

Ethics, Quality of Work Life, and Employee Job-related Outcomes: A Survey of HR and Marketing Managers in Thai Businesses

จริยธรรม คุณภาพชีวิตในการทำงาน และผลลัพธ์ที่เกี่ยวข้องกับงานของพนักงาน: การสำรวจจากผู้จัดการด้านทรัพยากรบุคุยและผู้จัดการด้านการตลาดขององค์การไทย¹

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Abstract

This research investigates the association between institutionalization of ethics, quality of work life (QWL), and an organization's outcomes. The objectives of this study are: (a) to investigate and monitor the relationships among ethics, QWL, and employee job-related outcomes in the Thai workplace; and (b) to direct and maintain the attention of the business sector in Thailand toward this topic. Data were collected from questionnaires and mailed to human resource (HR) and marketing managers of 514 Thai companies listed on the Stock Exchange of Thailand (SET). The response rates were 29.4% from HR managers and 17.3% from marketing managers. The main research findings include: (a) the positive relationships between ethical institutionalization, QWL, and job-related outcomes; (b) the implicit form of ethical institutionalization

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has a stronger influence on QWL and job-related outcomes than the explicit form; and (c) the implicit form of ethical institutionalization has a positive impact on job satisfaction and organizational commitment of HR managers while it has no effect on marketing managers. The research findings also verify the importance of ethical institutionalization to business organizations.

Keywords: Ethics, Institutionalization of Ethics, Quality of Work life (QWL), Job-related Outcomes, HR Managers, Marketing Managers, Thai Business Organizations

บทคัดย่อ

งานวิจัยนี้ค้นคว้าความสัมพันธ์ระหว่างการสร้างเสริมจริยธรรมขององค์การ คุณภาพชีวิตในการทำงาน และผลลัพธ์ขององค์การ วัตถุประสงค์ของการศึกษานี้ คือ (ก) เพื่อตรวจสอบความสัมพันธ์ระหว่างจริยธรรม คุณภาพชีวิตในการทำงาน และผลลัพธ์ที่เกี่ยวกับงาน กับงานของพนักงานในองค์การไทย และ (ข) เพื่อเข้ามาระหว่างความสนใจของภาคธุรกิจ ในประเทศไทยต่อเรื่องดังกล่าว โดยทำการเก็บรวบรวมข้อมูลจากแบบสอบถามที่ส่งทางไปรษณีย์ถึงผู้จัดการด้านทรัพยากรมนุษย์และผู้จัดการด้านการตลาดของบริษัทจดทะเบียน ในตลาดหลักทรัพย์ จำนวน 514 บริษัท มีผู้ตอบแบบสอบถาม 29.4 เปอร์เซ็นต์จากผู้จัดการด้านทรัพยากรมนุษย์ และ 17.3 เปอร์เซ็นต์ จากผู้จัดการด้านการตลาด ข้อค้นพบสำคัญของงานวิจัยประกอบด้วย (ก) มีความสัมพันธ์เชิงบวกระหว่างการสร้างเสริมจริยธรรม ขององค์การ คุณภาพชีวิตในการทำงาน และผลลัพธ์ที่เกี่ยวกับงาน (ข) รูปแบบการสร้างเสริมจริยธรรมขององค์การอย่างไม่ชัดเจนมีอิทธิพลต่อคุณภาพชีวิตในการทำงาน และผลลัพธ์ที่เกี่ยวกับงานมากกว่ารูปแบบที่ชัดเจน และ (ค) การสร้างเสริมจริยธรรมขององค์การในรูปแบบที่ไม่ชัดเจนมีผลกระทบในทางบวกต่อความพึงพอใจในงานและพันธะผูกพันต่อองค์กรของผู้จัดการด้านทรัพยากรมนุษย์ ในขณะที่ไม่มีผลต่อผู้จัดการด้านการตลาด ข้อค้นพบที่ได้จากการวิจัยยังยืนยันถึงความสำคัญของการสร้างเสริมจริยธรรมขององค์การที่มีต่อองค์กรธุรกิจไทย

คำสำคัญ: จริยธรรม คุณภาพชีวิตในการทำงาน ผลลัพธ์เกี่ยวกับงาน ผู้จัดการด้านทรัพยากรมนุษย์ ผู้จัดการด้านการตลาด องค์กรธุรกิจไทย

I. Introduction

For the last decade, the increasing effects of surrounding factors such as globalization, information technology, world business competitiveness and demands, and limited natural resources have changed people's perceptions and expectations of how a good company is defined. Previously, financial figures were the major factor in these definitions. Over recent years, however, ethics, quality of work life (QWL), and employee job satisfaction have increasingly become identified as progressive indicators related to the function and sustainability of business organizations. The rising complexity of the competitive business world and the cumbersome process of implementing effective social laws make ethics a suggested strategic factor in protecting companies from unwanted disasters (Beauchamp & Bowie, 2004; Carroll & Buchholtz, 2006; Ferrell, Fraedrich, & Ferrell, 2008). In parallel to the importance of ethics, QWL and job-related outcomes such as job satisfaction or organizational commitment have become the issues associated with human resource (HR) and organizational development (OD) since the beginning of the 1960s (Cummings & Worley, 2005; Leopold, 2005). Writing and research in management, HR, and OD often link QWL and job-related outcomes to ethics, productivity, corporate social responsibility, or organizational performance (Cascio, 1998; Cummings & Worley, 2005; Dess, Lumpkin, & Eisner, 2007; Lau & May, 1998; Leopold, 2005; May & Lau, 1999; Walker, 1992; Wheelan & Hunger, 2006; Yorks, 2005). However, studies on ethics, QWL, and job-related outcomes concerning Thai business organizations are rarely reported. This research study, therefore, is designed to further knowledge about such issues by examining the correlation between the institutionalization of ethics and an organization's outcomes, in particular QWL and job-related outcomes in the Thai business workplace.

