantha et al.2013)

## 2.11.2.4 Alternative employment Opportunities

Thomas (2015) states that the availability of employment opportunity is an uncontrollable issue that is significantly related to employee turnover, influenced by the job market and academic background of employees. Employees with a high education background find their qualification gives them as a competitive advantage over less educated employees by having additional choices of different positions. According Saleem and Gul (2013) highly qualified employees believe that if they quit their current jobs, the chances of getting another job as good as, or better than their present job is high. This makes it easy for these employees to decide to leave an organisation.

## 2.12 Effects of employee turnover

#### 2.12.1Increased workload:

A survey done by Thomas (2015) suggests that labour turnover results in increased work load for those employees that remain with the organisation.

This is because employees that remain with an organisation will need to work harder to maintain the level of productivity and service to customers even after new employees have been employed to replace those that mighty have left the organisation.

## 2.12.2 Training and development costs:

According to Kuria, Alice and Wanderi (2012) employee turnover has a significant negative effect in terms of direct costs that are incurred by the organisation while undertaking recruitment, on the job training which may result in poor production practices and quality. Supporting the statement on high training costs, Thomas (2015) found in the survey done in the construction industry that new employees take more time to develop into skilled engineers.

## 2.12.3 Low productivity

An increased rate of employee turnover will result in lower employee productivity. Thomas (2015) argues that employees with expertise who work at a particular organisation are more aware of the policies, goals of the organisation and they are aware of how to achieve the objectives set by the organisation.

New employees need time to adjust and be informed about the way to fulfil their roles.

Organisations with a high turnover rate will always face the dilemma of having inexperienced employees and this eventually leads to lower productivity.

#### 2.12.4 Poor customer service

According to Chabaya, Tshephe and Molotsi (2014) high labour turnover has the ability to damage a business's efforts to retain clients and offer high quality customer service.

Chabaya et al. (2014) further argue that customers feel more comfortable talking to and doing business with staff member and client service representative who have been with the

organisation for a long time. Continuous customer relationships and familiarity have the ability to build the loyalty of clients towards the organisation. If employees are continuously moved and replaced by new ones, it may hinder the chances of the organisation to maintain a positive relationship with customers.

## 2.13 Strategies to minimise employee turnover

## 2.13.1 Recruit suitable employees and retain valuable ones

According to Amantha et al. (2013) the main objective of recruitment is to provide a bigger pool from which potential employees can be selected by the management of the organisation according to the job requirements. Thomas (2015) states that if an organisation wants to eliminate employee turnover it has to ensure that people with a suitable attitude to the job are recruited. The organisation's ability to recruit, select and retain employees with much needed expertise for the progress of the organisation, may influence other employees to stay with the organisation and learn from competent employees. Chabaya et al. (2014) argue that failure to recruit and retain employees with competence will stunt growth and could ultimately cause the organisation to fail.

#### 2.13.2 Create good organisational culture

According to Robbins et al. (2009:424) organisational culture is concerned with the perception of employees on the characteristics of the organisation.

Amantha et al. (2013) state that the practices of the organisation are another factor that has a significant influence on the employees' decision to commit to or leave the organisation. The culture of the organisation may therefore have an effect on attracting employees to the organisation, retain good ones and even influence other employees to leave the organisation depending on how each employee perceive the organisational culture. It is therefore imperative for leaders in the organisation to develop an organisational culture that will be embraced by all in a diversified workforce. Thomas (2015) emphasises the importance of leaders creating an organisational culture that will allow a culture fit for all employees.

## 2.13.3 Effective leadership

Organisations that lack support from their leadership structures contribute to reducing the worker's ability to endure their stressful jobs and eventually increasing the likelihood that these employees will leave their jobs. Focus on management development is crucial for the enhancement of leadership skills and improving the competence of leaders in levels of management. According to Thomas (2015) having supportive leadership in the organisation plays a crucial role in influencing employees to commit more to their jobs and organisation. According to Grobler, Warnich and Carrell (2011:623) successful leaders have the ability to encourage people to go beyond what they think are their limits through inspiring their trust, acting consistently in creating conducive working atmosphere, verbally motivating and encouraging them to do even better.

### 2.13.4 Training and development

According to Taylor (2002) it is important for any organisation to create an environment that will allow important information to be transferred freely between employees. Encouraging the further development of employees through applying various forms of training will play a role in improving the practices of the organisation. According to Grobler, et al (2011:343) strategic training develops essential employee capability, encourages adaptability to organisational change and creates and disseminates new knowledge throughout the organisation which helps facilitates the communication and focus of the employees on the job at hand. This leads to improving the chances of employees to be associated with and committed to the organisation that takes pride in employee development.

### 2.13.5 Clear job expectations

When employees' expectations of the job are not met, job dissatisfaction may develop which could hinder the chances of the organisation to retain them. There are different reasons and expectations that make employees decide to join an organisation. When these reasons and expectations by new recruits to the organisation are not met, these employees

think the job is not exactly what they had in mind and develop a desire to leave the organisation.

Amantha et al (2013) state that some employees will even decide to leave the organisation a few months after having joined the company and some may decide to confront the situation that they did expect to encounter.

This cannot be a good sign to other employees and even customers. Demotivation will result from this and even more employees will start questioning what their current organisation offers them. It is therefore important for the leadership of the organisation to communicate what is expected from employees as early as possible at the recruitment stage.

#### 2.13.6 Job enrichment

According to Robbins et al (2009; 172) job enrichment is a programme that allows for the vertical expansion of jobs, increasing the degree to which the employee controls the planning, execution and evaluation of the work.

Grobler et al. (2011: 147) further stated that organisations with highly skilled, experienced and knowledgeable employees should embark on job enrichment programme in order to improve the pride of each employee and ultimately improve satisfaction level which eventually leads to an improvement in the output.

By giving an employee more responsibilities associated with their daily jobs and allowing them more autonomy in their jobs, an organisation allows employees to gain more knowledge, and expertise about their jobs, department and an organisation as a whole.

Thomas (2015) argue that allowing employees at different levels to grow in their jobs and be responsible for the results is the modern and relevant way of influencing their commitment to the organisation and makes it easier to retain them.

## 2.13.7 Develop a career management plan

According to Patrick and Kumar (2011) career development is a joint, continuous effort on the part of employees and the organisation for which he or she works to upgrade the employee's knowledge, skills and abilities. Employees that are satisfied with career opportunities in their organisations are more likely to commit to and stay longer with an organisation. Ongori (2007) stated that there is a drastic change in a relationship between an employer and employee, resulting in the traditional path of career progression being compromised. With rising competition, trading costs increasing drastically, organisations are focusing more on how they can get the best output from their employees with less attention being paid to each employee's career advancement, leading to employees looking for opportunities elsewhere. Grobler et al (2011: 275) state that management needs to start focussing on building up the knowledge and skills of employees in order to meet future demands which include employee retention.

## 2.14 Employee deviance

Workplace deviance, which can also be referred to as workplace incivility, can be described as an intentional, harmful attempt by an individual in an organisation to sabotage the operation of the organisation by deliberately causing problems in the organisation.

Organisations have realised that paying the necessary attention and managing workplace deviance through developing and implementing measures to eliminate it, have become an integral part of ensuring positive financial, social and psychological effects on both organisation and employees.

Muafi (2011) describes deviant workplace behaviour as a voluntary participation in an act that has a significant violation of organisational norms and as a result the well-being of the organisation or its members is threatened.

LaMarcus and Grawitch, (2011) explain workplace deviance as the counter-productive behaviour, anti- social behaviour and misbehaving in the organisation by employees which is non-compliant with the code of ethics and operational code of conduct that the organisation may have in place. This kind of behaviour can either be interpersonal, which refers to employees sabotaging through verbal lying and gossiping, or organisational deviance which has to do with unethical actions like theft of equipment and coming to work late, ( negative workplace deviance).

According to Kanten and Ulker (2013), counterproductive behaviours have the ability to induce increasing organisational costs, decreasing workplace commitment, organisational citizenship behaviours and productivity, bring about lateness, absenteeism and encouraging high labour turnover.

Peterson (2002) suggest that organisations that adopt a caring ethical climate are more likely to experience less problems that are related to workplace political deviance by employees such as gossiping and bad mouthing fellow employees.

It is the duty and responsibility of the management of the organisation to lay down rules and regulations that will root out the problem of property deviance such as stealing and damaging the property of the organisation.

## 2.14.1 Organisational antecedents of employee deviance

According to Dunn and Schweitzer, (2005) an organisational culture that is based on ethical nature, promotes ethical decision making while on the other hand a culture that does not take ethical climate into consideration could promote unethical behaviour.

Swanepoel' (2012) emphasises that employees who have obtained knowledge with regards to proper behaviour through formal or informal training within the organisation, will most likely be able to identify values that are appreciated, approved and rewarded by the organisation.

Rossouw and Van Vuuren (2010) describe organisational culture as the way things are done in an organisation while ethical culture is the way things are done in an organisation even if no one is watching.

Taking these two descriptions into consideration, one would say that organisational culture has an impact on the behaviour of all employees in the workplace. Not only can unethical organisational culture encourage engagement into deviance by employees, but an ineffective manager and deviant leader can contribute immensely to encouraging employees' negative workplace deviance.

Sims &Brinkman (2003) state that employees have a tendency to imitate their leaders as they consider them as role models with a huge influence in developing and shaping their behaviour. With that in mind, leaders have a responsibility to create a prevalent ethical culture that will be sustainable over a long period of time, through their actions, engaging with others in the organisation irrespective of their positions

Swanepoel' (2012) suggested that there are additional factors that relate to the probability of the emergence of deviant workplace behaviour. These factors are risks and group norms which can be described as standards agreed upon as a mutual consent that determine what behaviour should or should not prevail in certain situations. O'Boyle 2011) state that these consensual standards are conceptualized as social structures that independently exist and are separated from those of individuals who are members of the collective.

