

## THE MEDIATING EFFECT OF PERCEIVED ETHICAL CLIMATE ON ORGANIZATIONAL COMMITMENT, TRUST AND TURNOVER INTENTION INTERACTIONS: A RESEARCH ON INSURANCE SECTOR

**M.Şebnem Ensari**

Department of Business Management  
Nişantaşı University  
Sadabad Kampüsü Hasbahçe Cad. No:88  
Kağıthane İstanbul, Turkey  
[muhteremsebnem.ensari@nisantasi.edu.tr](mailto:muhteremsebnem.ensari@nisantasi.edu.tr)

**Melisa Erdilek Karabay**

School of Banking and Insurance  
Marmara University  
Fahrettin Kerim Gökay Cad.  
İstanbul, Turkey  
[merdilek@marmara.edu.tr](mailto:merdilek@marmara.edu.tr)  
\*Corresponding Author: Tel: 0090 212 210 10 10

### ABSTRACT

**T**he purpose of this study is to analyze the effects of employees' trust in leader, organizational commitment to turnover intention. The mediating effect of perceived ethical climate with regard to the relationship between the trust, commitment and turnover intention is also investigated. For this purpose, employees (N=717) were asked to complete a questionnaire, currently employed in insurance agents, located in Istanbul. The findings of the study reveal that employees that have confidence in their leader prefer to be less intensive on leaving their jobs. Furthermore, employees that are committed to their organizations either prefer to be less intensive on leaving their jobs. It is also found that, perceived ethical climate has a partial mediating effect on the interaction between the trust and turnover intention as well as the interaction between organizational commitment and turnover intention.

**Keywords:** Ethical Climate, Trust, Organizational Commitment, Turnover Intention, Insurance Sector.

## **I.Introduction**

Nowadays, for organizations to reach their goals depends highly on the employee behaviors based on their commitment. In organizations, employees are constantly under the influence of factors that affects the current working conditions. Employee trust in their supervisors has been known as one of the critical factors that continue to affect even today the organization's structure, working time of employees and behaviors related to this. In this context, trust towards the employer is a highly important factor on the workplace activities. On the other hand, organizational commitment has been conceptualized in the literature and has become one of the most researched topics in organizational behavior (Steers, 1977, 46; Scholl, 1981, 589). A great deal of research reveals that organizational commitment is critical, as committed workforce is beneficial to organization in many aspects such as productivity, efficiency and performance (Meyer, 1989). More recent research has investigated organizational commitment as a critical attitudinal predictor of employee turnover (Mowday et al, 1982; Shore and Martin, 1989, 625).

Various antecedents and outcomes play major role in employees' perceptions to their job place. It is assumed that turnover intention affects the organizational effectiveness. When the speed of turnover is fast, it directly and indirectly increases the costs (Bashir et al, 2012). Due to these negative effects of turnover intention on the organizations, researchers predict and explain the turnover behaviors and managers take precautions to prevent potential turnovers (Hwang et al, 2006). In literature, it is expressed that when support is high in the organization turnover intention is low (Cropanzano et al, 1997, 163). Organizations should focus and invest in human capital to increase their market share as well as to survive in the industry. Including the managers all employees should adopt the ethical values of the organization. It is required that the ethical principles to be adopted by all employees and an ethical climate must be established to prevent the unethical behaviors in the organization (Gül, 2006). In an organization where there is trust, honesty and employees that adopt ethical principles, will let the job satisfaction and the both individual and organizational success increase. However, if the frequency of unethical behaviors increase, establishing an ethical climate would become rather hard (Şahin and Dündar, 2011, 130-134).

When previous scandals are taken into account, the ethical issues have been come fore in the financial sector (Karabay, 2015, 150). Today, many ethical codes exist in many insurance companies and these codes improve the ethic perception of the employees. This also increases the influence ethical climate on the ethical decisions, beliefs and the opinions (Ampofo et al, 2011). Insurance sector can be a very beneficial sector for improvement in terms of work ethics. The reasons are the growth potential of the market and competitions to be ethical between local and international companies (Nawawi, 1999, iii). Apart from banks, brokers and other financial institutions; insurance sector continues to be the most distinct employment field that have a great share in the financial markets in the country (Karabay, 2015, 152). However, despite the growing interest in the literature, there are very few researches on insurance sector (Obalola, 2010; Ampofo et al, 2011; Ogunrinde, 1985). Investigating the insurance sector employees' perceptions of ethical climate of their companies could have a great importance to solve the ethical problems and improve the quality level of the insurance services.

In the study, first of all, general framework of trust, organizational commitment, turnover intention and ethical climate concepts have been explained. In the second chapter, relations between the variables are emphasized and the research hypothesis have been specified. In the other chapter, research methodology, analysis results and the research model that have been created according to these have been shown. In the last part, results and the restrictions have been explained and recommendations for future studies have been given.

## **2. Literature Review and Development of Hypotheses**

### **2.1. Turnover Intention**

In the literature, there is a very common idea of turnover intention affects the organizational activity. Mostly, even though it is known as a conscious attitude and behavior, it is defined in different ways in the literature. Porter et al (1974) defined turnover intent as “the wish of an employee not wanting to work for the company”; Hanisch and Hulin (1991) defined as “the level of an employee’s wish to change the current job with another one” and Barlett (1999) defined it as “a deliberate and conscious decision or an intention regarding leaving the organization”. Turnover intention can be generally accepted as a withdrawal behavior at work such as coming to work late or skipping work (Hanisch and Hulin, 1991). Withdrawal from job is an employee continuing the job but participating in it less. According to Egan et al (2004), turnover intention is an act that is done consciously and intentionally by an employee.