II. Literature Review

Ethics and Quality of Work Life (QWL)

Ethics and QWL are two intertwined work environment factors of organizations. Ethics in this research refers to the rules or standards governing the conduct of individuals or the members of a profession (Morris, 1980), while QWL

is the perceptions to which the organizational environment meets the full range of employees' needs concerning their well-being at work (Cascio, 1998; Singhapakdi & Vitell, 2007). Many business organizations nowadays have established ethics programs to strengthen their organization's performance in the ethical domain. Ethics programs in organizations are categorized in some research into explicit and implicit components. Brenner (1992), for example, has suggested the explicit parts to be a code of ethics, policy manuals, employee training programs/materials, ethics seminars, management speeches, internal control systems, and ethics staff. The implicit parts are corporate culture, incentive systems, valued behaviors, promotion policies, performance measurement systems, and management behavior. The explicit elements studied by Jose and Thibodeaux (1999) are a code of ethics, ethics training, ethics hotlines and newsletters, ethics officers, and ethics committees. And the implicit elements are reward systems, performance evaluation promotion system, organizational culture, top management support, ethical leadership, and open communication.

Research and scholarly writing suggest that ethics is either as a source for the QWL of employees or a work condition related to QWL. Guest (1980) described the characteristics of a work environment which provides QWL to be: cooperative, evolutionary, open, informal, and interpersonal. Such a work environment, as described by Guest (1980), is considered ethical and productive because it can be derived only if managers have trust and confidence in their employees (Cascio, 1998; Shaw, 2005; Walker, 1992). It is also stated in the work of Ferrell, Fraedrich, and Ferrell (2008) that ethical culture occurs in organizations where the essential factors, corporate policies and top management's leadership support its existence. Privacy rights, the need for maintaining work-family balance, and health and safety needs were pointed out by Shaw (2005) as significant moral concerns in the workplace. This is because the number of employees harmed by work-related injuries and diseases is greater than what many people know and the enforcement of existing regulations has often been neglected. The relationships between the ethical work environment, QWL, and organizational performance are stated as follows:

...the success of QWL programs and other workplace reform efforts depends on the ability of the organization to reinforce high levels of trust. To the extent that it does so, organizational performance can improve. (Shaw, 2005, p. 249)

Ethical cultures create trust within and outside corporations. Trust encourages appropriate risk taking, which leads to innovation, which propels progress-and ultimately profitability. (LRN, 2006a, p. 1)

Ethics or ethical culture develops in organizations from people's values, policies, and activities. When organizations create an environment that makes their people behave or act persistently according to their ethical values and policies, those organizations are considered to have institutionalized their ethics. Sims (1991) states that institutionalization should be examined in terms of specific behaviors or acts, and the institutionalization of ethics may vary in terms of its persistence, the number of people in the organization behaving according to its ethics, and the degree to which it exists as part of the organization. The term institutionalization of ethics described in Singhapakdi and Vitell's research (2007) is "the degree to which an organization explicitly and implicitly incorporate ethics into its decision-making processes." They classify institutionalization of ethics into two forms: implicit and explicit. The implicit form includes corporate culture, ethics leadership, and open communication. The explicit form includes a code of ethics, ethics training, news letters, and an ethics committee.

QWL and work-related outcomes

The concept of QWL was introduced into the workplace in the late 1950s. Up until the mid 1970s, the focus was on work design and improving work. Since the 1980s QWL has come to include other features that affect employees' job satisfaction and productivity, for instance, reward systems, physical work environment, work teams, employee involvement, rights and esteem needs (Cumming & Worley, 2005). QWL as defined by Walker (1992) involves promoting a work environment conducive to the satisfaction of employees' needs. Teamwork and a sense of ownership, the results of managers' efforts in fulfilling the employees' needs, are indicated by Walker (1992) as the essential factors for

high productivity and performance. Teamwork ensures that skills, ideas, and energies are collaborative, while a sense of ownership motivates employees to perform tasks to the best of their ability and to remain with organizations. Cascio (1998) wrote that employees who work in organizations where QWL exists will like their organizations and feel that their work fulfills their needs. QWL as defined by Cascio (1998) involves the opportunity of employees to make decisions about their jobs, the design of their workplaces, and what they need to help them be most effective at performing their work.

Efraty and Sirgy (1990) have conceptualized QWL in terms of 'need satisfaction'. Their later research (Sirgy, Efraty, Siegel, & Lee, 2001, p. 242) defines QWL as "employee satisfaction with a variety of needs through resources, activities, and outcomes stemming from participation in the workplace." Sirgy et al. (2001) have proposed that QWL can be measured in terms of employees' needs. Seven dimensions of needs were suggested: (a) health and safety needs (protection from ill health and injury at work and outside of work, and enhancement of good health); (b) economic and family needs (pay, job security, and other family needs); (c) social needs (collegiality at work and leisure time off work); (d) esteem needs (recognition and appreciation of work within and outside the organization); (e) actualization needs (realization of one's potential within the organization and as a professional); (f) knowledge needs (learning to enhance job and professional skills); and (h) aesthetic needs (creativity at work as well as personal creativity and general aesthetics). More recent research suggests that QWL can be measured in four contexts: (a) the nature of the job; (b) the physical environment of the work place; (c) the psychosocial conditions of the employees; and (d) organizational management and policies (Martel & Dupuis, 2006). There were 33 QWL components presented in Martel and Dupuis' work, of which some are similar to the seven QWL items measured in this research. QWL assessed by other scholars outside the USA includes six aspects: job and career satisfaction, general well-being, stress at work, control at work, home-work interface, and working conditions (University of Portsmouth, 2007). The QWL measured in this research is based on the studies of Sirgy, Efraty, Siegel, and Lee (2001) and Singhapakdi and Vitell (2007).