The perception of the risk that is associated with individual's behaviour in relation to the group norms, plays a crucial role in that particular individual when a decision needs to be made. According to Swanepoel (2012) risk can be referred to as the extent to which an individual who is making a decision is likely to be caught while engaging in the deviant workplace behaviour. Employees who usually work in an environment that is less likely to experience deviant workplace behaviour, have increased chances of engaging in a punishable deviant workplace behaviour simple because they might be less conscious about such behaviour.

## 2.14.2 Personal antecedents of deviant workplace behaviour

Henle (2005) realised that there is what can be called a predictor of deviant workplace behaviour which is a personal based perspective. This explicitly states that the environment has no influence on an individual to engage in deviant workplace behaviour, but the personality of an individual has a major role in influencing participation in deviant workplace behaviour.

In support of this statement, Elliot (2010) states that recent research points out that certain personality traits have more influence when economic crimes such as fraudulent and embezzlement of funds are committed.

According to Woods and West (2010:86) personality traits have a strong relationship with organisational citizenship behaviour which are pro-social behaviours that support the core aspects of task, performance of the employee and the organisation of teams.

Another personal antecedent that is closely related to self-control is personal integrity which is seen by Rossouw and Van Vuuren (2010) as ethical personal or organisational values which are centrally held, continuous beliefs that are used to guide judgments and actions in particular situations and beyond goals that are instant. The benefit of adhering to ethical values by employees and organisational members is that internal and external stakeholders respect and maintain a good relationship with one another

One of the most influential personal antecedent of deviant workplace behaviour that is close to any individual is self-control. Restubog, Wang and Cheng (2010) describe self-control as the individual's ability to override his or her impulses and resist influences that will normally be external, exerting control over his or her own responses in order to pursue goals and partake in decision making as per the required and expected standards and values.

These responses ca be emotions, thoughts, performances, impulses and other behaviours that might influence the decision or action, while standards involves moral injunctions, productivity targets, organisational norms and expectations from other members.

### 2.14.3 Positive workplace deviance

Workplace deviance has always been seen as negative behaviour. However Rossouw and Van Vuuren (2010) argue that deviant workplace behaviour can be differentiated into negative and positive deviance with whistle blowing, organisational disagreement, original thinking which is associated with changes in the organisation and criticising a supervisor that is not competent for the job or position, highlighted as examples of positive workplace deviance.

Swanepoel' (2012) state that positive workplace deviance has the ability to assist the organisation into not implementing policies that use the common business norms that may

not be bringing results anymore due to environmental changes. As a result the organisation becomes more effective and efficient.

Taking this argument into consideration, it can therefore be argued that positive workplace deviance can be regarded as the ethical behaviour and a good acceptable business practise that is aimed at bringing justice, efficacy and good morals into the organisation. Muafi (2011) state that dimensions of positive deviant workplace behaviour by employees are expected to be of benefit to the organisation

## 2.14.4 Negative workplace deviance

Apart from the crucial contribution made by positive workplace deviance, one would argue that negative workplace deviances are mostly detrimental to the success of the organisation. With that in mind, more attention needs to be paid to them. According to Muafi (2011) managers in an organisation need to understand the source of workplace deviance so that a chaotic work environment will be avoided, saving an organisation from financial loss that negative workplace deviance can cause in an organisation.

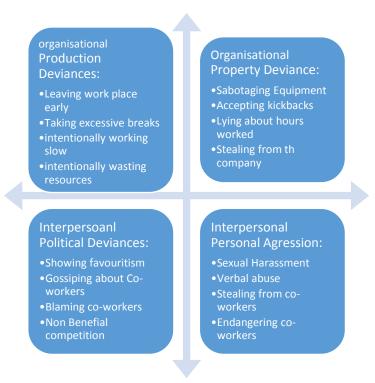


Figure 1: Typology of Negative Workplace deviance, Muafi (2011)

### 2.15 Ethical climate and workplace deviance

According to Yuksel, (2012) there are many situational factors other than ethical climate and organisational climate that can be regarded as the main cause of workplace deviance by employees. These elements shape the employees' perceptions and beliefs about the situations in the organisation, which means that the manner in which employees perceive their work situations determines the level of workplace deviance and job satisfaction.

When employees have a negative perception of the ethical and organisational climate, they are more likely to be deviant towards the organisation. One would than emphasise the importance of keeping a positive ethical climate in the organisation in order to eliminate the level of workplace deviance and promote the productivity of employees.

Kanten and Ulker (2013) state that individual and organisational factors are known to have an influence on the behaviour and attitude of employees.

It is believable that perceived ethical climate is likely to influence the attitudes and behaviours of employees in an organisation as climate perceptions are believed to be the significant link between the employees and objective characteristics of the work environment like formal and informal policies, procedures and practices.

### 2.16 Impact of ethical climate on organisational commitment

Tilley et al (2012) argues that ethical standards themselves will not create ethical behaviour and organisational commitment but the establishment of mutual trust and respect between the members of the organisation who have their time invested to discussing shared expectations for good ethical behaviour will enforce the culture within which ethical codes will be effective.

Unal, (2012) warns against high level of employee commitment towards the organisation saying that when employees are highly committed to one organisation they may not be able to identify ethical problems that might exist in the organisation.

This may be a problem to both an organisation and an employee in that both the employee's and organisation's reputation can be destroyed without a problem being recognised.

Shafer, (2009) states that ethical climate proves to be influential on group norms and when there is a conflict between these group norms and the values of employees, reactions such as job dissatisfaction, whistle blowing and stress may be experienced.

A conclusion may be drawn to the fact that, this may cause employees not to be committed to the organisation and its vision, mission and objectives. It is therefore important to note that professional commitment to an organisation will determine the impact of ethical climate on the organisation.

According to Moore (2012), commitment towards the organisation is accurately represented by understanding the reality around individual desire, need and the obligation to stay in the organisation. In most cases employees are driven by financial needs and the fact that the unemployment rate is high, employees are nervous leaving their workplace.

This is the reality created by the economic situation of the country which compels employees to stay in the company.

Organisational ethical climate in this case is a secondary determinant for employees to stay in the company because even if they wanted to leave the company, they would find it difficult to do so if the economy is not conducive to changing jobs.

#### 2.17 Summary

Whenever there is an unfavourable collision of the components of ethical climate, organisational commitment, job satisfaction and workplace employee unproductive behaviour, the resulting effect on the reputation of an organisation is often devastating. According to Moore (2012) ethical climate is the newest stream of organisational climate research that organisation are interested in, aimed at improving ethical decision making by managers and employees.

The decisions that are made by managers and employees of the organisation have a direct and significant impact on the perception of the existing ethical climate. Instead of making decisions based on egos, management and subordinates need to work together to build an ethical climate that will focus on teamwork, improving social responsibility, organisational growth through improved skills and productivity.

According to the findings of this research, these efforts are likely to lead to more satisfied and committed employees who would have an organisation's interest close to their hearts.

The research methodology used in this study is addressed in the next chapter.

#### **CHAPTER 3**

#### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter focuses on the research design of the study with particular reference to the methodology used which include sampling strategy, research procedure used, measuring and development of instruments and data analysis techniques.

The study mainly used the quantitative method of research as it employed questionnaires as the main source of collection. Hair et al (2000) state that one of the distinguishing factors of this type of research is the need to gather data from a large population. These authors state that survey research plays a crucial role in providing much needed information that will help guide the development strategy of the organisation. According to Robson (2002:234) surveys are normally done for descriptive purposes in order to reveal information about the distribution of a range of characteristics that people possess and the relationship between these characteristics.

#### 3.2 Research design method

Coldwell and Herbst (2004:36) state that a research design is the strategy used in the study and the plan that is used to execute the strategy.

The main objective of the quantitative survey research approach is to provide facts that are specific and gather estimates from a bigger population which is represented by a sample of respondents. These can then be used by decision makers to determine relationships, differences and substantiate and prove existing relationships (Hair et al., 2000). According to Moore (2012) the primary purpose of quantitative research is to define and explain causes in phenomena that occurs naturally.

The nature of this study was descriptive, aimed at unfolding the experiences of the workforce currently working for the organisation under review.

## 3.2.1 Quantitative research approach

According to Hair et al. (2000) a quantitative design method emphasises the use of formalised standard questions that are sent to the respondents which means that their responses to questions are to a certain extent pre-determined. Coldwell and Herbst (2004:12) state that quantitative research includes the collection of raw data from a number of individuals with the aim of extending the results to a larger population. The authors further stated that it is normally challenging to access the ideal number of the population that is needed to represent a targeted population. Hair et al (2000:216) state that quantitative research methods are more directly associated with descriptive and causal research design than exploratory designs. The distinguishing factor of a descriptive study is the description and definition of a subject often by creating a profile of groups, people or events. Numbers are used to provide a universal language that can easily be understood by all users (Coldwell & Herbst, 2004).

## 3.2.2 Population and units of analysis

The study was done at the Spar KZN DC which is a division of the SPAR Group which has 1100 employees including management. All employees from non-management to senior management, who have access to email were chosen to take part in the study. This was done because all employees at different levels are perceived to be affected by the ethical climate within the organisation in one way or another. The demographics for this study included age, gender, type of employment, level of management and the experience of participant in his or her current position which is said to be relevant to the study and resultant findings.

### 3.2.3 Sampling method

According to Coldwell and Herbst (2004: 76) sampling is described as the act, a process or a technique used to select representatives of a population for the purpose of identifying characteristics of the entire population.

Hair et al. (2000:39) sated that sampling units are the element of the targeted population available to be selected during the sampling process.

Coldwell and Herbst (2004: 73) suggest that the sampling frame which is a list of people used to establish a sample, should be comprehensive, updated and include the electoral register.

Coldwell and Herbst (2004) describe population as the group of people that is being investigated. In a cluster sample, the specific population is grouped into aggregate (clusters) which is determined by proximity to each other (Coldwell and Herbst, 2004:80). According to Hair et al (2000) the analysis of a cluster is a multivariate interdependence technique with the primary objective being to separate objects into relatively homogeneous groups taking the set of variables being investigated into consideration.