When the literature is examined, it can be seen that for the factors that cause the tendency of turnover intention to be determined, couple of subjects are focused one such as; demographic factors, job satisfaction (Coomber and Barriball, 2007, 297; Cohen, 1993, 1140; Clugston, 2000, 477; Lambert et al, 2001) and working conditions (Yin and Yang, 2002, 573).

### **2.2. Trust in Leader**

Trust in general means “two sides being willing to be vulnerable towards each other based on the thought that there won’t be any ill will between these two sides” (Baier, 1986). However apart from this definition there have been many efforts to define trust differently in the literature (Hosmer, 1995; Mayer et al, 1995; Mishra, 1996; Robinson, 1996; Whitener et al, 1998). Trust takes shape both in an individual level and organizational level. Like the definition of trust, organizational trust also has couple of definitions. According to Matthai (1989) organizational trust expresses the employee belief that when there is an uncertain and risky situation the organization will be consistence on their commitments and behaviors. Taylor (1989) defines organizational trust as a phenomenon that is acquired slowly as a result of mutual respect and attitudes based on courtesy for the benefit of employees. Zaheer et al (1998) define trust as the employee tendency of trust towards the organization. Mishra and Morrissey (1990) define organizational trust as the perception of an employee regarding the support the organization provides and also the faith that the leader will be truthful and faithful to their promises. According to them, organizational trust can be developed depending on four base dimensions. First one is an open communication in the organization, second is the active role of the employees during decision making, third one is knowledge and information sharing and the fourth, the last one is a proper sharing of feelings and expectations. Noordehaven (1992) stated that organizational trust represents the trust in the identity or personality of the organization and that in small organizations, this might arise from the personality of the owner of the organization, centralized structure or organizational culture.

Organizational strategy and policies may also affect the establishment of organizational trust. It required for management to establish the confidence over the employees and manage carefully. Whitener et al (1998) associated trust towards management with the attitude of the management. In their study, the very first step of the start of an organizational trust is considered as the behaviors of the managers, in organizational context. This is why the individualistic personalities of the managers should be taken into consideration during the establishment of an organizational trust. From this point of view, the perception of the employees on supervisory trust has been associated with five different behavior types; (1) consistency, (2) respectful behavior, (3) sharing and distributing the control, (4) effective communication, (5) to be able to show the care (Mishra, 1996), the supervisory care (Shockley-Zalabak et al, 2000) and depending on the trust in higher management’s vision, the trust in the management (Yuan Wang and Clegg, 2002). Nyhan and

Marlowe (1997) state that the level of individual's trust level differs based on the leader and the organizational but still both are related concepts. Similarly, Zaheer et al (1998) also defend that trust in an individual and trust in an organization unite and creates organizational trust altogether. Also, Tan and Tan (2000) identified that the results of employee trust in management and organization has some differences.

### **2.3. Organizational Commitment**

Organizational commitment continues to be a research subject as a factor of organizational success. Commitment, as a word alone, means "love, respect and feeling and showing familiarity, loyalty towards someone" (Turkish Language Society, 2009). Organizational commitment is the desire and the goal of an employee to be a part of the organization (Robbins and Langton, 2003). The first study on organizational commitment has been done in 1956 by Whyte. In this study, Whyte defined the too organization addictive employee and studied on the possible harms on the organization (Atay, 2006, 47). After that, many researches have improved the concept evaluating it with different dimensions. Meyer and Allen (1991) define organizational commitment as the connection the employee feel towards the organization and divided in into three types like; normative commitment, affective commitment and continuous commitment. Affective commitment is the employee staying in the organization because of the willingness; normative commitment is the employee staying because of the obligation and continuous commitment is when the employee realizes the cost of leaving and is obligated to continue working there. Organizational commitment has a structure that shows differences depending on the person, time and place. There are various criteria to determine the employee commitment (İbicioğlu, 2000, 14-16). Mentioned criteria are; adopting the goals and the values of the organization, being able to make sacrifices for the organization, having a strong desire to be a member of the organization, identifying and internalizing the organization identity. Chow (1994) mentioned that employees with high organizational commitment are more effective and responsible.

### **2.4. Ethical Climate**

Since business ethics are defined as the sum of principles and standards that guide the behaviors in the business world (Özkalp and Kirel, 2005, 576), to be able to mention business ethics, an ethical climate that is perceived positively by the managers and employees is required. With Sarbanes Oxley (2002) rules, corporate ethics have become critical in financial sector (Ampofo et al, 2011).

Ethical climate is the perceptions of the moral norms, values and activities by organization members (Victor and Cullen, 1987). From the point of view of this definition, ethical climate perception is defined as the general perception of the issues that can be problematic (Deshpande, 1996, 655). Kohlberg (1981) stated that when the individuals develop their moral sense, they define the moral values differently with different criteria. Kohlberg defines moral development as a natural process where the individuals think of only themselves and then they start to think of others and lastly the whole society. This process also defines the basic three classes of ethic theory; egoism, pragmatism and deontology. Victor and Cullen (1987, 1988, 1993, 2006) have started the first researches on companies' ethical climates. The layers of the ethical climate can be seen in the Figure 1. The two dimensions shown in the figure are the ethical measures used during decision making and the second one shows the analysis level of the ethical decisions. First dimension is based on three moral philosophy; egoism, benevolence and principle. Second layer is focus of analysis which is divided into three layers; individual, local and cosmopolitan. Uniting these 2 layers they defined 9 different climates.