The importance of QWL in most research and writings has been linked to employees' job outcomes, such as productivity, job satisfaction, employees' commitment, and increased retention. The research findings from Lau and May (1998) suggest that companies with high QWL can also have high customer satisfaction, which will in turn provide higher growth and profitability to the companies. Louis (1998) has reported that QWL is strongly related to work commitment and a sense of efficacy. QWL in Louis's work consists of seven items: sense of respect; influence in the work place; collegial work; opportunity to develop and use skills; opportunities for feedback on performance; adequacy of resources; and goal congruence. A study by Huang, Lawler and Lei (2007) measures QWL in four dimensions: (a) work-life balance; (b) job characteristics; (c) supervisory behavior; and (d) compensation and benefits. The findings show that the perceptions of QWL have a significant impact on organizational commitment. They also show that the perception of balancing family and work life has a very strong positive effect on reducing employees' intention to leave a company. Tang (2007) reported a positive relation between job satisfaction and quality of life. That is, if a person is happy with his or her job, he/she also enjoys his/her quality of life. It also shows that there is no relationship between job satisfaction and income if one's income is not strongly related to work. The aspects included in the quality of life in Tang's research are leisure, knowledge, social connections, and family life.

Ethics and work-related outcomes

Work environment is shown in research as a dominant factor of employee performance and commitment (Westerman & Simmons, 2007). The results of employees' responses to work or the organizational environment bring about work outcomes that affect their organization's overall performance. Generally, organizational performance is indicated by the following factors: profitability, market share, resource acquisition, customer satisfaction, employee satisfaction, health and safety, innovation, labour productivity, regulatory compliance, and flexibility (Bratton, Grint, & Nelson, 2005). Due to the many contemporary global and social factors that shape people's thinking, the soft side of work results, such as QWL, health and safety, employee satisfaction, corporate social responsibility

(CSR), and work-life balance are increasingly recognized by top management. Also, the impact of ethics on the organization's performance and productivity, although not presented in all research, is evident in many. Therefore, the relationships between ethics and organizational/employees' outcomes have been important issues in advancing knowledge in HR management and development, organizational development, and business ethics.

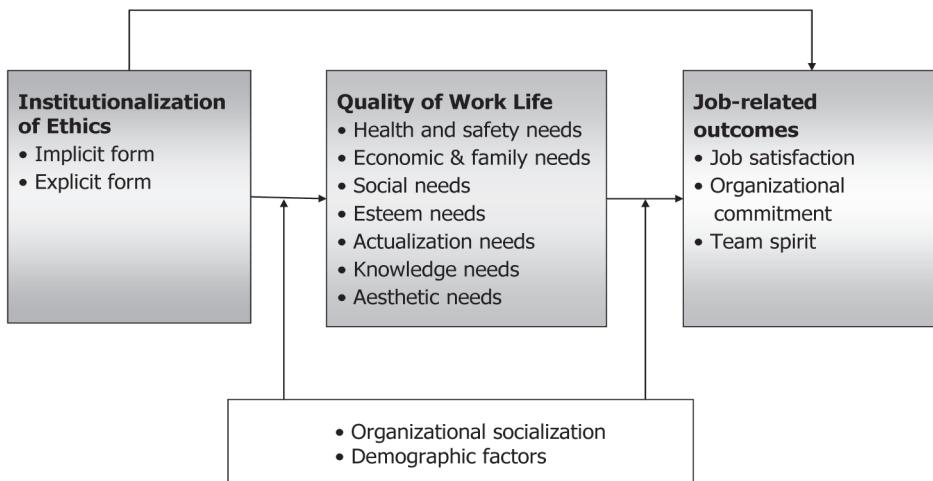
Sims and Kroeck (1994) found in their research that the ethical work environment is an important factor in the person-organization study. That is, employees usually choose to work in organizations whose ethical preferences fit their own. They also found that ethical fit was significantly related to turnover intentions and organizational commitment, but not to job satisfaction. Jose and Thibodeaux (1999) reported that business managers perceived ethics to be good for the bottom line of organizations; that ethics and business can coexist; and that it is not necessary to compromise one's values in order to be competitive. A study by Valentine, Godkin and Lucero (2002) provided some findings similar to those of Sims and Kroeck's (1994). Valentine, Godkin and Lucero reported that corporate ethical values incarnated in an organization's culture are positively related to both employees' commitment to the firm (employees' interests in and connection to the firm) and their sense that they fit in the company (the compatibility between individuals and organizations). Congruence between personal and organizational attributes enhances employee satisfaction and performance, and also increases their commitment to organizations. Their findings also show that organizational commitment is positively related to person-organization fit.