For the purpose of this study the researcher aimed at obtaining a sample of 200 employees that would justify the findings of the study by giving appropriate responses to the questions provided.

The population is 1100 employees and the questionnaires were sent via a link to a sample of 200 employees from different levels of employment or positions. For this study a non-probability sampling (purposive sampling strategy) was used to choose the sample because not all employees in the organisation have access to the internet due to the nature of their job. According to Sekaran and Roger Bougie (2013:252) purposive sampling takes place when a researcher confines the research to specific people who can provide the desired information, either because they are the only ones who have it or they conform to specific criteria that a researcher used. According to Serakan et al. (2013: 253) purposive study allows the researcher to apply his or her knowledge of the research problem to handpick the participants to the study. For this research, the criteria was to look for people with access to the internet in the organisation to ensure anonymity and confidentiality of their answers.

Judgemental sampling, as a type of purposive sampling strategy was used.

Sekaran and Bougie (2013:252) explain judgemental sampling as a sampling that involves the choice of participants that are advantageously placed or in the best position to provide information that is required.

## 3.3 Data collection

Data collection is described as the gathering of information that is needed to address a research problem (Toni, 2007).

According to Nzimande (2012) it is important for the researcher to document the data collection process as accurately and as much detail as possible.

Toni (2007) stated that any research project needs to establish the parameters for data collection by determining the settings (where the research will take place), the participants in the research and the process to be followed.

Prior to beginning with this research project, permission to conduct research in this organisation was asked and given by the Operations and HR Directors of the organisation. The list of participants was not revealed in order to maintain anonymity as agreed with them.

An electronic survey link with questionnaires was designed and forwarded to email addresses of participants and those that were willing to respond did so voluntarily. The system used did not allow participants to reveal their names and other personal identifying information which helped to ensure the confidentiality of responses.

A sample of the email with questionnaires was sent to the HR Director and Operations Director for scrutiny. The use an internal email distribution list augmented the anonymity and confidentiality of participants and ensured that the researcher could not identify individuals and their responses.

Data collection was self-administered by the researcher using both email and the internet, sending reminders and other communication to participants using an in-house email address that did not reveal the name of the recipients.

## 3.4 Measuring instrument used

### Three- Component Model (TCM)

Meyer and Allen (2004) modified a Three- Component Model (TCM) of employee commitment in the workplace. For the purpose of this study the TCM was considered to measure three distinct types of employee commitment to an organisation, namely the affective, normative and continuance commitment. These types of commitment can each be associated with three different general themes which are: Affective for attachment to the organisation, normative for perceived costs incurred when leaving the organisation and continuance which is associated with an obligation to remain with an organisation.

Each of these components are measured by the use of Likert -type scale questions ranging from 1- Strongly agree to 4- Strongly disagree.

According to Meyer and Allen (2004) these types of commitment have also been explained as: affective commitment explaining what an employee *wants* to do, normative pertains to what an employee *should* do and continuance commitment explains what an individual *has* to do.

## **Revised Ethical Climate Questionnaire**

The Revised Ethical Climate Questionnaire (RECQ) was developed by Victor and Cullen (1988) and has been widely used for the assessment of ethical climate in organisations. The purpose of the measurement was derived from Victor and Cullen's objective to study ethical organisational climate based primarily on the analysis of ethical choices that individuals in that particular organisation make (Webber, 2007). The primary focus was to establish a measurement that is grounded in the shared- perception approach to ethical assessment.

An adaptation of ethical climate questions was used for the purpose of this study. A six Likert- type scale, ranging from strongly disagree to strongly agree was used.

## 3.5 Data analysis

For the purpose of this study data was analysed using a descriptive method after the questionnaires were issued electronically. According to Sekaran and Bougie (2013:97) descriptive studies can either be quantitative or qualitative, often aimed at gathering data that will help describe the characteristics of the person, events and situations.

One of the few limitations of a descriptive study is that it presents the possibility for errors and subjectivity, encouraging bias by the researcher (Uma Sekaran and Bougie 2013: 97). The researcher was therefore advised of, and took cognisance of this potential disadvantage.

## 3.6 Reliability and validity

According to Leedy and Ormrod (2014:93) reliability is the consistency with which a measuring instrument yields a certain and consistent result if the entity that is being measured has not changed.

The TCM is not suitable for employees who have been in the organisation for less than one year (Meyer & Allen, 2004). Such employees were identified and excluded in the study to ensure the reliability of the instrument used.

According to Nzimande (2012) a pilot study must be used to validate the statements in the questionnaire for the screening of the population in the study of ethical climate.

According to Radhakrishma (2007) validity is the amount of systematic and built-in error in measurement.

To ensure the validity of the instruments used, the construct validity was chosen. According to Sekaran and Bougie (2013:227) construct validity is aimed at testifying how well the results that are gathered from the use of the measure, fit the theories around which the test is established.

Within the organisation people who had previously been involved in research and had experience in the field of ethical behaviour were requested to validate the questionnaires and amendment were made before they were disseminated to the participants.

#### 3.7 Ethical consideration

#### 3.7.1 Ethical consideration

Toni (2007) state that when people are used as the subject in a study, it is imperative to exercise great care and ensure that neither the rights of the individual nor the impact of the investigation is compromised.

It was important for the researcher in this study to make sure that when communicating with the participants, great care was taken to ensure that rights were not violated.

## 3.7.2 Confidentiality

Coldwell and Herbst (2004:19) state that preserving the privacy and anonymity of the respondents is the most important responsibility of the researcher. Using an in-house emailing system personal identifying details of the participants were not disclosed to anyone and the participants were informed about their right to privacy. Confidentiality in research implies that data that identifies private information of the participants should not be used for reporting purposes (Toni, 2007). To avoid any breach of agreement between the researcher and participants, direct communication with the participants was treated with the highest level of confidentiality.

### 3.7.3 The Right to be informed

According to Nzimande (2012) full co-operation from the participants is imperative before the start of a study. The participants were informed about the objectives and the end results of the study. Toni (2007) emphasised that participants must be protected against any physical and emotional harm that might be brought about by participating in the study, therefore the researcher should not withhold any information from the participants or give any misleading information.

## 3.8 Summary

This chapter presented the research design methods which included information about the targeted population for the study. The study focussed on questionnaires as the method used to gather primary data from the participants who met the specific criteria that was established. Ethical consideration formed a crucial part of the study in order to increase the level of participation. Objectives including the purpose of the study were presented and communicated with the relevant respondents to ensure effective results.

A report on the validation of data was also presented stating that people with expertise in this field were used for validation.

The next chapter presents the result of the data as gleaned from the questions that were sent to participants.

#### **CHAPTER 4**

#### PRESENTATION AND ANALYSIS OF DATA

#### 4.1 Introduction

In this chapter the findings of the study are presented. This includes the general demographics of the respondents which were also analysed on the basis of demographic variable such as age, gender, level of employment and experience in the organisation.

Other sections of the questionnaires are also analysed and presented followed by a summary of the chapter.

### 4.2 Description of scale used in the study

The data collection process in this study consisted of six parts with different statements. The first set of questionnaires aimed at collecting demographic information of participants. The second set of statement aimed at measuring the understanding of the relevant concepts by the participants. The rest of the questions with different statements intended to measure the key variables that they were part of the study.

The survey was sent to a sample of 200 employees of which 113 (which is 57 % of the sample), responded to the questionnaires. Researcher encountered a problem in that most of the participants were not willing to answer all of the questions as set out in the questionnaires with the results that most participants chose not to finish the survey.

## 4.3 Description of the demographics of the study

Table 4.1 below shows the largest proportion of respondents (28.57%) with an age above 40 and the lowest being 0.99 % who are less than 25 years old. Females of all races responded the most with a total of 58.76% compared to 41.24% males represented in the total sample. The majority of respondents (98.02% of 101 respondents) are permanently employed versus 1.98% of respondents that are regular full timers and 1% who are part-timers. The majority is represented by 33.33% of respondents that are not in management positions and the lowest being 2.08% in the executive management category.

In terms of experience in their current position, 64% of 102 respondents had only been with the company for less than 10 years. Those that only had only 1 year service were excluded from the survey.

Table 1: Description of Participants by Demographic

Demographic variables	Category	Frequency	Percentage
AGE GROUPS	Less Than 25	1	0.99%
	25- 30	19	19.39%
	31-35	27	25.74%
	36-40	27	27.55%
	Above 40	28	28.57%
TOTAL		102	100%
TYPE OF EMPLOYMENT	Permanent	98	98%
	Part Timer	1	1.03%
	Permanent Part-timer	0	0%
	Regular full timer	2	0.98%
TOTAL		101	100%
GENDER	Male	41	41.24%
	Female	58	58.76%
TOTAL		99	100%
LEVEL OF MANAGEMENT	Junior management	33	33.33%
	Middle management	26	27.08%
	Senior management	6	6.25%
	Executive management	2	2.08%
	None management	33	33.32%
TOTAL		100	100%
YEARS OF EXPERIENCE	Less than 10 years	64	62.38%
	10-15	26	25.74%
	16-20	4	4.08%
	Above 20	8	8.16%
TOTAL		101	100%

# 4.4 To establish awareness and understanding of ethical climate

In order to determine whether employees at different levels of management were aware of ethic and ethical climate in the organisation, three statements were developed:

## 4.4.1 Importance of ethical climate is always emphasized by management.

A maximum of 43.43% of 100 respondents agreed with the above statement, followed by 41.4% that strongly agreed with the statement, 16.1% were not aware of any emphasis on ethical behaviour by management. Taking the findings into consideration, employees attest to the fact that management in SPAR KZN DC have made adequate efforts to communicate the importance of ethical climate. Also supporting the initiative, Wolmarans (2014) states that communicating the importance of ethical climate to employees is important as a mechanism to eliminate unproductive behaviour. It is imperative that initiatives to improve ethical climate in the organisation are communicated in a transparent manner, aimed at making sure that all employees understand the fundamental objectives of such an initiative (Van Vuuren, 2010).