This model gives chance to company managers to gain a point of view in terms of measuring and evaluating the ethical climate and change the climate if necessary. In the last 20 years, many researches have examined this classification of Victor and Cullen (Barnett and Vaicys, 2000; Forte, 2004; Parboteeah et al, 2010).

### ***2.5. Interaction between Organizational Commitment, Trust in Leader, Ethical Climate and Turnover Intention***

Trust towards the organization is considered as one of the factors that affect the turnover intention. Robinson and Rousseau (1994) used social change theory to explain the relationship between employee perception and behaviors. This theory considering that the two sides of a relationship are in the search of balance and justice states that employees' positive perception will increase when treated positively and the perception will be negative when treated negatively (Kichul, 2001). Aryee et al (2002), again based on the social change theory, compared the effects of the mediating role on organizational commitment, organizational justice, turnover intention, organizational commitment variable and performance. Organizational trust increases the commitment and affects the turnover level; trust in leader affects the employee satisfaction and innovative behaviors.

One of the factors that affect the turnover intention is the trust towards the organization. Robinson and Rousseau (1994) benefited from the social change theory to explain the relationship between employee perception and behaviors. Regarding the researches mentioned above, the hypothesis can be developed as;

*H<sub>1</sub>: Trust in leader affects turnover intention negatively.*

Organizational commitment is shown as another factor that affects the turnover intention. It is expected that employees with low organizational commitment will cause high turnover intention, high labor turnover while if the commitment is high, turnover intention and labor turnover will decrease. Related literature is supportive regarding this subject and points out that there is a negative relationship between organizational commitment and turnover intention. According to Mowday et al (1982, 38) the strongest and the most expected result of the organizational commitment is the low turnover intention and labor turnover. Bishop (1997) defended that strong organizational commitment increases teamwork and solidarity while it reduces the turnover intention. Similarly, Tett and Meyer (1993), Meyer et al (1993), Clugston (2000), Meyer et al (2002) also defended that strong organizational commitment reduces the turnover intention. Based on the various researches, the hypothesis can be developed as;

*H<sub>2</sub>: Organizational commitment affects turnover intention negatively.*

Rousseau's (1995) social change theory is used to explain the relationships between concepts such as ethical climate in the organization, organizational commitment, organizational trust and job satisfaction. Based on this theory, ethical climate concept has been associated many times with employees' organizational trust, organizational commitment and turnover intention. The touchstones of these researches have been summarized in Table 1. As it can be seen from Table 1, in the chronological research of the relationship between organizational commitment, trust and turnover intention, primarily the relationship between these three has been included. For example; Trevino et al (1998), Oz (2001), Cullen et al (2003), Okpara and Wynn (2008), Akbaş (2010) have examined the direction of the relationship between sub units of ethical climates and organizational commitment and the differences between sectors and countries.

*H<sub>3</sub>: Organizational commitment affects the ethical climate positively.*

Recent studies are consisting of trust in leader, organizational commitment, turnover intention and ethical climate variables based on the managers' ethical climate perception the role of establishing organization trust environment. The studies of Mulki et al (2006), DeConnick (2011) and Ötken and Cenççi (2012) are the main studies on the relation between trust in leader and ethical climate concepts. In the mentioned studies, the trust in leader and ethical climate are also associated. From this point of view, the hypothesis can be expressed as;

*H<sub>4</sub>: Trust in leader affects the ethical climate positively.*

As it is shown in Table 1, many of the researchers (Sims and Kroeck, 1994; Valentine et al (2003); Lischchinsky and Rosenblatt, 2009) emphasized on the significant relationship between ethical climate and employee turnover intention. The perception of the employees that they belong to an organization with an ethical climate causes them to think that the organization will behave fairly towards them. Employees' organizational commitment can be closely related to the existence of an ethical climate (Schwepker, 2001; Mulki et al 2008; Jaramillo et al, 2006). In the light of the related literature, the hypotheses are mentioned below:

*H<sub>5</sub>: The employee perception of the ethical climate affects turnover intention negatively.*

There are very few studies on the existence of the mediating effect of ethical climate on the relationship between the concepts mentioned above. Stewart (2011), in the study examined how ethical climate affects the relationship between the diversity of environments and turnover intention. As a result, it is observed that it reduces the differences between the two. In another study, the moderator role of the perceived ethical climate in the insurance sector between the ethical leadership and turnover intention has been examined. According to this, when ethical climate is high, depending on how high the perceived ethical leadership is, the turnover intention reduces. When ethical climate is weak, however, even though the ethical leadership is high, it is seen that the turnover intention increases comparatively (Karabay, 2015). Regarding the findings above, the hypothesis can be expressed as the following:

*H<sub>6a</sub>: Employees' ethical climate perception has a mediating role on the relationship between the trust in leaders and turnover intention.*

*H<sub>6b</sub>: Employees' ethical climate perception has a mediating role on the relationship between employees' organizational commitment and turnover intention.*

### **3. Research Methodology**

#### **3.1. Research Scope**

The goal of this study is to examine the mediating role of ethical climate on the relationship between turnover intention and employee trust towards their managers and organizational commitment.