Surveys by business institutes underline the links between ethics and a company's benefits as well. A survey conducted by the Aspen Institute (2003) shows that companies committed to corporate social responsibility (CSR), which is one component of business ethics, have gained benefits on both organizational and employee-related perspectives. Those benefits include a better public image and reputation, greater customer loyalty, a more satisfied and productive workforce, and fewer regulatory or legal problems, respectively. The research by LRN (2006b) shows the links between a company's ability to foster an ethical corporate culture

and an increased ability to attract, retain, and ensure productivity among U.S. employees. This research also reveals that employees would prefer to work for an ethical company rather than be paid more, and are willing to leave when they are dissatisfied with their employer's ethics. More recent research by Deloitte and Touche (2007) displays a strong relationship between ethics and work-life balance. The survey indicates that ethical leadership creates a work environment that nurtures work-life balance to employees, thus influencing employees to behave ethically at work.

III. Research Framework and Hypotheses

This research examines the relationships among three dimensions of the workplace environment: institutionalization of ethics, quality of work life, and job-related outcomes. Based on previous research, it is apparent that many studied the relationships between QWL and organizational productivity or benefits. Fewer reports were about the relationships between ethics and QWL, and ethics and job-related outcomes. Therefore, the framework of this study (see Figure 1) entails the hypotheses that ethics (institutionalized in organizations in both implicit and explicit forms) have a positive impact on QWL (measured in terms of employees' needs) and job-related outcomes (employees' job satisfaction, organizational commitment, and team spirit). Moreover, the research proposes that QWL also has a positive impact on employees' job-related outcomes. Two more variables will be determined as moderators between ethical institutionalization, QWL, and job-related outcomes: *organizational socialization* and *demographic factors*. Organizational socialization is the extent to which someone has learned the values and norms of an organization of which he or she is a member (Sparks & Hunt, 1998). Demographic variables are gender, age, educational level, years of business experience, and the size of the company the respondents work for.

**Figure 1** Research framework

Hypotheses tested in this research are proposed as follows:

- Hypothesis 1a: The implicit institutionalization of ethics directly affects QWL.
- Hypothesis 1b: The explicit institutionalization of ethics directly affects QWL.
- Hypothesis 2a: The implicit institutionalization of ethics directly affects job satisfaction.
- Hypothesis 2b: The explicit institutionalization of ethics directly affects job satisfaction.
- Hypothesis 2c: QWL directly affects job satisfaction.
- Hypothesis 2d: Organizational socialization directly affects job satisfaction.
- Hypothesis 3a: The implicit institutionalization of ethics directly affects organizational commitment.
- Hypothesis 3b: The explicit institutionalization of ethics directly affects organizational commitment.
- Hypothesis 3c: Quality of work life directly affects organizational commitment.
- Hypothesis 3d: Organizational socialization directly affects organizational commitment.
- Hypothesis 4a: The implicit institutionalization of ethics directly affects team spirit.
- Hypothesis 4b: The explicit institutionalization of ethics directly affects team spirit.
- Hypothesis 4c: Quality of work life directly affects team spirit.
- Hypothesis 4d: Organizational socialization directly affects team spirit.

IV. Methodology

Sample

The participants targeted as a sampling frame are human resource (HR) managers and marketing managers of all Thai companies listed on the Stock Exchange of Thailand (SET). There were 514 SET companies at the time the research was conducted. The responses from the HR manager samples yielded 151 usable questionnaires (29.4%), while responses from the marketing manager samples yielded 89 (17.3%). A comparison of various demographic variables of the two sample groups was conducted using the chi-square technique. Only one significant difference between the samples was found: gender. Most of the HR managers were female, while most marketing managers were male. The majority of the respondents were between 40-49 years of age, having more than 10 years business experience, holding a master's degree, and working for small organizations (less than 500 employees). Table 1 illustrates the demographic profile of the respondents in this research.

Table 1 Profile of respondents

Variables	HR managers (%)	Marketing managers (%)	Variables	HR managers (%)	Marketing managers (%)
<i>Gender</i>					
Male	39.7	55.7	<i>Highest education level attained</i>		
Female	60.3	44.3	Some college	2.7	4.5
<i>Age</i>					
29 or under	7.5	9.0	Bachelor's degree	44.5	40.4
30-39	38.8	33.7	Some graduate school	2.1	4.5
40-49	44.9	38.2	Master's degree	47.9	49.4
50-59	8.8	18.0	Post-graduate+	2.7	1.1
60 or over	0.0	1.1	<i>Years of business experience</i>		
<i>Company size</i> (Employees)					
500 or under	45.6	57.0	Under 6	6.8	9.1
501-1,000	27.2	23.3	6-10	15.0	12.5
Over 1,000	27.0	19.8	11-15	27.1	22.7
			16-20	26.3	13.6
			21-25	12.8	19.3
			Over 25	12.0	22.7

Measurement

(a) Instrument

This research uses a self-administered questionnaire developed by Singhapakdi and Vitell (2007) as the data collection technique. The questionnaire contains three categories of variables: institutionalization of ethics, QWL, and work-related outcomes. The questionnaire was pre-tested on a sample of 55 graduate students studying for a master's degree in HR and Organizational Development at the National Institute of Development Administration (NIDA). Most of them work full-time as HR professionals. The results show high reliability with a coefficient alpha of 0.916. The details of each category are as follows.

Institutionalization of Ethics: "The degree to which an organization explicitly and implicitly incorporate ethics into its decision-making processes" (Singhapakdi & Vitell, 2007, p. 284). The scale consists of two dimensions: Explicit Institutionalization (7 items) and Implicit Institutionalization (9 items). A seven-point Likert-type scale, ranging from "strongly disagree" (value of 1) to "strongly agree" (value of 7), was used (see Appendices A).

