Ethical Climate, Job Satisfaction, and Affective Commitment relationship in the Shoes Manufacturing Sector

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Abstract: *Recent studies have demonstrated that retaining qualified employees is crucial for organizations. As labor-intensive sector, shoes manufacturing sector is highly dependent on qualified employees. Based on the literature in this field, affective commitment of employees to their organizations has a significant importance for retaining them. The main purpose of this study is to examine ethical climate, job satisfaction, and affective commitment relationship in the shoes manufacturing sector. A survey with four sections is conducted in 10 companies and 3 cities in Turkey with 161 respondents in overall. Descriptive and Pearson correlation analyses were made. The study results showed that statistically significant relationships exist among ethical climate, job satisfaction, and affective commitment. In specific, Law and Code type of ethical climate has a crucial statistically significant relationship with affective commitment.*

Keywords: Ethical Climate, Job Satisfaction, Affective Commitment, Shoes Manufacturing Sector, Turkey

Introduction

Business ethics has been a relatively new area of research in terms of investigation of its consequences on employee behavior and eventually on business itself. Specifically, ethical climate has been a concept which is directly related to employee attitudes and behaviors. Ethical climate is a shared perception among the employees with regard to the meaning of ethical behavior in the organization and it is important in shaping employee behaviors (Victor and Cullen, 1988). Employees who have learned how to behave in an ethical way in such an atmosphere are likely to be more satisfied with their jobs and more committed to their organization (Dinc and Aydemir, 2014). However, ethical climate and its consequences could significantly differ among different countries and different sectors.

Shoes manufacturing is a highly labor-intensive sector due to its nature. Therefore, employees are crucial part of this business. Most of the processes need skillful workers who are very hard to replace. Thus, retaining employees is very important for the organizations in this sector. The purpose of this study is to examine ethical climate and job satisfaction as variables which affect commitment of employees in shoes manufacturing sector. Despite the fact that numerous studies have explored the relationship among these variables, it is apparent that those studies have been conducted mostly in developed countries, whereas research regarding developing countries is limited.

As one of the developing countries, Turkey has a very dynamic and growing economy. Along with the economy, number of studies have been increasing in number as well. However, in the business ethics field studies are still very limited. Specifically, in manufacturing industry, the literature is very scarce. Therefore, shoes manufacturing sector in Turkey as a research context is intentionally chosen in this study.

Although the official numbers show that there are around 65,000 employees working in 6,800 companies in shoes manufacturing sector in Turkey, the actual numbers are dramatically higher than the official ones, due to a very high level of the off-the-record production. It is estimated that there are approximately 300,000 employees currently working in the sector in unregistered companies. All these numbers show that the main issue of large shoes manufacturing companies is difficulty to retain talented employees.

The purpose of this study is to explore relationship between job satisfaction and affective commitment of employees and ethical climate of shoes manufacturing companies in Turkey. This relationship is illustrated in Figure 1 as a proposed model of the study.

Figure 1 Proposed Model

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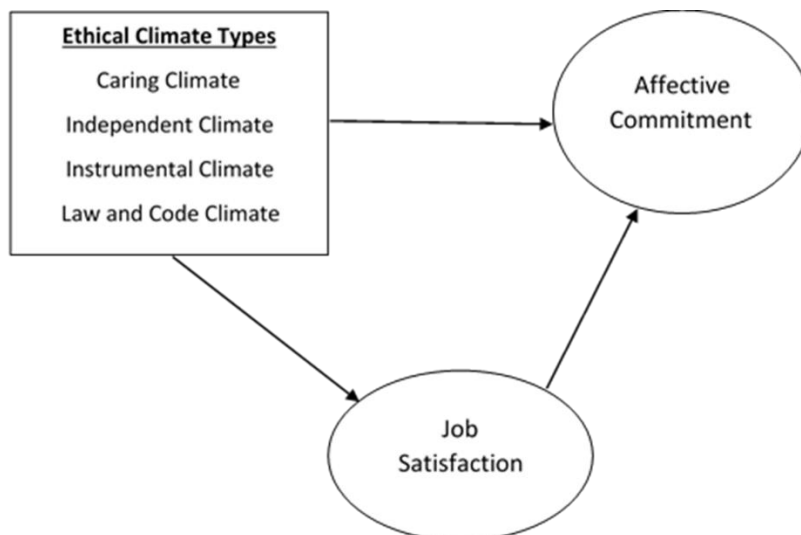
Literature Review

Ethical Climate

Ethical Climate is a type of work climate. It has been studied since 1950s. Ethical climate is "a perceptual lens through which workers diagnose and assess situations" (Cullen, Parboteeah, Victor, 2003). Essentially, it represents the perception of employees of what is right or wrong in responding to an ethical dilemma.