#### **3.2. Research Sample and Scales**

This study is conducted on 717 employees from insurance companies, located in İstanbul. Surveys have been used for data gathering. To measure the commitment level; the scale developed by Babin and Boles (1998), to measure the ethical climate perception; the scale developed by Qualls and Puto (1989), to measure the employee trust in leader; the scale developed by Rich (1997), and to measure the turnover intention the scale; developed by Mobley et al (1979) have been adopted and used.

### 3.3. Data Analysis and Findings

For the evaluation of the data, SPSS statistical package has been used. To test the hypotheses, various analyses like: frequency analysis, factor analysis, reliability, correlation and regression analyses were conducted.

As indicated in Table 2, from the 717 employees; 40,4% were female, %59,6 were male. When marital status is analyzed, %52, 2 are married, %47,8 are single. Among the respondents, %16,3 are postgraduate, %56 are undergraduate. When the employee positions are analyzed, %62,8 are staff, %25,1 are mid-level managers and %3,9 are business partners.

In the study, KMO and Bartlett test values are used to determine the relevance of scales with factor analysis, the sufficiency of the size of the sampling and if the distribution of data is normal or not. Findings showed that the sufficiency of the sampling size is ( $0,917 > 0,5$ ). For the determination of the construct validity, factor analysis has been used.

Using Varimax rotation technique, as a result of factor analysis it is found that, when trust, turnover intention, commitment and ethical climate perception variables are examined under one dimension, they show consistency. The model created regarding this framework is shown in Figure 2.

Reliability is one of the most important features that need to be included in a measuring tool. As a result of the reliability analysis, it is found that the reliability value of commitment scale is (0,944), trust scale is (0,938), ethical climate is (0,959) and turnover intention is (0,924). In terms of social studies, it is thought that if the reliability scale is higher than "0,70", items are sufficient. Thus it can be said that since the internal consistency of the measuring tool is high, its reliability is also high (Gürbüz and Yüksel, 2008, 182). In Table 4, average, standard deviation and Pearson correlations are shown.

With correlation technique, if the relationship between commitment, trust, ethical climate perception and turnover intention exist or not has been tested. In terms of social sciences when correlation coefficient is close to "1" it shows that the relationship is perfect while when it is close to "0" the relationship is weak (Gürbüz and Yüksel, 2008, 185). According to the findings, the strongest relationship is found between trust and commitment. According to this, there is a positively strong connection between commitment and trust while there is a negative relationship between trust, commitment and ethical climate with turnover intention. To be able to measure the level of employee trust towards their managers and the ethical climate perception in the relationship between organizational commitment and turnover intention, Baron and Kenny's (1986) 3 stage hierarchical regression models were conducted (Wan et al 2014, 2173). The testing of the mediation depends on; (1) the relationship between the dependent and independent variable, (2) the relationship between the mediator and the independent variable, (3) the relationship between the mediator and the independent variable, (4) when mediator is included the degradation of the relationship between independent and dependent variables (full mediating effect) or the relative reducing of the level of meaningfulness (partial mediating effect) (Khalil and Abed, 2014, 116).

As it can be seen in the Table 5, the more the employee trust towards their manager increases, the more turnover intention reduces ( $\beta = -,224$ ;  $p = ,000$ ). On the other hand, when commitment increases turnover intention reduces ( $\beta = -,276$ ;  $p = ,000$ ). According to this,  $H_1$  and  $H_2$  have been accepted. Moreover, ethical climate has a significant relationship both with commitment ( $\beta = -,387$ ;  $p = ,000$ ) and trust ( $\beta = -,268$ ;  $p = ,000$ ). These findings support  $H_3$  and  $H_4$  research hypothesis. That is why these hypotheses are accepted. When the mediating effect of the ethical climate on the relationship between turnover intention and trust is analyzed, a significant relationship has been found. Therefore,  $H_{6a}$  has been rejected. However, ethical climate perception has a partial mediator role on the relationship between turnover intention and commitment of the employees ( $\beta = -,260$ ;  $p = ,065$ ). As a result,  $H_{6b}$  has been accepted.

Mediation effect is question when appears each of the two variables are related significantly as well as a third variable take places as a mediator (Türkay et al, 2012, 214-217). Researchers often use Sobel test (Sobel, 1982) to ensure the mediating effect in addition to the main hypothesis testing. Sobel Test allows researchers to substantiate findings of full mediation (Jackson et al 2013, p. 158).

As illustrated in Table 6, the test statistics confirm the partial mediation effects of ethical climate. Therefore,  $H_{6b}$  (ethical climate mediates the relationship between organizational commitment and turnover intention) hypothesis are confirmed by Sobel values.

#### 4. Conclusion

One of the main goals in the organizations is often considered as maximizing the shareholders' wealth. It also includes a wide range of responsibilities related to customers. Today, global companies have realized that for sustainability it is important to establish an ethical climate within the company considering the ethical dimensions of these responsibilities. A strong organizational culture where there is a dominant ethical climate is effective on employee values and behaviors related to commitment, performance, job satisfaction, motivation. This ensures that employees show correct behaviors and they are in harmony. In this context, unethical behaviors affect negatively the quality of organizational life, employee motivation, performance, organizational commitment and job satisfaction.