## 4.4.2 In this company there are ethical policies tailored for each department.

Respondents represented by 41.4% of 100 agreed with the existence of ethical policies tailored for each department with 34% strongly sharing the same sentiments, 11% of respondents strongly agreed with the statement and another 11% were not sure whether there were any policies in departments. According to Van Vuuren (2010) organisations have realised that institutionalising nosiness ethics is not only a nice to have initiative but an imperative strategic tool that would allow employees to achieve their individual objectives and subsequently those of the organisation. The findings of the study revealed that SPAR KZN DC has managed to effectively communicate departmental ethical policies to achieve the overall goal of the organisation.

## 4.4.3 Ethical climate is not significant for the profitability and success of this organisation.

Measuring whether employees understand the significance of ethical climate, a maximum of 36.36.7% of 99 respondents were not sure if there is any significance. A noticeable 32.65% disagreed that there is no significance and 22.45% strongly disagreed with the statement.

The researcher was not convinced that employees understood how significant ethical climate is to the success of the organisation. More training is still needed to paint the big picture about the impact of ethical climate to overall profitability of a business organisation.

Ethical management and climate in an organisation creates opportunities to optimise and improve different organisational elements that include business competitiveness and profitability (Van Vuuren, 2010). The author further state that corporate ethical training is not only helpful to reinforce general awareness of business ethics, but is an important system that will help improve efficacy and eventual growth of the organisation.

## 4.5 Determining commitment of employees

## 4.5.1 What would make you less committed to the organisation and the work they do?

A maximum of 31.96% of 100 respondents pointed out lack of growth opportunities as the reason why their commitment levels would drop, poor reward was an answer chosen by 25.25% with only 16.49% pointing out general unethical behaviour as the main reason they would be less committed. The minimum of 9.28% represented those that felt unstructured work overload would make them feel less committed. The findings pointed out career development and better salaries as the two fundamental factors that would influence employees to commit more to the organisation. Career development and rewards are amongst the fundamental elements of total rewards. Tropman (2002) concurs with the findings stating that salaries, good working conditions, training and promotion opportunities are what modern employees expect from an organisation and if these expectations are not met, employees would be tempted to leave the organisation.

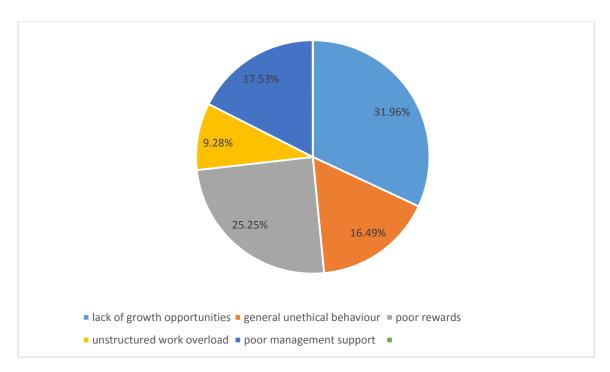


Figure 2: Determining factors that would lead to commitment of employees

## 4.5.2 Ethical standards of this company make me proud to be associated with it.

The ethical standards of the organisation were highlighted as having a possible effect in determining commitment of employees to the organisation. A whopping 52.04% of 99 respondents agreed that ethical standards of the company make employees proud to be associated with the organisation. A second batch of respondents representing of 28.57% said they strongly agreed with the statement and with lowest being 20.20%. Figure 4.4 below shows a simplified display of this. The findings of the study proves that employees expect to be treated in a fair and just manner in all aspect of their employment. Perceptions of unfair treatment of employees can be excessively costly for the organisation, difficult to compute and influence intentions to leave the organisation. Grobler et al (2006) state that employees are always willing to be associated with organisations where management is perceived to be fair inn treating their workforce and strive to make just, legitimate decisions. Grobler et al (2006) further state that many of decisions that leaders make are concerned with issues of fairness and that leaders who are assumed to have responsibility for the reasonable distribution of outcomes and workloads are likely to attract and retain good employees.

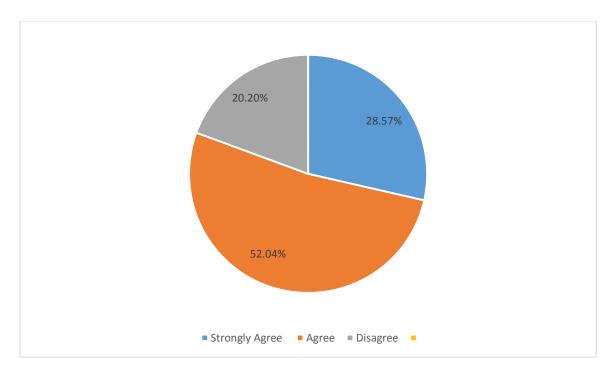


Figure 3: Measuring commitment due to good ethical standards

# 4.5.3 To what extent do you think of quitting your job?

When asked about how often they think of quitting their jobs, 49.00% of 100 respondents indicated that they sometimes think about resigning from their jobs and a noticeable 41.00% of 100 respondents stated that they never think of leaving their jobs, 5% said they thought about leaving most of the time and another 5% said they thought about quitting constantly. Employees react differently to their frustrations. The findings reflect that most of employees have considered leaving the organisation. The findings revealed that job satisfaction poor salary structure and a lack of career development were the main reasons why employees think of quitting their jobs. Therefore management needs to find ways and means to counter dissatisfaction in the organisation.

# 4.5.4 To what extent are you motivated to go the extra mile when doing your work?

A significant 34.69% of 98 respondents said most of the times they are motivated to go the extra mile when doing their job. This was followed closely by 32.65% who stated that they are always motivated to go the extra mile and the lowest being 7.14% who were never motivated at all.

# 4.5.5 I would leave this company if I'm offered a better salary by another company

Respondents represented by 52. 53% of 100 agreed that if they were offered better salary by another company they would leave their current organisation. This was followed by 27.27% who disagreed with the statement and the lowest being 3% who strongly disagreed with it. The findings of the study showed without doubt that employees would seize any opportunity to join another organisation should a better offer be available. Salaries have a great influence in attracting and retaining good employees. The rewards to an employee do not only provide financial fulfilment and attainment of material needs but also provide a social status and power in the organisation, therefore employees are always on the lookout for these prospects (Wolmarans, 2014).

### 4.5.6 I would like to retire in this company

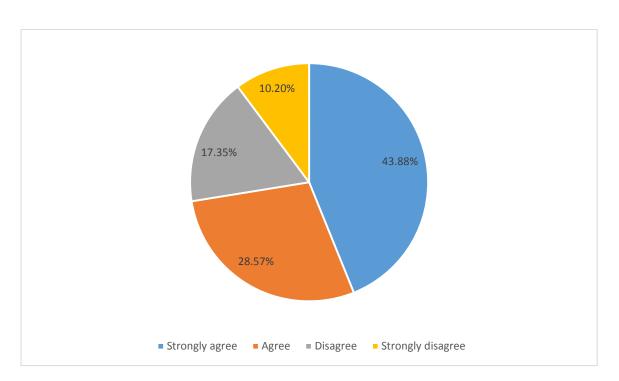


Figure 4: Determining amount of employees that would like to retire with the company

According to the results as shown in the pie chart above, most employees in the organisation are happy to be with this organisation until the day they retire.

There are various factors that can be attributed to this decision by employees, however the findings as presented by the results of this study indicated that employees are generally happy with the ethical climate or ethical standards and the effort that management put in to ensure ethical consideration when making business decisions. The researcher concluded that amongst other contributing factors to such decisions, employees are influenced by the ethical standards of the organisation and are willing to associate themselves with the organisation until they retire.

#### 4.5.7 How often do you want to protect the image of the organisation?

Looking at the above statement, 48% of 100 employees that responded to the statement stated that they always strive to protect the image of the organisation and that of management, 34.34% also showed positive feedback stating that most of the time they want to protect the reputation of the organisation.

The lowest was only 1.01% of respondents that felt they never do anything to protect the image of the organisation. Eccles, Newquist and Schatz (2007:104) state that reputation of the organisation in an economy that has 70%- 80% of market value coming from intangible assets, is imperative to uphold a good corporate standing and ensure competitive edge through an untarnished brand in the eyes of the public. It is gratifying to discover that the majority of employees in this organisation are aware of this and are willing to help uphold the good reputation of the organisation.

#### 4.6 Addressing issues of deviant behaviour

# 4.6.1 There are strong measures by management to discourage employee unproductive behaviour in this company.

As shown in figure 4.8 below, responding to the statement, 42.86% of 99 respondents agreed, 22.45% neither agreed nor disagreed. A noticeable 19.19% strongly agreed, 15.31% disagreed with only 1.02% saying that they strongly disagreed with the statement. It is encouraging to identify that management in this organisation do not turn a blind eye to employee deviant behaviour as it can perpetuate a habit of rule breaking that create continuous workplace deviance.

Petersen (2002) states that a culture with a strong emphasis on ethical behaviour tends to be noticed by employees and subsequently discourages deviant behaviour which ensures continuity in production and service to customers.