Several studies claim that ethical climate affects decisions and behaviors within the organization (Victor and Cullen, 1988, 1990). Moreover, it shapes ethical understanding and behavior of employees. According to Victor and Cullen (1988), there are 5 types of ethical climate, such as Instrumental, Caring, Independence, Rules, Law and Code. In an organization which has a caring climate, employees have a concern for others and care for each other's well-being. In an independent climate, employees act according to their own personal moral beliefs. Law and Code climate refers to the climate in which employees adhere to the codes and regulations of their profession or another authority. In this type of climate, employees should make decisions based on some external system such as law or professional codes of conduct. If the employees' behaviors comply with the accepted rules of conduct determined by the organization, then that organization has a Rules climate. The Instrumental climate is the least favorable type which suggests individuals' self-interest within the organization (Victor and Cullen 1987, 1988).

Job Satisfaction

Job satisfaction is an employee's self-assessment about his/her job or job situation. It is defined by Locke (1976) as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences."

On the other hand, it is also defined as the emotional status which originated from the self-assessment of the employee and that stimulates the job performance and achievements of the employee. Job satisfaction entails the general behavior of the employee against his/her current job, that is to say, an employee who has high satisfaction levels behaves positively while an employee who has low satisfaction levels has a negative behavior. There are three fundamental relationships which affect job satisfaction. Namely, employee-organization relationship, employee-manager relationship, and employee-colleague relationship. Organizational commitment is one of the most studied concepts with Job Satisfaction. Several studies exhibited that Job Satisfaction is significantly related to employees' organizational commitment (Mathieu and Zajac,1990; Testa, 2001; Tett and Meyer, 1993).

Affective Commitment

Affective commitment is a type of organizational commitment (Meyer and Allen, 1991) which represents the tendency of a worker to stay with a company. This tendency is based on an emotional attachment. The importance of organizational commitment is generated from its relationship with employee turnover, absenteeism, and tardiness (Çakır, 2001; Seymen, 2008). Many studies have showed that employees who are most committed to their organization are least likely to quit their job (Meyer and Allen, 1991).

According to previous studies there are three types of organizational commitment, such as affective commitment, continuous commitment, and normative commitment. Organizational commitment has several consequences, such as not quitting the job, productive behavior, and welfare of the employee in terms of physical health, psychological health, etc. Personal qualifications, job's characteristics, job experiences, and structural attributes can be a source of affective commitment. (Meyer and Allen, 1997).

According to the review of the literature presented in the previous part, following hypotheses can be posited:

Hypothesis 1: "Caring", "independent," and "law and code," as EC types, have a significant positive relationship with overall JS.

Hypothesis 2: "Instrumental" as the EC type has a significant negative relationship with overall JS.

Hypothesis 3: "Caring," "independent," "law and code," as EC types, have a significant positive relationship with AC.

Hypothesis 4: "Instrumental" as the EC type, has a significant negative relationship with AC.

Hypothesis 5: Overall JS has a significant positive relationship with AC.

Methodology

Sampling, Procedures, and Measurement

In order to have a better coverage, the questionnaires were delivered to several companies in Istanbul, Gaziantep, and Izmir. Questionnaires were send via email to the owners or general managers of the companies. Recipients were familiarized with the purpose of the study and the importance of the anonymity of the respondents. They were asked to conduct the survey on a

voluntary basis and under a confidentiality which would not leave employees with an impression that their jobs are at stake.

The questionnaire consisted of 3 pages and 4 sections. First section was about Ethical climate and it consisted of 14 questions. Second section referred to Affective commitment with 6 questions. Job satisfaction was the topic of third section and had 3 questions. Lastly, demographic questions were asked at the fourth section including gender, age, education level, tenure in the company and total tenure, managerial position, and the dimension of the company.

Ethical climate questions were 14 items developed by Huang et al., but originally adapted from Victor and Cullen. Meyer and Allen's (1997) Job satisfaction was measured by 3-item scale of Fu and Deshpande (2013), whereas 6-item scale was used for measuring Affective commitment.