Quality of Work Life: "Employee satisfaction with a variety of needs through resources, activities, and outcomes stemming from participation in the workplace" (Sirgy et al., 2001, p. 242). The 16-item QWL scale developed by Sirgy et al. (2001) was adopted for this research. The scale is a need satisfaction approach to QWL, essentially based on Maslow's hierarchy of needs theory. The QWL scale was conceptualized as a summation of satisfaction of seven categories of needs: (1) health and safety needs, (2) economic and family needs, (3) social needs, (4) esteem needs, (5) actualization needs, (6) knowledge needs, and (7) aesthetics needs (see Appendix B for the scale items). The respondents were asked to respond to each item by checking a 7-point scale ranging from "strongly disagree" (value of 1) to "strongly agree" (value of 7). Following their conceptualization, organizations that score high on QWL are those that provide resources to meet the basic and growth needs of their employees (see Appendices B).

Job Satisfaction: "The degree to which employees are generally satisfied with their work." Job satisfaction is measured by a 5-item scale developed by

Dubinsky et al. (1986). Job satisfaction is measured with a 7-point Likert-type scale (see Appendix C).

Organizational Commitment: "The extent to which a business unit's employees were fond of the organization, saw their future tied to that of the organization, and were willing to make personal sacrifices for the business unit" (Jaworski and Kohli, 1993, p. 60). The 7-item organizational commitment scale developed by Jaworski and Kohli (1993) is adopted to measure a manager's degree of commitment to his or her organization. A 7-point agree/disagree Likert format is used (see Appendix C).

Team Spirit: "The extent to which a team spirit prevailed in the organization" (Jaworski and Kohli, 1993, p. 60). The 7-item team spirit scale developed by Jaworski and Kohli (1993) is adopted in this research. A 7-point agree/disagree Likert format is used (see Appendix C).

Organizational Socialization: "The extent to which someone has learned the values and norms of an organization of which he or she is a member" (Sparks & Hunt, 1998, p. 95; Van Maanen, 1976, p. 67). The 4-item organizational socialization scale developed by Sparks and Hunt (1998) is adopted. A 7-point agree/disagree Likert format is used (see Appendix C).

(b) Data collection

Questionnaires were mailed to HR managers and marketing managers in two rounds one month apart. The data collection process was designed to ensure the complete anonymity of the respondents. The respondents were informed of the research design in order to encourage them to answer the questionnaires honestly. Some companies were telephoned to maximize the number of responses. The response rates from HR managers and marketing managers were 29.4% and 17.3%, respectively.

V. Results

All research hypotheses were tested using multiple regression analyses. Table 2 shows the correlation matrix for HR managers. The correlation results indicate that implicit institutionalization correlates significantly ($p<0.01$) with all

other variables at a moderate level, except for socialization, which yielded a low level of correlation. Explicit institutionalization also correlates significantly ($p<0.01$) with all other variables; its correlations, however, were lower than those for implicit institutionalization. Quality of work life has a low level correlation ($p<0.01$) with explicit institutionalizations, but it showed a moderate to high correlation ($p<0.01$) with the other variables.

Table 2 Correlation matrix for HR managers

	IMPLICIT	EXPLICIT	QWL	JOBSAT	ORGCOM	TMSPRIT	SOCIAL
IMPLICIT	1.000	0.599**	0.490**	0.554**	0.631**	0.591**	0.357**
EXPLICIT	0.599**	1.000	0.345**	0.359**	0.446**	0.443**	0.253**
QWL	0.490**	0.345**	1.000	0.715**	0.656**	0.630**	0.659**
JOBSAT	0.554**	0.359**	0.715**	1.000	0.671**	0.654**	0.529**
ORGCOM	0.631**	0.446**	0.656**	0.671**	1.000	0.807**	0.451**
TMSPRIT	0.591**	0.443**	0.630**	0.654**	0.807**	1.000	0.445**
SOCIAL	0.357**	0.253**	0.659**	0.529**	0.451**	0.445**	1.000

Note: IMPLICIT = implicit institutionalization, EXPLICIT = explicit institutionalization, QWL = quality of work life, JOBSAT = job satisfaction, ORGCOM = organization commitment, TMSPRIT = team spirit, and SOCIAL = Socialization.

**Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows the correlation matrix for marketing managers. The correlation results indicate that implicit institutionalization is significantly ($p<0.01, 0.05$) correlated with all variables at a moderate level, except for job satisfaction and socialization, which showed a low level correlation. Explicit institutionalization correlates significantly ($p<0.01$) at a low level with quality of work life, organizational commitment, and team spirit; at a high level with implicit institutionalization; there was no significant correlation, however, between job satisfaction and socialization. Quality of work life correlates significantly ($p<0.01$) at a moderate level with all other variables, except explicit institutionalizations, to which it correlated at a low level.

Table 3 Correlation matrix for marketing managers

	IMPLICIT	EXPLICIT	QWL	JOBSAT	ORGCOM	TMSPRIT	SOCIAL
IMPLICIT	1.000	0.707**	0.551**	0.299**	0.511**	0.541**	0.264*
EXPLICIT	0.707**	1.000	0.372**	0.138	0.409**	0.428**	0.108
QWL	0.551**	0.372**	1.000	0.656**	0.582**	0.526**	0.597**
JOBSAT	0.299**	0.138	0.656**	1.000	0.564**	0.45**	0.410**
ORGCOM	0.511**	0.409**	0.582**	0.564**	1.000	0.709**	0.363**
TMSPRIT	0.541**	0.428**	0.526**	0.445**	0.709**	1.000	0.383**
SOCIAL	0.264*	0.108	0.597**	0.410**	0.363**	0.383**	1.000

Note: IMPLICIT = implicit institutionalization, EXPLICIT = explicit institutionalization, QWL = quality of work life, JOBSAT = job satisfaction, ORGCOM = organization commitment, TMSPRIT = team spirit, and SOCIAL = Socialization.