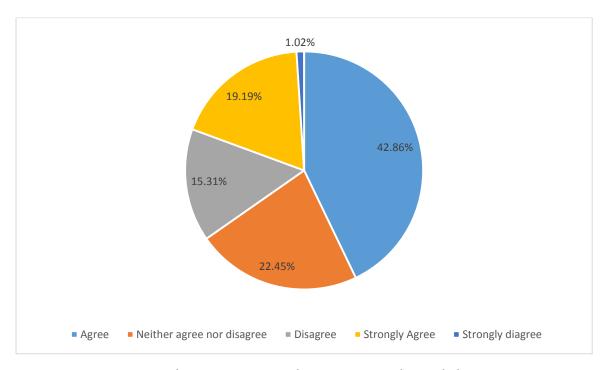


Figure 5: Strong measures by management to discourage unproductive behaviour

# 4.6.2 To what extent do you think employee deviance is encouraged by unethical behaviour by an employer?

On employee deviance encouraged by unethical employer behaviour, a maximum of 52.63% 96 respondents stated that sometimes this is true, 20.83% saying that most of the time it is the case. A low of 10.53% think it is always the case that employers would create employee workplace deviance. Beside the fact that the majority of employees at SPAR KZN DC show signs of being happy with ethical climate, they are also aware of the possibility of management creating employee deviance in the workplace. This would be crucial to the development of a policy of involving employees on strategies that would help eliminate deviant behaviour in the workplace. Employees could be encouraged to approach management if they notice unfair treatment, constant calling of names by leaders or other fellow employees in the workplace before the problem escalated to a level that would pose danger to and prohibit the progress of the operation of the organisation (Mitchell & Ambrose, 2007).

### 4.6.3 To what extent do you avoid engaging in discussions that are not work related?

Measuring involvement in discussions that are not work related, 41.41% of 100 agreed that sometimes they do engage in such discussions, with a worrying 35% saying most of the times they do. The lowest percentage being 6.06% who said they never engaged in unproductive discussions with 18.18% who said that they always do.

Engaging in discussions that are not work related is classified as production deviance simply because employees take time discussing issues that do not improve productivity and ethical climate in the organisation. Bolin and Heatherly (2001) warn that social chatting during working hours is likely to promote gossiping in the workplace which might results in political deviance in the organisation. Management needs to be wary of this possibility and have strict measures in place to stop it. Communicating the possible results of social chatting during work hours can educate employees and help avoid the prospect of gossiping in the organisation.

# 4.6.4 How often do you hear other employees talking negatively about the company?

Negative discussion about the company was also measured with 97 participants answering this question, 63.54% of those saying they sometimes hear other employees talking negatively about the company, 20.62% saying it happens most of the time. The representation of 7.29% stated that they never hear such discussions and 9.38% said it always happened that employees spoke negatively about their organisation.

#### 4.7 Investigating the relationship between employees and management

# 4.7.1 Employees are not scared to discuss issues of ethics with senior management

Employees were tested on whether they felt anxious about discussing issues of ethics with their management. The maximum 43.43% agreed that employees were nervous, followed by 35.35% who stated that they were not scared to engage with management on issues around ethics. A noticeable 11.11% strongly disagreed and the lowest were 10.10% strongly agreed. Taking these findings into consideration, management should start engaging more with employees, identify reasons that make them nervous to engage management on issues of ethics. Decisions that are taken by managers should reflect treatment that is fair and have the interest of employees at heart.

Subordinates should be given opportunities to express their opinions on issues of fairness and the capabilities of their supervisors to lead them. This would bring the whole team together, improve the communication process between management and employees and ensure that all issues that might hinder productivity are addressed accordingly.

# 4.7.2 To what extent do you enjoy talking to the public about your company?

The maximum represented by 39.39% of 99 who responded stated that they sometimes enjoy discussing their company in the public space, with 33.33% saying they always have a good feeling doing it. The noticeable 5.05% of those who said they never enjoy talking in public about their company and 22.22% indicated that they do it most of the time. Taking these findings into consideration the researcher concluded that there is a sense of pride that employees have about the organisation where they work which can be attributed to many factors ranging from existing ethical climate, relationships within the organisation and benefits that they enjoy that are offered by the organisation.

# 4.7.3 Please rate your relationship with the company management

The results depicted by the pie chart below show that there is generally a positive relationship between employees and the management of the organisation. The recommendation to the management of the organisation would be to use existing relationship and address the issues revealed in the findings above where employees confirmed that they are nervous to discussing issues of ethics with the management. Trevino, Brown and Harrison (2005) stated that managers must take cognisance of the factors that might negatively affect their relationship with employees, communicate these and ensure a continuous trusting relationship.

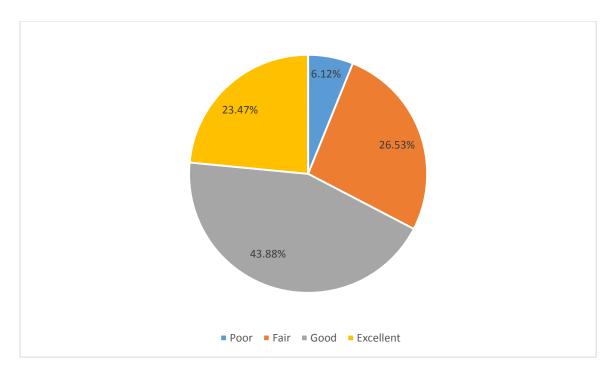


Figure 6: Rating relationship between management and employee

#### 4.8 Determining employee job satisfaction in the workplace

# 4.8.1 I think my performance is not duly recognised

Looking at the statement, evenly distributed results of 36.73% represented employees that agreed and another 36.71% disagreed with the statement out of 98 participants that responded to this statement, 18.37% strongly agreed with it and the lowest was 8.16% that strongly disagreed. Although there is parity between the number of satisfied and unsatisfied employee in this organisation, it is imperative for the organisation to address this issue as it is likely to create deviance and discourage commitment of the workforce.

Management should not wait for employees to adjust to their unhappiness on their own as employees may react by withdrawing their commitment towards the organisation, eventually reducing production and negatively affecting the financial position of the organisation.

# 4.8.2 To what extent are you satisfied with your work and results thereof?

As shown in figure 4.11 below 48.98% of 98 participants who responded to this question were satisfied with their work, 28.57% saying they were always satisfied with the work they

do. A close figure of 20.41% is sometimes satisfied with the lower percentage of 2.04% that is never satisfied with the work they do and the result there after.

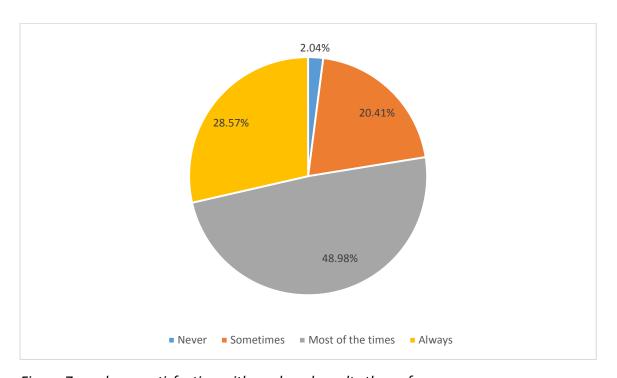


Figure 7 employee satisfaction with work and results thereof

# 4.8.3 The graph used to highlight how employees felt a sense of belonging and how often they get positive feedback from management.

As shown in figure 8, the majority represented by 40.82% of 98 participants who responded to the question said they sometimes get positive feedback from the management, with 26.53% saying it happened most of the time. A significant 23.47% said they never received any positive feedback from management about the work they do and a minimum of 9.18% said that by management was always given to them.

On employees feeling a sense of belonging to the organisation, a tie of 31.63% of 98 respondents said they sometimes felt this and the same percentage said most of the time they had a sense of belonging to the organisation. This was followed by another significant 28.57% of respondents who said they always felt that they belonged to the organisation. The minimum of 8.16% said they never felt they belonged to the organisation.

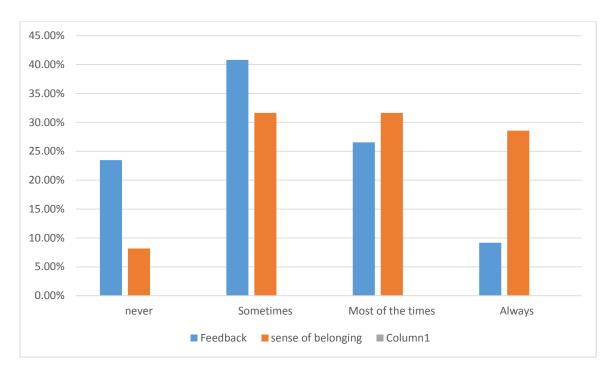


Figure 8: On sense of belonging and positive feedback

# 4.8.4 Employees work hard for this company because they are happy with how decisions are made

The majority of respondents 46.46% of 100 respondents believed that employees in the organisation work hard because they are happy with how decisions are made in the organisation. Close to that figure is 39.23% that disagree with the statement, 13.13% strongly agree 2% strongly disagree.

# 4.9 Investigating trust amongst employees

# 4.9.1 Would you say there is enough trust amongst employees in this company?

Of a total of 98 participants, 60.20% of them stated that there is no trust amongst employees in the organisation and 39.80 believed there is enough trust. This is potentially a huge risk that might have a negative effect in trying to ensure ethical climate in the organisation. Research on why this is the case will need to be undertaken and the issue resolved. Achieving a good ethical climate depends on the ability of management to foster a relationship that is built on mutual respect and trust amongst fellow employees or between management and subordinates (Trevino et al. 2005).

The authors further state that the best way of reducing employee deviance in the organisation is open dialogue and communication that must take place between all stakeholders in the organisation.

#### 4.10 Determining the type of commitment that might exist in the organisation

To determine the type of commitment that participants have towards the organisation, three statements were developed.

On measuring affective commitment, participants were asked to respond to the statement: *I* do not feel emotionally attached to this company.

The maximum percentage of 47%% of 100 respondents represented those that disagreed with the statement, 15% strongly disagreed with it. A notable 29% agreed and 9.% strongly agreed. Taking these results into consideration one can conclude that in this organisation the affective commitment is dominant.

On continuance commitment, the statement given was: *Too much of my life would be destroyed if I were to leave this company.* 

Most respondents making 39.80% of 98 respondents disagreed with the statement closely followed by 34.69% of those that agreed with it, 17.35% strongly agreed and the lowest was 8.16% who strongly disagreed.

A statement: *This company has contributed immensely to improving my work performance*, was developed to measure normative commitment by employees. A maximum number of 98 responded to the statement of which 57.14% agreed with the statement, 20.41% strongly agreed, 16.33% disagreed and the lowest was 6.12% who strongly disagreed.