Ethical climate as a research subject is quite important for finance sector as much as in the other sectors. Insurance sector, which has an important active share in the sector, is an important dynamic for the economic growth. Due to it being a service industry and the fact that the human element is rather high in both management and employee, ethical climate in insurance companies has a significant value. Unethical behaviors in insurance sector causes the company loses its trustworthiness, damages the image, reduces the effectiveness of teamwork, damages the communication, destroys the commitment sense and increases the turnover intention. This causes the company lose its work power in the sector. Previous scandals cause researches on ethic and ethical climate in the companies to increase and this encourages the managers to improve themselves on work ethics. Unethical behaviors does not only affect the management and the company with a fine; it can also cause financial collapse, loss of reputation and even imprisonment. The ethical climate in insurance companies should consist of all dynamics related to company, employees, agencies and customers.

In the study, the mediating effect of the perception of ethical climate on the relationship between trust, organizational commitment and turnover intention has been tested in the agencies. As a result of the research, it has been seen that employees' organizational commitment and trust towards their managers affect the turnover intention directly. When the employee trust in their manager increases, turnover intention reduces. Moreover, when commitment sense increases, turnover intention reduces. On the other hand, there is a significant relationship in the same direction between commitment, trust and ethical climate. While it can be observed that there is a mediating role of ethical climate perception between commitment and turnover intention, it has been seen that this role does not exist between trust and turnover intention. When regression results are examined; it is possible to mention a partial mediating effect of ethical climate. These findings support the recent findings of Mulki et al (2006, 2007), Karabay(2015), Jaramillo et al (2006) and Deconick (2011).

Apart from the contributions to the literature related to finance discipline, the study also includes some restrictions. Due to the sampling being limited to only on insurance agencies, it is hard to make a general evaluation in finance sector, especially in insurance sector. On the other hand, the largeness of the insurance sector in the country makes the findings hard to be evaluated. It is recommended that, to have a more wide range of sampling for future researches is required to provide preliminary evaluation feature for the future researches.

**TABLES**

**Table 1.**

<b>Authors</b>	<b>Date</b>	<b>Sector</b>	<b>Variables</b>	<b>Focus Point</b>
<b>Sims &amp; Kroeck</b>	1994	-	O.C. and T.I.	Ethic Climate effects on O.C and T.I
<b>Trevino, Butterfield &amp; McCebe</b>	1998	-	O.C., E.C. E.C	Examining the relation between ethical climate, ethical culture and O.C
<b>Oz</b>	2001	Information Technology and Other Industry Workers	E.C. ve O.C.	Examining the sectoral differences between Ethical Climate and O.C
<b>Cullen, Parboteeah &amp; Victor</b>	2003	-	O.C.	The relation between ethical climate and O.C.
<b>Valentine &amp; Barnett</b>	2003	Salespersons	O.C. and E.C.	Ethical code knowledge, ethical values, O.C relationship
<b>Valentine, Greller, &amp; Richtermeyer</b>	2003	Accounting and Finance Workers	O. C., J.S. and T.I.	Ethical climate, job satisfaction, the effect of support on turnover intention
<b>Ambrose, Arnaud &amp; Schminke</b>	2007	-	O.C., T.I. and J.S.	The effect of ethical climate on employee behaviors on turnover intention and job satisfaction
<b>Mulki, Jaramillo &amp; Locander</b>	2007	Health Care Workers	M.T. , R.C., I. C., J.S. and T.I.	The effect of ethical climate on the relationship between trust in managers, role conflicts and conflicts between individuals with T.I and job satisfaction
<b>Okpara &amp; Wynn</b>	2008	Managers	O.C.	The direction of the relationship between ethical climate types and O.C.
<b>Ulrich O'Donnell, Taylor, Farrar, Danis &amp; Grady</b>	2007	Health Care Workers	T.I	Effect of ethical climate in T.I
<b>Hong &amp; Kaur</b>	2008	Malaysia	T.I.	The relationship between all sub units of ethical climate and T.I
<b>Lischchinsky &amp; Rosenblatt</b>	2009	Education Workers	T.I. ve O.C.	O.C, ethical climate effect on T.I.

Table 2

Categories	Frequency	%	Categories	Frequency	%
<b>Gender</b>			<b>Marital Status</b>		
-Female	290	40,4	-Single	375	52,2
-Male	427	59,5	-Married	343	47,8
<b>Position</b>			<b>Education Level</b>		
-Staff	451	62,8	-Primary	17	2,4
-Mid Level Manager	180	25,1	-High School	77	10,7
-High Level Manager	41	5,7	-Associate Degree	108	14,8
-Business Partner/Boss	28	3,9	-Undergraduate	402	56,0
-Other	18	2,5	-Postgraduate	117	16,3

Table 2. Demographic Variables

Table 3

Items	Factors			
	Ethical Climate	Trust	Organizational Commitment	Turnover Intention
The organization I work for strongly encourages behaviors appropriate related to business ethics.	,884			
The organization I work for strongly encourages the business ethics rules.	,858			
The organization I work for does absolutely not tolerate inappropriate behaviors of senior management.	,851			
The organization I work for have policies regarding appropriate business ethics.	,841			
The organization I work for has official and written business ethics rules.	,832			
In the organization, if an employee shows inappropriate behaviors that benefit only themselves, they are immediately officially condemned.	,831			
In the organization, if an employee shows inappropriate behaviors that benefit the company, they are immediately condemned officially.	,790			
I feel strongly committed to my leader.		,868		
I am sure that my leader will be fair all the time.		,842		
I have a strong commitment towards my leader.		,837		
I believe fully in my leader's honesty.		,812		
I feel strong commitment to this organization.			,831	
I feel emotionally connected to this organization.			,827	
In this organization I feel like I am a part of a family.			,811	
This organization has a personal meaning for me.			,769	
I will leave this organization at the first opportunity.				,904
I am searching for an alternative job actively.				,866
I am considering leaving this organization.				,851
<i>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</i> ,.917 <i>Bartlett's Test of Sphericity</i> Approx. Chi-Square:3655,185 <i>Df</i> :0.000 <i>Total Variations</i> : 84,201				