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Table 4 illustrates the results of the regression analysis used to test the hypotheses regarding the four dependent variables: *QWL*, *job satisfaction*, *organizational commitment*, and *organizational socialization*. The findings for QWL (Hypotheses 1a and 1b), for both HR managers and marketing managers, show that only implicit institutionalization is a significant ($p<0.01$) determinant of QWL. Thus, hypothesis 1a, proposing the positive impact of implicit institutionalization of ethics on QWL, is supported, while hypothesis 1b, testing the impact of explicit institutionalization of ethics on QWL, is not supported for either HR managers or marketing managers. The adjusted R^2 for the HR managers' regression is 0.237, indicating that both implicit institutionalization and explicit institutionalization account for 23.7% of the variance in quality of work life; on the other hand, the adjusted R^2 for the marketing managers' regression is 0.270, indicating that both implicit institutionalization and explicit institutionalization account for 27.0% of the variance in quality of work life.

The regression analysis results for hypotheses 2a, 2b, 2c and 2d relating to job satisfaction are also displayed in Table 4. For HR managers, the adjusted R^2 is 0.564, indicating that all 4 variables, i.e. implicit institutionalization, explicit institutionalization, quality of work life, and organizational socialization, account

Table 4 Regression analysis of four dependent variables

Variables	HR managers		Marketing managers	
	Beta	t-value	Beta	t-value
<i>Quality of work life</i>				
Implicit institutionalization	0.411	4.434 **	0.559	4.169 **
Explicit institutionalization	0.131	1.416	-0.031	-0.231
	Adjusted $R^2 = 0.237$		Adjusted $R^2 = 0.270$	
	$F = 21.703 (p<0.01)$		$F = 15.643 (p<0.01)$	
<i>Job satisfaction</i>				
Implicit institutionalization	0.311	4.093 **	0.017	-0.341
Explicit institutionalization	-0.051	-0.710	-0.120	-0.872
Quality of Work Life	0.536	6.447 **	0.705	2.733 **
Organizational socialization	0.073	0.940	0.000	-0.001
	Adjusted $R^2 = 0.564$		Adjusted $R^2 = 0.432$	
	$F = 43.289 (p<0.01)$		$F = 15.842 (p<0.05)$	
<i>Organizational commitment</i>				
Implicit institutionalization	0.394	5.094 **	0.198	1.419
Explicit institutionalization	0.015	0.200	0.104	0.821
Quality of Work Life	0.475	5.601 **	0.404	3.119 **
Organizational socialization	-0.013	-0.162	0.059	0.523
	Adjusted $R^2 = 0.548$,		Adjusted $R^2 = 0.363$,	
	$F = 40.673 (p<0.01)$		$F = 12.101 (p<0.01)$	
<i>Team spirit</i>				
Implicit institutionalization	0.346	4.199 **	0.317	2.198 *
Explicit institutionalization	0.044	0.565	0.076	0.582
Quality of Work Life	0.440	4.828 **	0.212	1.581
Organizational socialization	0.004	0.048	0.150	1.282
	Adjusted $R^2 = 0.479$		Adjusted $R^2 = 0.318$	
	$F = 31.055 (p<0.01)$		$F = 10.074 (p<0.01)$	

Note: *Significant at the 0.05 level. **Significant at the 0.01 level.

for 56.4% of the variance in job satisfaction. The regression results reveal that implicit institutionalization of ethics and quality of work life are significant ($p<0.01$) and direct predictors of job satisfaction. Therefore, hypothesis 2a and 2c are supported, while hypotheses 2b and 2d are not supported. The adjusted R^2 for marketing managers is 0.432, indicating that all 4 variables, i.e. implicit institutionalization, explicit institutionalization, quality of work life, and socialization, account for 43.2% of the variance in job satisfaction. The regression results reveal that only quality of work life is significant ($p<0.01$) and a direct predictor of job satisfaction. Therefore, hypothesis 2c is supported, while hypotheses 2a, 2b and 2d are not supported.

For HR managers, both implicit institutionalization and quality of work life are significant determinants of organizational commitment ($p<0.01$), but explicit institutionalization and socialization are not. Thus, hypotheses 3a and 3c are supported, but hypotheses 3b and 3d are not supported. The adjusted R^2 for this regression is 0.548, indicating that all these four variables account for 54.8% of the variance in organizational commitment. For marketing managers, only quality of work life is a significant determinant of organizational commitment, but implicit institutionalization, explicit institutionalization and socialization are not. Thus, only hypothesis 3c is supported, while hypotheses 3a, 3b and 3d are not supported. The adjusted R^2 for this regression is 0.363, indicating that all these four variables account for 36.3% of the variance in organizational commitment.

The results also indicate that for HR managers, both implicit institutionalization and quality of work life are significant determinants of team spirit, but explicit institutionalization and socialization are not. Thus, hypotheses 4a and 4c are supported, but hypotheses 4b and 4d are not supported. The adjusted R^2 for this regression is 0.479, indicating that all these four variables account for 47.9% of the variance in team spirit. For marketing managers, on the other hand, only implicit institutionalization is a significant ($p<0.05$) determinant of organizational commitment, but explicit institutionalization, quality of work life and socialization are not. Thus, only hypothesis 3a is supported, while hypotheses 4b, 4c and 4d are not supported. The adjusted R^2 for this regression is 0.318, indicating that all these four variables account for 31.8% of the variance in team spirit.