#### 4.11 Summary

Looking at the results of the study, it is apparent that the majority of the participants were clearly aware of their reasons that would make them more committed to the organisation. A majority of employees indicated that they were comfortable with the ethical standards of the organisation, stating that they would not consider leaving the organisation because what the organisation had allowed them to achieve. As much as this is the case, results have revealed a gap between employees and management depicted by the fear of employees to engage management on ethical issues. Management is encouraged to look into the factors that make it difficult for employees to discuss issues of ethics with management as this may lead to deviant behaviour.

The findings revealed a clear indications that employees were more interested in wages and salaries being competitive for them to commit more to the organisation. Rewards and career development seem to supersede organisational climate when it comes to commitment by employees. This study confirmed that rewards and career development do have an effect on employee turnover, therefore it is imperative for management to develop a retention strategy that will include career development and compensation. Career and reward orientation of employees in this organisation should be regained as part of crucial human resources policies to create a solid and significant relationship between employer and employees.

On workplace deviance, the study revealed the existence of production deviance where employees engage in social discussions that are not work related. Workplace deviance is a phenomenal which is experienced by organisations and believed to have cost implications and economic consequences for the organisation. The study revealed that in this organisation, this type of deviance has not been addressed by management as a result employees do not understand the impact it could have on the organisation and the possible creation of political deviance. It is crucial for management to identify the root cause of deviance and put measures in place to address and prevent it from taking place.

The study also revealed employees were aware of management actions and decisions that could contribute to employee deviance in the workplace.

The business environment that is increasingly competitive, due to globalization and liberalization, forces managers to continuously put pressure on employees to improve their performances and customer satisfaction, eventually encouraging deviant behaviour unknowingly by pushing employees to achieve targets through job ambiguity and conforming to group norms (Ikechukwu Onuoha, 2011)

#### **CHAPTER FIVE**

#### **DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

#### 5.1 Introduction

In this chapter a detailed discussion of the main findings of the study based on the objectives highlighted in the first chapter is presented. Included in the discussions are the various types of organisational commitment and whether there is any evidence that employee who participated in the study show signs of having any of these types of commitment.

#### 5.2 Data collection method

A quantitative research methods was used in this study in order to gather data in a manner not threatening to respondents. To gather data, the Likert scale was used, and questionnaire included structured and unstructured questions. According to Nyasha (2011) such study is normally piloted with a small group to rule out vagueness and misapprehension regarding the questions. Such details about piloting the study were dealt with in Chapter Three.

# 5.3 Research problems re-visited

The researcher noted how frequently the organisation had been losing its employees since 2009, and therefore opted to find out the reasons for the turnover. The research revealed that employees decided to leave if they were not offered appropriate career development opportunities by the organisation, or if they were offered tempting salary and reward structures by rival firms.

There was a lack of suitable evidence to clarify what has been done to address the ethical, because it was not considered by employees to be important for the success of the organisation. This in itself a problem in the organisation identified in the study and recommendations have made to management so as to address the issues pertaining to the importance of this phenomenon. Intervention strategies are needed to assist in preparing the workforce for training in ethical decision making.

These strategies are likely to improve employee's consideration of ethical issues when they are entrusted with a task, including assessing the impact that the results of their individual decision will have on the future of the organisation.

Insights into the possible encouragement of employee deviance were provided by the study, and management was encouraged to consider business ethics whenever decisions are made in the organisation.

# **5.4 Discussion of key findings:**

The researcher discover that employees in the organisation lack trust in each other. When participants were asked if there would say there is enough trust amongst employees in the organisation, 60.20% of 99 respondents answered that they did not think there was enough trust. Trust is seen as a sacred and emotional relationship between employees, as well as the measure of their faith in the company and its leadership (Darcy, 2010). Trust is the foundation to ensure that conflict is constructively resolved, that encourages commitment to individual and organisational goals, and enhances personality accountability and the achievement of collective objectives (Lencioni, 2005 cited in Collins, 2010).

Trust is an important factor in the organisation that can have an effect on performance and how individual behave towards each other, if trust is absent or broken, there will be significantly adverse repercussions. Employees trusting other employees and the leader of an organisation is likely to result in increased employee compliance with the rules and regulations of the organisation, and improved employee contribution in terms of performance and intention to remain with the organisation for a longer period (Van Zyl & Lazenzy, 2002; Ponnu & Tennakoon, 2009). Employees in an organisation are always reluctant to follow a leader who is perceived to be dishonest and always looking at opportunities to take advantage of employees.

The organisation is advised to examine the impact that trust have on the wellbeing of the organisation, in addition to its impact on profitability, share price and other ratios that are determined and believed to be indicators of the success of the organisation.

Retail is becoming difficult in these trying economic times and organisations are likely to experience downturn, needing their employees to work as a team to meet these challenges. According to Fulmer (2004) integrity and trust are important factors that executives need to consider when attempting to recover from substantial downturn in the national and international economies. A low level of trust can result in organisational decay arising from political strife, sabotage or other general inefficiencies that might make a significantly negative impact on the future of the organisation.

Continuous lack of trust amongst employees in this organisation will eventually have negative impact on the ethical climate of the organisation. High levels of trust in an organisation are generated by employees sharing the perception that the organisation has positive ethical climate (Fulmer, 2004). It therefore expected and advisable that leaders in organisations consider trust as vital and integral to ethical leadership, to the demonstration of good behaviour through consistency in communication and actions, and to treating employees with respect without violating their human rights. These factors will all have a significant influence when decisions to commit to the organisation are to be made.

#### 5.5 Objective of the study revisited

In order to discuss the findings of the study, the researcher looked at the objectives of the study that were set and highlighted in the first chapter.

# 5.5.1 To determine whether employees are aware and understand ethical climate

To investigate whether employees were aware of ethical climate, participants were asked if they know of any ethical policies tailored for each department, with 41, 41% agreeing to the statement and 34% strongly agreeing. The lowest percentage was 3, 03% who strongly disagreed and 11.11% who were not sure.

On the other hand, 43.53% agreed to the statement that employees are not scared to discuss issues of ethics with senior management, closely followed by 36% that disagreed.

The latter statistic suggest that there may be a problem of leadership here. Maxwell (2005) emphasise that ethical awareness in the organisation begins with a leader being attractive, credible and playing a legitimate role that influence the followers. Supervisors and leaders in the organisation play a crucial role in disseminating, influencing and reinforcing ethical policies in the organisation, thereby becoming critical determinants of employees' perception of ethical policies. When ethical policies are communicated incorrectly and inconsistently the meaning and importance of the ethical climate will be diluted leading to various types of negative climate (Moore; 2014).

# 5.5.2 To determine whether there are employees who are still committed to the organisation

With 45, 45% of participants stating that they sometimes feel they own the success and problems of the organisation, and 27.55% saying that in most cases they feel they are responsible for the success and problems of the organisation, the researcher found that there is a high rate of commitment shown by employees towards the organisation.

A whopping 46, 56% disagreed with the statement that leaving the company would be the right thing to do, with 32, 65 % strongly disagreeing with the same statement. These findings also underline the fact that employees value their association with this organisation and have no intention of leaving.

According to the research by Cullen, Parboteeah, and Victor (2003) there is a relationship between organisational commitment and the three climate criteria which are egoistic, benevolent and principled. In this research it was discovered that benevolent organisations are found to be positively related to organisational commitment, while egoistic organisations are negatively associated to organisational commitment. Principled organisations are found to have a positive relationship to organisational commitment but with workers who are professional in their respective fields. Cullen et al. (2003) further state that the negative impact of an egoistic climate are said to be comprehensive. Employees who work in egoistic climate have a perception that self-interest is promoted and consolidated even if other employees will be hurt in the process. Organisations that promote self-interest within their social norms are likely to experience lower levels of

employee commitment to the organisation (Cullen et al. 2003). Organisations that promote a benevolent climates create the perception of a caring and warm environment.

These caring environments are more likely to promote positivity and cohesion among organisational members, which will obviously encourage their intentions to commit to the organisations concerned, (Cullen et al. 2003). Interpersonal cohesiveness always promote affective attachment and fortifies the commitment of members towards their organisation.

# 5.5.3 Determine the employer's influence on encouraging and discouraging employee deviance behaviour

When we look at the extent to which employee deviant behaviour in the workplace possibly caused by unethical behaviour, 52.63% of respondents are convinced that unproductive behaviour is sometimes created by unethical behaviour on the part of leadership in the organisation, with 20% saying that most of the time this was the case.

These figures into consideration appear to offer conclusive evidence that unproductive or deviant behaviour in the organisation can be linked with and attributed to an unethical climate within the same organisation.

Martin Et al (2010:214) explains that ethical leadership is a type of leadership aligned with a moral code that brings consistency among the ends, means and consequences of the leaders' (which influences that of their followers).

Deviant employee behaviour in the organisation is as much attributable to management as it is to the personality and propensities of an individual employee (Peterson, 2002).

Onyeonoru (2002) maintains that work- place employee deviant behaviour depends on the extent to which the organisation uses the means and tools available to it to promote employees' aspirations to achieve their personal goals and those of the organisation.

The attitude of management can and in most cases does trigger deviance behaviour in the workplace by employees (Peterson, 2002). Even naturally honest employees can be influenced to behave inappropriately if they perceive their work environment as uncongenial or if they experience bad treatment from the management of the organisation.

It is the responsibility of the leaders of the organisation to create an ethical climate that will help keep inherently honest employees from engaging in deviant behaviour.

Senior management has a duty to set the ethical tone for the organisation, for it is through proper management leadership that the honesty of followers can be sustained and used to influence good decision making as well as other employees. Peterson (2002) state that creating an ethical climate and being aware of how the decisions and actions of managers and leaders can encourage employee deviant behaviour is imperative because deviant behaviour can have an enormous impact on the organisation. Considering that deviant behaviour in the organisation is costly and that the chances of it being detected are so small, it is crucial that the executive management and leadership of the organisation understand the relationship between the role of management and the decision of employees to indulge in deviant behaviour (Harris & Ogbonna, 2002).