Table 3. Factor Analysis

**Table 4**

	Variables	Mean	Std. Dev.	Alpha	1	2	3	4
1	Commitment	3,70	1,019	$\alpha=0,944$	1			
2	Ethical Climate Perception	4,11	,781	$\alpha=0,959$	<b>,583**</b>	1		
3	Turnover Intention	2,20	1,175	$\alpha=0,924$	<b>-,502**</b>	<b>-,439**</b>	1	
4	Trust	3,77	,904	$\alpha=0,938$	<b>,630**</b>	<b>,499**</b>	<b>-,434**</b>	1

\*\* Correlation, significant on level  $p<,01$  (two - way)

Table 4.Means, Deviations, Reliability Analysis and Correlation Results

**Table 5**

	Independent Variables	Dependent Variables	$\beta$ values	Sig.	Corrected R <sup>2</sup>	F Value
<b>1. Regression</b>	Trust	Turnover Intention	-,224	,000	0,186	81,665
	Commitment		-,276	,000		
<b>2. Regression</b>	Trust	Ethical Climate	,268	,000	0,322	169,504
	Commitment		,387	,000		
<b>3. Regression</b>	Ethical Climate Perception	Turnover Intention	-,132	,000	,014	8,965
<b>4. Regression</b>	Trust	Turnover Intention	-,212	,000	0,187	54,811
	Commitment		-,260	,035		
	Ethical Climate Perception		-,043	,001		

Table 5. The Mediating Effect of Ethical Climate Perception on the Relationship Between Trust and Commitment

**Table 6**

Effects	Z	Sig (two)
Mediating effect of ethical climate on organizational commitment and turnover intention	<b>-2,5072</b>	<b>,0122</b>

Table 6.Sobel Test Values

**FIGURES**

Figure 1  
 Focus of Analysis

Ethical Theory	Focus of Analysis		
	Individual	Local	Cosmopolitan
Egoism	Self-Interest	Company Profit	Efficiency
Benevolence	Friendship	Team Interest	Social Responsibility
Principle	Personal Morality	Company Rules and Procedure	Laws and Professional Codes

**Theoretical Layers in the Victor and Cullen Ethical Climate Model**

Source: Kelly D. Martin and John B. Cullen, (2006). "Continuities and Extensions of Ethical Climate Theory: A Meta-Analytic Review", *Journal of Business Ethics*, 69, 178.