In general, for HR managers, the implicit institutionalization of ethics directly affects quality of work life, and both the implicit institutionalization of ethics and quality of work life directly affect all 3 variables of job-related outcomes, i.e. job satisfaction, organizational commitment, and team spirit. For marketing managers, only the implicit institutionalization of ethics directly affects quality of work life and team spirit, and only quality of work life directly affects job satisfaction and organizational commitment. Table 5 summarizes all the results in this research.

The analysis of variance (ANOVA) reveals that the overall demographic factors have some, but not dominant, relationships with quality of work life and job-related outcomes (see Appendix D; Tables 6, 7, 8). Additionally, regression analysis suggests that very few of them significantly affect quality of work life or job-related outcomes. Some findings from the statistical analysis of the demographic factors can be summarized as follows:

- (a) Younger respondents or those with fewer years of experience have lower job satisfaction than older respondents or those with more years of experience (both HR managers and marketing managers);
- (b) Younger respondents, or those with fewer years of experience, or those working in small companies, have lower organizational commitment than older respondents, or those with more years of experience, or those working in large companies (both HR managers and marketing managers; and
- (c) Those with fewer years of experience have lower team spirit than those with more years of experience (HR managers).

Table 5 The Results of Hypotheses Testing: HR managers and marketing managers

Hypotheses	Research findings	
	HR managers	Marketing managers
Hypothesis 1a: The implicit institutionalization of ethics directly affects QWL.	++	++
Hypothesis 1b: The explicit institutionalization of ethics directly affects QWL.	-	-
Hypothesis 2a: The implicit institutionalization of ethics directly affects job satisfaction.	++	-
Hypothesis 2b: The explicit institutionalization of ethics directly affects job satisfaction.	-	-
Hypothesis 2c: QWL directly affects job satisfaction.	++	++
Hypothesis 2d: Organizational socialization directly affects job satisfaction.	-	-
Hypothesis 3a: The implicit institutionalization of ethics directly affects organizational commitment.	++	-
Hypothesis 3b: The explicit institutionalization of ethics directly affects organizational commitment.	-	-
Hypothesis 3c: Quality of work life directly affects organizational commitment.	++	++
Hypothesis 3d: Organizational Socialization directly affects organizational commitment.	-	-
Hypothesis 4a: The implicit institutionalization of ethics directly affects team spirit.	++	+
Hypothesis 4b: The explicit institutionalization of ethics directly affects team spirit.	-	-
Hypothesis 4c: Quality of work life directly affects team spirit.	++	-
Hypothesis 4d: Organizational Socialization directly affects team spirit.	-	-

Note: + Hypothesis accepted.

- Hypothesis rejected.

++ Significant at the 0.01 level. + Significant at the 0.05 level.

VI. Discussion

The findings in this research are consistent with the findings in previous studies on the institutionalization of ethics (Hunt, Wood, & Chonko, 1989; Jose & Thibodeaux, 1999; Singhapakdi & Vitell, 2007) in that implicit institutionalization of ethics is shown to have a positive impact on quality of work life and job-related outcomes (i.e. job satisfaction, organizational commitment, and team spirit). Also similar to the findings in previous studies is that the effect of implicit ethical institutionalization on QWL and job-related outcomes is stronger than the explicit form. The results suggest that ethical behavior is important to quality of work life and can lead, both directly and indirectly via quality of work life, to positive impacts on job-related outcomes.

Even though explicit institutionalization of ethics appears to have less positive correlation with quality of work life and job-related outcomes than with implicit institutionalization of ethics, we still propose that organizations should establish and maintain explicit rules and guidelines to make it clear to employees what the appropriate courses of action are. Organizations can create their own explicit codes of ethics or rely upon industry and/or professional codes and standards in order to institutionalize ethics (DeLorme, Zinkhan, & French, 2001). Similar to the findings by Singhapakdi and Vitell (2007), this research suggests that, whether implicit or explicit, strict ethical enforcement is apparently vital.

A comparison of the results between HR managers and marketing managers shows that HR managers perceive a stronger impact from the institutionalization of ethics and quality of work than do marketing managers. This may be because HR managers play both practitioner and monitor roles, while marketing managers play only practitioner roles in the institutionalization of ethics in organizations. This implies that more involvement tends to increase perception of impact. We suggest that one tactic for organizations to institutionalize ethics is to increase employee participation in the ethical decision-making process. In future research, exploratory comparison studies on ethical institutionalization and its consequences should be conducted in other areas or in the non-business sector, i.e. public and non-profit organizations.

Some of the limitations of this study should be noted. First, more studies on different groups of professionals are suggested in order to justify the generalizations made. As shown in the findings, HR and marketing managers have somewhat different perceptions of the impact of implicit ethical institutionalization on job satisfaction and organizational commitment. Second, most research studies, including this one, employ cross-sectional data. We believe that longitudinal data might have been more suitable for this research topic. Third, the outcomes measured in this study are based only on attitudinal measures. Besides exploring the relationships between the institutionalization of ethics and other components of outcomes, e.g. social responsibility, future research should expand job-related outcomes to include an organization's objective performance criteria, for instance, growth (asset growth, sales growth), profitability (return on asset, return on equity), quality award, and turnover rate.