After collecting surveys, data were analyzed through SPSS. Exploratory factor analyses were used to find the initial structure of the scales. The relationship between all types of ethical climate in the literature, affective commitment, and employee's job satisfaction were examined through Pearson Correlation analysis. Descriptive statistics were also conducted to show detailed information about the sample of this study.

Table 1 Sample Characteristics

Variable	Demographics	Number	Valid Percent
Gender	Male	136	91.3
	Female	13	8.7
Age	less than 20	14	9.3
	20-25	27	17.9
	26-30	13	8.6
	31-35	37	24.5
	36-40	32	21.2
	More than 40	28	18.5
Organization Dimension	10-50	113	70.6
	51-100	18	11.3
	More than 500	29	18.1
Job Experience (Company)	Under 5 years	91	59.9
	5-10 years	27	17.8
	10-15 years	15	9.9
	Over 15 years	19	12.5
Job Experience (Total)	Under 5 years	30	19.74

	5-10 years	42	27.63
	10-15 years	31	20.39
	Over 15 years	48	31.58
Education Level	Illiterate	11	7.3
	Primary-Secondary	88	58.7
	High school	38	25.3
	Community College	2	1.3
	Undergraduate	10	6.7
	Graduate or more	1	0.7

Results

Initial Results

After a two-step process of factor analysis, four items from ethical climate scale, and three items from affective commitment scale were extracted due to weak loadings and overloading. Descriptive statistics and Correlations for the variables are presented in the Table 2.

Table 2 Descriptive statistics and Correlations for the variables

Variables	Mean	SD	1	2	3	4	5	6
(1) Law and Code	3,98	1,079	1					
(2) Instrumental	2,68	1,115	-0,152	1				
(3) Independent	3,28	1,344	0,130	0,154	1			
(4) Caring	4,11	1,083	.431**	-0,062	0,142	1		
(5) Affective	3,83	1,058	.527**	0,020	.187*	.352**	1	
(6) Job Satisfaction	3,76	1,012	.421**	-0,006	.211**	.335**	.525**	1

*P< 0.05; **P <0.01

Discussion and Conclusion

Law and Code type of climate has a significant positive relationship with affective commitment and job satisfaction. The reason for such finding may be because of the present conditions of the country and the sector. Due to the unofficial production in bad conditions, employees might feel more satisfied and feel more committed to the organization which obeys the laws and codes.

Independent type of climate has also a significant positive relationship with affective commitment and job satisfaction. This result is parallel with the findings presented in the literature (Tsai and Huang, 2008).

Caring type of climate has a significant positive relationship with affective commitment and job satisfaction. This result complies with the findings of the literature (Tsai and Huang, 2008; Dinc and Huric, 2016). Caring climate is expected to be higher than law and code climate. However, it seems that finding a better company, which obeys laws and codes and offers better physical conditions is more important for employees in shoes manufacturing sector. They may still find caring climates in unofficial companies, nevertheless, insurance, regular payment, and safety cannot be found in this kind of companies, which represents one of the greater problems in Turkey.

Job satisfaction has a significant positive relationship with affective commitment. This result is similar to the findings of the literature (Allen and Meyer, 1990). An employee who is satisfied with his/her job shows more affective commitment to his/her organization.

Unlike the literature, this study did not find any relationship between instrumental ethical type of climate and job satisfaction or affective commitment. The reason for such finding may be because of the absence of this kind of ethical type of climate in the shoes manufacturing sector in Turkey. The mean value of instrumental ethical climate questions is only 2.68 which implies that employees do not feel any instrumental climate in their organization. Therefore, any relationship could not be found. This might be the case due to several reasons:

- Shoes manufacturing requires team-work, therefore, after working for some time in this sector, employees might have developed unselfish behaviors.
- According to the culture of the country, people perceive selfish behaviors negatively.

In overall, this study suggests that shoes manufacturing sector can increase retaining employee rate and decrease turnover through supplying law and code, caring, and independent ethical types of climate within the organizations. Sector companies can enjoy affective commitment and satisfaction of the employees by supplying them with insurance, regular payment, and by ensuring their safety.

Limitations

This study may have some limitations. Number of respondents may have been increased and data may have been gathered from more companies from several other cities which might have more diverse cultural backgrounds.

Recommendations for Future Studies

Although the literature suggests that affective commitment is the most favorable type of Organizational Commitment, other types such as Continuous Commitment, Normative Commitment can be included in the future studies. Also, more variables can be included in the research, such as Leadership and Cultural dimensions. Furthermore, same study can be conducted in different countries that employ millions of shoes manufacturing personnel, such as China, India, etc.

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