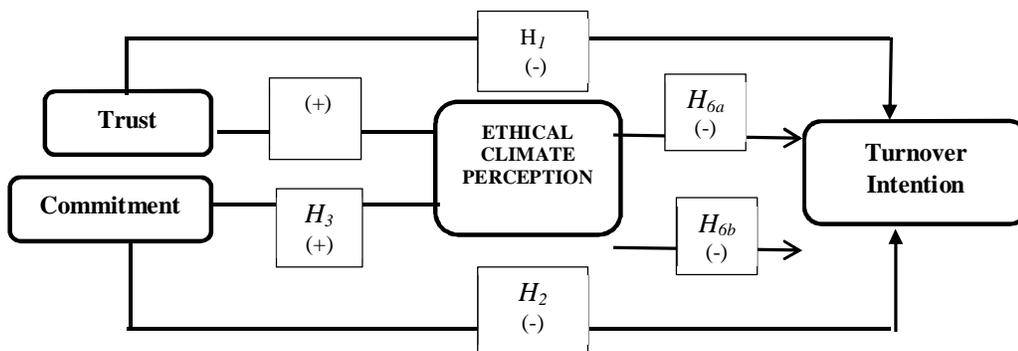


Figure 2: Research Model

## References

1. Ahmad, B., Shahid, M., Huma, Z. E., & Haider, S. (2012). Turnover intention: An HRM issue in textile sector. *Interdisciplinary Journal of Contemporary Research in Business*, 3(12), 125-130.
2. Akbaş, T. T.(2010). Örgütsel Etik İklimin Örgütsel Bağlılık Üzerindeki Etkisi: Mobilya Sanayi Büyük Ölçekli İşletmelerinde Görgül Bir Araştırma. *Karamanoğlu Mehmet Bey Üniversitesi Sosyal ve Ekonomik Araştırmalar Dergisi*, 12 (19), 121-137.
3. Ambrose, M. L. and Schminke, M. (2007). Examining justice climate: Issues of fit, simplicity, and content. *Research in Multi Level Issues*, 6, 397-413.
4. Ampofo, A., Mujtaba, B., Cavico, F. and Tindall, L. (2011). The relationship between organizational ethical culture and the ethical behavior of employees: A study of accounting and finance professionals in the insurance industry of United States. *Journal of Business & Economics Research (JBER)*, 2(9).
5. Aryee, S., Budhwar, P.S. & Chen, Z.X. (2002). Trust as a Mediator of the Relationship Between Organizational Justice and Work Outcomes: Test Of A Social Exchange Model. *Journal of Organizational Behavior*, 23 (3), 267–285.
6. Atay, S. (2006). *Kariyer Yönetiminin Örgütsel Bağlılığa Etkisi*. Yayınlanmamış Yüksek Lisans Tezi, Afyon: Kocatepe Üniversitesi Sosyal Bilimler Enstitüsü.
7. Baier, A. (1986). Trust and antitrust. *Ethics*, 96, 231-260.
8. Barnett, T. And C. Vaicys (2000). The Moderating Effect of Individuals' Perceptions of Ethical Work Climate on Ethical Judgements and Behavioral Intentions. "Journal of Business Ethics". 27 (4). 351-362.
9. Bishop, J. W. and Scott, D. (1997). How commitment affects team performance. *HR Magazine*, 42(2), 107-111.
10. Chow, I. , H., (1994) Organizational Commitment and Career Development of Chinese Managers in Hong Kong and Taiwan, *International Journal of Career Management*, 6 (4), 3-9.
11. Clugston, M. (2000). The Mediating Effects of Multidimensional Commitment on Job Satisfaction and Intent to Leave, *Journal of Organizational Behavior*, 21, 477-486.
12. Cohen, A. (1993). Organizational Commitment and Turnover: A Meta-Analysis, *Academy of Management Journal*, 36(5), 1140-1157.
13. Coomber, B. and Barriball, K. L. (2007). Impact of job satisfaction components on intent to leave and turnover for hospital-based nurses: a review of the research literature. *International Journal of Nursing Studies*, 44(2), 297-314.
14. Cropanzano, R., Howes, J.C., Grandey, A.A., and Toth, P.(1997). "The Relationship of organizational politics and support to work behaviors, attitudes, and stress", *Journal of Organizational Behavior*, 18 (2), 159–180.
15. Cullen, J. B., Parboteeah, K. P. and Victor, B. (2003). The effects of ethical climates on organizational commitment: A two-study analysis. *Journal of Business Ethics*, 46(2), 127-141.
16. Cullen, J. B., Victor, B. and Bronson, J. W. (1993). The ethical climate questionnaire: An assessment of its development and validity. *Psychological reports*, 73(2), 667-674.
17. DeConinck, J. B. (2011). The effects of ethical climate on organizational identification, supervisory trust, and turnover among salespeople. *Journal of Business Research*, 64(6), 617-624.

18. Deshpande, S. P. (1996). The impact of ethical climate types on facets of job satisfaction: An empirical investigation. *Journal of Business Ethics*, 15(6), 655-660.
19. Egan, T.M., Yang, B. and Bartlett, K.R. (2004). The Effects of Organizational Learning Culture and Job Satisfaction on Motivation to Transfer Learning and Turnover Intention, *Human Resource Development Quarterly*, 15(3), 279-301.
20. Forte, A. (2004), Business Ethics: A study of the moral reasoning of selected business managers and the influence of organizational ethical climate. *Journal of Business Ethics*, 51(2), 167-173.
21. Gül, H. (2006), Etik Dışı Davranışlar ve Ussallaştırılması: Devlet Hastanelerinde Bir Uygulama, *Selçuk Üniversitesi Karaman İİBF Dergisi*, 10(9), 65-79.
22. Gürbüz, S., & Yüksel, M. (2008). Çalışma ortamında duygusal zeka: iş performansı, iş tatmini, örgütsel vatandaşlık davranışı ve bazı demografik özelliklerle ilişkisi., *Doğuş Üniversitesi Dergisi*, 9 (2) 2008, 174-190
23. Hanisch, K. A., & Hulin, C. L. (1991). General attitudes and organizational withdrawal: An evaluation of a causal model. *Journal of Vocational Behavior*, 39(1), 110-128.
24. Hayes, A.F.(2009). Beyond Baron and Kenny: Statistical mediation analysis in the new millennium. *Communication Monographs*, 76, 408-420
25. Hong, L. C. and Kaur, S. (2008). A relationship between organizational climate, employee personality and intention to leave. *International Review of Business Research Papers*, 4(3), 1-10.
26. Hosmer, L. T. (1995). Trust: The connecting link between organizational theory and philosophical ethics. *Academy of management Review*, 20(2), 379-403.
27. Hwang, I. S. and Kou, J. H. (2006) "Effects of Job Satisfaction and Perceived Alternative Employment Opportunities on Turnover Intention: An Examination of Public Sector Organizations", *Journal of American Academy of Business*, Cambridge, 8(2), 254-255.
28. İbicioğlu, H. (2000). The importance of paradigmatic harmony in organizational commitment". *DE Üİİ BF Journal*, 15(1), 13-22.
29. Jackson, J. D., Mun, Y. Y., & Park, J. S. (2013). An empirical test of three mediation models for the relationship between personal innovativeness and user acceptance of technology. *Information & Management*, 50(4), 154-161.
30. Jaramillo, F., Mulki, J. P., & Solomon, P. (2006). The role of ethical climate on salesperson's role stress, job attitudes, turnover intention, and job performance. *Journal of Personal Selling & Sales Management*, 26(3), 271-282.
31. Karabay, M.E. (2015). İşletmelerde Etik ve Etik liderlik. Beta Yayınevi, 1. Baskı, İstanbul.
32. Kickul, J. (2001). Promises made, promises broken: An exploration of small business attraction and retention practices. *Journal of Small Business Management*, 39, 320-335.
33. Kohlberg, L. (1981). The philosophy of moral development moral stages and the idea of justice.
34. Lambert, E. G., Hogan, N. L., & Barton, S. M. (2001). The impact of job satisfaction on turnover intent: a test of a structural measurement model using a national sample of workers. *The Social Science Journal*, 38(2), 233-250.
35. Lemmergaard, J. and Lauridsen, J. (2008). The ethical climate of Danish firms: A discussion and enhancement of the ethical-climate model. *Journal of Business Ethics*, 80(4), 653-675.
36. Martin, K. D. and Cullen, J. B. (2006). Continuities and extensions of ethical climate theory: A meta-analytic review. *Journal of Business Ethics*, 69(2), 175-194.