### 5.5.4 To investigate types of commitment in the organisation

In order to measure affective commitment, participants were asked to respond to the statement: *I do not feel emotionally attached to this company.* 

The maximum percentage was 47%% of 100 respondents representing those who disagreed with the statement, 15% strongly disagreed with it. A notable 29% agreed and 9 % strongly agreed. Taking these findings into consideration, the researcher found that affective commitment does exist in the organisation.

Meyer and Allen (1991) state that affective commitment refers to commitment by employees that is influenced by their emotional bonds, links with and engagement in their organisational.

Employees that are affectively committed to the organisation are said to be more willing to participate in extra activities that eventually guarantee improved productivity, competitiveness and profitability of the organisation. Affective commitment has a stronger effect on the intention of an employee to continue working in the organisation (Martin, 2008). The author further states that affective commitment creates emotional connections that lead to employees developing a sense of responsibility and accountability to their

organisation. According to the research by Meyer and Allen (1991) where employee's experiences meet their expectations and their basic needs are satisfied by the organisation, they tend to develop a stronger affective attachment to the organisation.

On continuance commitment, the statement that was given was: *Too much of my life would be destroyed if I were to leave this company.* Most respondents making 39.80% of 98 respondents disagreed with the statement, closely followed by 34.69% of those who agreed with it, 17.35% strongly agreed and 8.16% strongly disagreed. Continuance commitment is related to how strongly members of the organisation feel the need to stay longer in their organisation. With employees that are continuance committed, the fundamental reason for their commitment depends on their needs to stay longer with the organisation. These reasons normally vary, however the main reasons relate to lack of job alternative and better remuneration (Meyer & Allen, 1991).

Ambiguity concerning the type of sacrifices that are related to continuance commitment may have an influence on the association that continuance commitment has with other variables (Meyer et al.2002). Judge, Bono, Thoresen and Patton (2001) state that if continuance commitment refers to employees' distinctive sacrifices in leaving their employment, then it can positively relate with other variables like job satisfaction that refer to the employee's distinctive investment in the organisation. The more the employees experience satisfaction in their organisation, the more they invest their energy in performing their daily tasks (Judge et al. 2001). When this reason is extended, the more employees invest their efforts in their jobs, the higher the perception of the sacrifices of leaving their jobs might be.

A statement: *This Company has contributed immensely to improving my work performance*, -was developed to measure normative commitment by employees. A maximum number of 98 participants responded to the statement of which 57.14% agreed with the statement, 20.41% strongly agreed, 16.33% disagreed and 6.12% strongly disagreed. Taking the results into consideration one would say the majority of participants felt obliged to commit to the organisation therefore normative commitment does exist in the organisation.

Normative commitment is related to how the employees feel about continuing to work for a particular organisation. Employees that are normatively committed generally feel that they should stay longer at their organisations. Normatively committed employees also feel that leaving their organisation might have disastrous consequences and feel guilty about their possibility of ending their relationship with the organisation (Meyer et al. 2002). The authors further state that reasons for this guilt vary and are often concerned with employees being concerned that by leaving the organisation a void in knowledge and skills will be created, leading to increased pressure on their colleagues, therefore these feeling are believed to have a negative influence in the performance of employees working in organisations.

Normative commitment seems to capture a different perspective to affective commitment and thus may be affected by other factors that can influence the two other types of commitment in the organisation (Meyer et al. 2002).

# 5.5.5 To determine reasons for the high level of employee Turnover in the organisation

The study pointed out the following reasons for employees' high rate of turnover in the organisation as highlighted by the participants.

### 5.5.5.1 Career development and growth opportunities

A real concern for business leaders out there is why do employees leave their jobs. After collecting data for this study it is evident that in this case employees do not leave the company for any other reasons other than better salaries offered by rival companies and better growth opportunities elsewhere.

As it has been stated in a previous chapter, the majority of employees at SPAR named lack of growth opportunities (31.96%) as the most significant reasons why employees would not commit to the organisation.

Research done by Ball (1997) maintained that employers do not take on the responsibility of career development and argues that employees need to take responsibility for their own development in order to maintain and better their employability.

Sharing the same sentiments, Shelton (2001) argues that organisations cannot and offer extensive career opportunities for internal career advancement, however they can help employees develop their own career goals and action plan through the use of employee development strategies that will help them develop through their careers. Maintaining that employees should not only manage their own careers, Baruch (2006) asserted that employees could have multiple careers that they could develop themselves. Parker and Arthur (2000) state that employees might be less committed to the organisation and instead develop different career opportunities within the industry, which will make careers more open and diverse with less control needed by an employer. As asserted, career development is an individual's responsibility and in his/her control. One should make choices, adapt to circumstances like organisational change, and what opportunities to consider in order to grow and eventually controls one's destiny (Lips-Wiersma & Hall, 2007).

An employee's decision to stay or leave the organisation might be influenced by how challenging the work is, the availability of support at work and opportunities for personal growth. This requires the employers to ensure that resources and tools are provided including an appropriate working environment that will ensure that continued self-development is possible. While individual employee's efforts in career development is emphasised, one would say it needs to be a collective effort from both employer and employee to make development possible. Lips-Wiersma and Hall, 2007) state that organisational support theory assert that mutual commitment between employers and employees begins with the employer providing a supportive and caring working environment for employees, as a result employees react by feeling attached and committed to achieving organisational goals and objectives. Guest, Conway and Davey, 2002; Lips-Wiersma & Hall, 2007) state that CDP is a representation of partnership and mutual commitment of employer and employee in exchange for joint ownership and responsibility that is shared. CDP must be a continuous development system that is in-line with the HR policies and structures of the organisation.

Career development, autonomy and measurability of output related to commitment are indication that the creation of job ladders and job flexibility by the organisation is likely to maximise commitment and thus eliminate absenteeism and labour turnover (Johns, 2005).

The availability of career development opportunities is an indication of the willingness and effort of the organisation to cherish its employees. Habitually, organisations that provide relevant and quality development schemes show employees that they are willing to develop a cadre of skilled employees that will grow with the business.

### 5.5.5.2 Better rewards / salaries

Compensation and reward are regarded as the most important features of the human resources management. A reward system that an organisation offers to employees has an important role to play in determining the commitment levels of employees and the opportunity of an organisation to retain them. According to Willis (2001) reward is one of the critical issues to be considered by organisation in as far as trying attract and keep talented employees in the organisation. The underlying hypothesis is that reward has the power to influence employee behaviour through shaping their attitude, therefore salaries influence the attraction and retention of employees (Parker & Wright, 2001). Allen, Shore & Griffeth (2003) state that employers should distinguish themselves from others through their unique compensation strategy in order to attract and retain quality staff. Therefore the compensation strategy of an organisation should be designed so that it does not only attracts and retain good quality employees but also maintains equity amongst employees. Furthermore, both internal and external equity should be observed in terms of reward if the compensation strategy is to function as a retention strategy (Gomez-Mejia, Balkin & Cardy, 2004)

Lockwood & Walton (2008) emphasise the importance of employers offering competitive, market related pay and benefits in order to retain their workforce as this will always motivate employees to be more committed to the organisation. This is clearly stated in Mercer's report (2003), employees are more likely to commit to an organisation if they are satisfied with the rewards they getting and will leave if they are not satisfied with these rewards.

Davies (2001) highlights the importance of recognising the capabilities, efforts and contribution by employees to the success of an organisation, saying that employees are more likely to stay in the organisation where the aforementioned are recognised and rewarded accordingly.

Tropman (2002) introduces the concept of total reward, noting that the traditional reward system has failed to attract, retain and motivate employees to remain with their organisation most especially in this modern era. Total reward includes not only the salary and other monetary benefits but also more intangible or even spiritual incentives, such as excellent working conditions, a good ethical climate, and training and development opportunities (Cumbo;2009). According to Lis (2004) total reward has four fundamental categories: salary, welfare, career and environment, while Giancoal (2009) includes work life balance as a fifth category to be considered as reward. Sharing the same sentiment, Zingheim & Schuster (2006) note that while each organisation is likely to have a different reward system, total reward must be a comprehensive unified rewards system covering every aspect of employment, including acquisition of the knowledge and skills to promotes their future career development (Ludlow & Farrell, 2010).

# 5.6 Opportunities for further studies and contribution to body of knowledge

The current study has provided an opportunity for an in depth discussion of ethical issues and how ethical climate relates to organisational commitment. It has identified potential reasons for employee turnover and deviant behaviour in the organisation. The researcher feels, however, that it would be unwise to overlook the current South African economic situation as yet another factor influencing employee commitment to the organisation in a South African context.

According to Van Vuuren and Bloomberg (moneyweb; August 2013) declining economic growth and increasing rate of unemployment supersede any business decision to be made by the South African working class. It therefore appears that future research might usefully address the following topics:

- How job security has affected organisational commitment in the retail and logistics industries in a South African context.
- The impact of job losses and how this supersedes other reasons for organisational commitment in all SPAR regional distribution centres.

### 5.7 Answering research objectives

The findings of the study reveal that the researcher was able to find answers to the research question establishing that ethical climate and ethical leadership in the organisation play a crucial role in ensuring organisational commitment on the part of the employees.

Though ethical climate and leadership have been widely researched, this study helped to bring the concept of ethical business decision making to the retail industry which is always hit hard by high labour turnover.

In terms of the impact of ethical climate in discouraging employee deviant behaviour, the study found that it is the duty of the organisational leadership to ensure good business ethics and integrity which has a direct influence on how employees behave towards activity in the organisation. The study established that unethical behaviour and employee deviance in the organisation begin when the management of the organisation decides to ignore issues of ethics and fails to address unethical behaviour. The research participants acknowledge that ethical climate and ethical leadership define the essence of how employees perceive the organisation and how they would react when faced with a difficult decision to make.