Finally, we conclude that it has been clearly shown by previous research and this one that the institutionalization of ethics, both in implicit and explicit form, creates a positive impact on a business organization's performance. The research findings seem to support the research framework, which proposes that ethical institutionalization positively influences QWL, which will in turn strengthen job-related outcomes (i.e. job satisfaction, organizational commitment, team spirit). It fortifies the proposition by many ethics scholars that ethics and business can coexist well in the long term. As QWL, job satisfaction, organizational commitment, and team spirit are generally recognized to be essential factors in organizational productivity and performance, the research findings, that these variables have positive relationships with an organization's ethical institutionalization, further verifies the importance of ethics to business organizations.

Appendix A

Samples of the institutionalization of ethics measure*

Explicit Institutionalization

- My organization does not conduct ethics audits on a regular basis.^a
- Top management evaluates the ethics training programs on a regular basis.
- My organization does not have a top-level person(s) responsible for ethics compliance programs.^a

Implicit Institutionalization

- Top management has established a legacy of integrity for the organization.
- Top management believes that ethical behavior, not just legal compliance, is paramount to the success of the organization.
- In my organization there is a sense of responsibility among employees for maintaining an ethical reputation.
- In my organization, there are no rewards for good ethical decisions.^a

*Source: Singhapakdi and Vitell (2003, 2007). ^aReverse-scored item

Appendix B

Samples of the QWL (need satisfaction) measure*

Health & Safety Needs:

- I feel physically safe at work.
- My job provides good health benefits.

Economic & Family Needs:

- I feel that my job is secure for life.
- My job does well for my family.

Social Needs:

- I have good friends at work.
- I have enough time away from work to enjoy other things in life.

Esteem Needs:

- I feel appreciated at work.
- People at work and/or within my profession respect me as a professional and an expert in my field of work.

Actualization Needs:

- I feel that my job allows me to realize my full potential.
- I feel that I am realizing my potential as an expert in my line of work.

Knowledge Needs:

- I feel that I'm always learning new things that help me do my job better.
- This job allows me to sharpen my professional skills.

Aesthetics Needs:

- There is a lot of creativity involved in my job.
- My job helps me develop my creativity outside of work.

* Source: Sirgy *et al.* (2001)

Appendix C

Samples of the job satisfaction, organizational commitment, team spirit, and organizational socialization measures

Job satisfaction

- I am generally satisfied with the kind of work I do in this job.
- People on this job often think of quitting.^a

Organizational Commitment

- Employees feel as though their future is intimately linked to that of this organization.
- In general, employees are proud to work for this business unit.

Esprit de Corps (Team spirit)

- People in this business unit are genuinely concerned about the needs and problems of each other.
- People in this business unit view themselves as independent individuals who have to tolerate others around them.^a

Organizational socialization

- I know what's considered (in)appropriate behavior in my company.
- I know "how things are done around here."

Source: Singhapakdi & Vitell (2007). ^a Reverse-scored item

Appendix D

Table 6 Test for the relationships of demographic factors and quality of work life (QWL) by ANOVA

Variables	HR managers		Marketing managers	
	F	Interpret	F	Interpret
	(P value)		(P value)	
Gender	5.056 (0.026)	Male has higher QWL than female	0.557 (0.458)	Indifference
Age	3.652 (0.014)	Older age group has higher QWL than younger age group	2.460 (0.052)	Indifference
Years of business experience	4.359 (0.001)	“11-15” group has the lowest QWL and lower than higher groups	1.848 (0.113)	Indifference
Education	1.501 (0.205)	Indifference	0.408 (0.748)	Indifference
Company size	2.149 (0.121)	Small company has lower QWL than large company	0.281 (0.756)	Indifference

Table 7 Test for relationships of demographic factors and job satisfaction (JOBSAT) by ANOVA

Variables	HR managers		Marketing managers	
	F	Interpret	F	Interpret
	(P value)		(P value)	
Gender	1.840 (0.177)	Indifference	3.717 (0.057)	Indifference
Age	3.335 (0.021)	“29 or under” has lower JOBSAT than “40-49”, “50-59”	5.977 (0.001)	“29 or under” and “30-39” groups have lower JOBSAT than higher age groups
Years of business experience	4.944 (0.000)	“Under 6”, “6-10”, “11-15” groups have lower JOBSAT than higher groups	2.722 (0.025)	“Under 6” group has lower JOBSAT than “21-25” and “Over 25” groups
Education	0.678 (0.608)	Indifference	0.819 (0.517)	Indifference
Company size	1.113 (0.332)	Indifference	0.833 (0.438)	Indifference

Table 8 Test for relationships of demographic factors and organizational commitment (ORGCOM) by ANOVA

Variables	HR managers		Marketing managers	
	F	Interpret	F	Interpret
	(P value)		(P value)	
Gender	1.121 (0.292)	Indifference	0.362 (0.549)	Indifference
Age	3.038 (0.031)	“30-39” group has lower ORGCOM than higher age groups	2.103 (0.106)	“29 or under” group has lower ORGCOM than “50-59” group
Years of business experience	2.954 (0.015)	“6-10” has lower ORGCOM than “21-25” group; “11-15” has lower ORGCOM than “21-25” and “Over 25” groups	1.150 (0.341)	“11-15 years” group has lower ORGCOM than “Over 25” group
Education	1.036 (0.391)	Indifference	0.269 (0.897)	Indifference
Company size	2.409 (0.094)	Small company has lower ORGCOM than large one	2.386 (0.098)	Small company has lower ORGCOM than large one

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