While different types of organisational commitments have been researched in more depth by previous researchers. This study enabled the researcher to establish that even at SPAR these types of commitment exist. Responses indicated that different types of organisational commitment have a profound impact on the organisation's effectiveness because they define the successes and flaws of the organisation according to which crucial decisions are made. The findings of the study will enable the management of the organisation to respond to the positive cues and indicators in order to develop human resources strategies and take the organisation to the next level.

The current study also looked at the reasons why there is high labour turnover in the organisation. The findings point towards specific causes of labour turnover and recommendations are made to resolve the problem.

It was established that employees value an organisation that is willing to take their career development seriously and is seen to be making reasonable efforts to ensure this.

#### 5.8 Conclusion

The lack of growth opportunities for employees in the organisation and unsatisfactory rewards compels the workforce to search for new employment opportunities in other organisations.

This situation has led to a low level of motivation accompanied by high levels of frustration, anxiety and even hostility to work for SPAR KZN DC. Part of the problem is reluctance by management to stamp it's authority by curbing employee turnover through addressing the underlying reasons for it. New members of the workforce were not addressed with regards to issues of ethic and organisational commitment, how these two relate to each other and how they impact on the future of the organisation. This inattentiveness discouraged employees from committing to the processes of the organisation and encouraged deviancy in the process. Adopting the recommendations given may enable the organisation to remedy counterproductive behaviour and curb further losses while in the process improving productivity and efficacy.

# 5.9 Recommendations to solve business problems

#### 5.9.1 Recommendations to eliminate employee deviant behaviour

Based on various primary factors that influence deviant behaviour, there are several recommendations that may be implemented to prevent deviant employee behaviour and subsequently discourage the growth of a negative culture in the organisation:

Eliminating toxic leaders and deviant employees as in their different and respective
ways, they establish and sustain a norm that is culturally dysfunctional. By removing
them the notion that deviant behaviour is acceptable will be eliminated.

- Building and promoting an ethical organisational culture will help the organisation to reduce deviant behaviour at the workplace. This can be achieved by creating an organisational culture that is built on important core ethical values.
- These core values, shared by all the members of the organisation, will help to create
  a unitary and cohesive organisational structure.
  In order to resolve the problems associated with workplace dysfunctional behaviour,
  it is imperative that employees throughout the organisation should adopt this
  specific frame of mind and that leaders should focus on communicating strong
  ethical values and norms in order for these values and norms to be filtered down the
  levels of employment in the organisation.
- Most organisations do not conduct a thorough integrity test when screening of new applicants. Doing a detailed integrity test will help the organisation eliminate individuals who are likely to commit acts of deviant behaviour in the organisation.
- Reinforcing organisational justice will help the organisation make recommendations
  that that will foster positive behaviour and reducing dysfunctional behaviour.

  Organisational justice will help promote distribution of rewards equitably and not
  allow reward system to be politicised while timeously communicating the basis on
  which rewards are allocated.

The implementation of organisational justice give employees an opportunity to be heard, making sure that procedures are unbiased, valid and allow for corrections and improvement to be made.

# 5.9.2 Recommendations to reduce employee turnover

There are significant direct costs (i.e. replacement and recruitment) and indirect costs (i.e. low morale, pressure on remaining employees, and low quality of product produced or services rendered) incurred by an organisation when voluntary turnover takes place. In order to eliminate employee turnover and the organisational impact thereof, the researcher recommends the following guidelines to manage employee turnover with acknowledgement to (Booysens, 1999:375):

- Before an attempt is made to address employee turnover rate, the organisation should make a decision on what is considered an acceptable rate of turnover for that particular organisation depending on the nature of the work done and the nature or amount of information that the organisation would not want employees to leave with.
- This would also depend on the availability of employees, the availability of other
  opportunities outside the organisation and the level of turnover that is desirable to
  prevent stagnation and the escalation of replacement costs.
- The reasons for employees leaving the organisation should be determined beforehand. The necessary data should be gathered and computerised, elicited through exit interviews that ideally should be done by an independent company. The examination of data should be carried out carefully in order to detect any the emergence of any pattern. Measures that will have the desired effect of lowering the turnover rate must be selected by the management of the organisation taking into consideration the patterns observed from the examination of data.
- When recruiting new members to join the organisation, careful consideration should be given to communicating correct and sufficient information and not painting an unrealistic picture of the organisation. A prospective employee should know from the beginning what it will be like to join an organisation, making possible a reasonable fit between organisational goals and the expectations of an employee.
- During the selection and interview process, care should be taken to get a reasonable
  and accurate picture of a potential member of the organisation. It is rare that
  employees would think of leaving the organisation within six months of their
  employment, nevertheless it is imperative that their orientation has ensured that
  they are well aware of what is expected of them, that they have the ability to use
  their various skills and that they will always get positive feedback for a job well done
  as well as support where they are struggling.
- Good communication and co-ordination within the organisation must be provided by holding regular weekly meetings during working hours to discuss changes in the policy of the department, matters about the administration of the departments, taking on board and implementing suggestions from employees.

- It suffices to say that employees get frustrated in their work environment if their
  facilities are not well maintained. Management must ensure that adequate facilities
  are provided that are conducive to the execution of tasks and allow for the career
  development of staff.
- In the organisation there must be a continuous performance evaluation system that
  will subsequently help reward good performance and assist employees that are
  experiencing difficulties reaching their KPA's. It needs to be made clear that the
  system is not aimed at punishing employees who are struggling but promoting cooperation, teamwork and helping team leaders to be considerate and responsible.
- Job enrichment must be implemented, eliminating non duties as far as possible to reduce the amount of work overload for employees. Effective management is determined by the ability to motivate employees through listening to and empathising with them.
- Management can also use a participative management system that allows employee
  involvement in decision making processes. Employees should be allowed to plan
  their own schedule, targets and goals linking them to those of the organisation. The
  system should allow for innovation and the implementation of ideas from employees
  which will eventually improve their level of commitment towards the organisation.

#### **Outcomes of implementing the guidelines**

The guidelines are bound to bring positive change into the organisation through the following:

- Improvement in employee levels of morale and motivation. This is achieved through proper staff engagement and better communication
- More efficient team building and more improve cohesive culture in the organisation.
- Employees will feel a sense of ownership of the organisations success and failures
  which will make it easy for them to understand the impact that any decision will
  have on the future of the organisation.

### 5.9.3 Recommendations for job stress management in an organisation

Wise (1995; 511) suggest the following strategies to reduce job stress:

- A continuous employee assistance programme should be developed to reduce the stress levels of employees and their team leaders.
- Creation of formal discussion groups and consultants are additional opportunities to help employees communicate their frustration due to anxiety, giving them a chance to seek help from fellow employees. Experts in consultation and psychology and stress management may be brought in to help employees to identify the causes, possible solution and workable strategies to reduce stress.
- When changing department or combining them, it is imperative to retain some of
  the useful traditions of each unit to help employees cope with change. Redefining
  values and the vision of the organisation as it goes through a change can be a
  valuable way of reminding employees of the bigger picture, assuring them that the
  organisation has not deviated from what it believes in and what it has been striving
  to achieve over the years.
- Informal workshops can assist management to give time to employees to reflect on their own background, achievement and objectives for the future.

### Outcomes of implementing the guideline:

Ones & Dilchert (2012) state that a manager's ability to improve skills in coping with stress among employees is a crucial component in managing and leading them. Managers will therefore be able to cope with increased level of stress if these interventions are considered in the organisation. Employees will on the other hand see and believe that efforts are being made by management to help them progress and do their work effectively which will encourage to commit more to the organisation, to ensure the achievement of both organisational and personal goals and objectives.

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#### **APPENDICIES**

Appendix A: Ethical clearance certificate

Appendix B: Consent letters

Appendix C: Questionnaires

Section A- description of demographic of the study

Section B- to determine awareness and understanding of ethical climate

Section C- determine commitment of employees

Section D- addressing issues of employee deviant behaviour

Section E- investigate relationship between employees and management

Section F- determining employee satisfaction in the workplace

Section G- determine trust amongst employees in the organisation

Section F- determine type of commitment that might exist in the workplace

#### **QUESTIONNAIRES**

# SECTION A: Description of the demographics of the study

- What is your age?
- What is your gender?
- What is your level of management in this organisation?
- Years of experience in your position

# SECTION B: To establish awareness and understanding of ethical climate

- Importance of ethical behaviour is always emphasized by management
- In this company there are ethical policies tailored for each department
- Ethical climate is not significant for the profitability and success of the organisation

#### SECTION C: Determining commitment of employees

- What would make you less committed to the organisation and the work they do?
- Ethical standards of this company make me proud to be associated with it.
- To what extent do you think of quitting your job?
- To what extent are you motivated to go the extra mile when doing your work?
- I would leave this company if I'm offered a better salary by another company
- I would like to retire in this company
- How often do you want to protect the image of the organisation?

#### SECTION D: Addressing issues of deviant behaviour

- There are strong measures by management to discourage employee unproductive behaviour in this company.
- To what extent do you think employee deviance is encouraged by unethical behaviour by an employer?
- To what extent do you avoid engaging in discussions that are not work related?
- How often do you hear other employees talking negatively about the company?

SECTION E: Investigating the relationship between employees and management

- Employees are not scared to discuss issues of ethics with senior management
- To what extent do you enjoy talking to the public about your company?
- Please rate your relationship with the company management

SECTION F: Determining employee job satisfaction in the workplace

- I think my performance is not duly recognised
- To what extent are you satisfied with your work and results thereof?
- Employees work hard for this company because they are happy with how decisions are made
- How often do you feel sense of belonging to this company
- To what extent do you receive positive feedback from management

SECTION G: Investigating trust amongst employees

Would you say there is enough trust amongst employees in this company?

SECTION H: Determining the type of commitment that might exist in the organisation

- I do not feel emotionally attached to this company
- Too much of my life would be destructed if I were to leave this company
- This company has contributed immensely in improving my performance