37. Matthai, J. M. (1989). Employee perceptions of trust, satisfaction, and commitment as predictors of turnover intentions in a mental health setting (Doctoral dissertation, George Peabody College for Teachers of Vanderbilt University).
38. Mayer, R. C., Davis, J. H. and Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20(3), 709-734.
39. Meyer, J. P. and Allen, N. J. (1991). A Three-Component Conceptualization of Organizational Commitment. *Human Resources Management Review*, 1, 61-89.
40. Meyer, J. P., Allen, N. J. and Smith, C. A. (1993). Commitment to organizations and occupations: Extension and test of a three-component conceptualization. *Journal of Applied Psychology*, 78(4), 538.
41. Meyer, J. P., Paunonen, S. V., Gellatly, I. R., Goffin, R. D., & Jackson, D. N. (1989). Organizational commitment and job performance: It's the nature of the commitment that counts. *Journal of applied Psychology*, 74(1), 152.
42. Meyer, J. P., Stanley, D. J., Herscovitch, L. and Topolnytsky, L. (2002). Affective, continuance, and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 61(1), 20-52.
43. Mishra, A. K. (1996). Organizational responses to crisis: The centrality of trust. *Trust in organizations: Frontiers of theory and research*, 261-87.
44. Mishra, J., and Morrissey, M. A. (1990). Trust in employee/employer relationships: A survey of West Michigan managers. *Public Personnel Management*.
45. Mobley, W. H., Griffeth, R. W., Hand, H. H., & Meglino, B. M. (1979). Review and conceptual analysis of the employee turnover process. *Psychological Bulletin*, 86(3), 493-522.
46. Mowday, R.T., Steers, R.M. and Porter, L. (1982). *Employee-Organization Linkages: the Psychology of Commitment, Absenteeism, and Turnover*, New York: Academic Press.
47. Mulki, J. P., Jaramillo, F. and Marshall, G. W. (2007). Lone wolf tendencies and salesperson performance. *Journal of Personal Selling & Sales Management*, 27(1), 25-38.
48. Mulki, J. P., Jaramillo, F., & Locander, W. B. (2006). Effects of ethical climate and supervisory trust on salesperson's job attitudes and intentions to quit. *Journal of Personal Selling & Sales Management*, 26(1), 19-26.
49. Mulki, J. P., Jaramillo, J. F., & Locander, W. B. (2008). Effect of ethical climate on turnover intention: Linking attitudinal-and stress theory. *Journal of Business Ethics*, 78(4), 559-574.
50. Nawawi, A. (1999). *Can Corporate Governance In The Insurance Industry Be Enhanced By Business Ethics? A Study Of Malaysian Insurance Executives*, A Research Dissertation.
51. Noorderhaven, N. G. (1995). Transaction, interaction, institutionalization: toward a dynamic theory of hybrid governance. *Scandinavian Journal of Management*, 11(1), 43-55.
52. Nyhan, R. C. and Marlowe, H. A. (1997). Development and psychometric properties of the organizational trust inventory. *Evaluation Review*, 21(5), 614-635.
53. Obalola, M. (2010). An empirical examination of moral beliefs of the Nigerian insurance managers and the moderating effects of corporate ethical values and some demographic factors. *International Journal of Banking, Accounting and Finance*, 2(3), 196-217.
54. Ogunrinde, R. O. (1985). The Claim Settlement Provisions of the Nigerian Insurance Act of 1976. *Journal of World Trade*, 19(2), 170-178.

55. Okpara, J. O. and Wynn, P. (2008). The impact of ethical climate on job satisfaction, and commitment in Nigeria: Implications for management development. *Journal of Management Development*, 27(9), 935-950.
56. Oz, E. (2001). Organizational commitment and ethical behavior: An empirical study of information system professionals. *Journal of Business Ethics*, 34(2), 137-142.
57. Ötken, A. B., & Cenkci, T. (2012). The impact of paternalistic leadership on ethical climate: The moderating role of trust in leader. *Journal of business ethics*, 108(4), 525-536.
58. Özkalp, E. and Kirel, C. (2005). *Örgütsel Davranış*. Eskişehir: Anadolu Üniversitesi Yayınları.
59. Parboteeah, K. P., Chen, H. C., Lin, Y. T., Chen, I. H., Lee, A. Y. and Chung, A. (2010). Establishing organizational ethical climates: how do managerial practices work?. *Journal of Business Ethics*, 97(4), 599-611.
60. Porter, L. W., Steers, R. M., Mowday, R. T. and Boulian, P. V. (1974). Organizational commitment, job satisfaction, and turnover among psychiatric technicians. *Journal of Applied Psychology*, 59(5), 603-609.
61. Preacher, K. J., & Hayes, A. F. (2004). SPSS and SAS procedures for estimating indirect effects in simple mediation models *Behavior Research Methods, Instruments, and Computers*, 36, 717-731.
62. Robbins, S. and Langton, N. (2003), *Organizational Behaviour: Concepts, Controversies, Applications*, Pearson Education Canada Inc., Toronto.
63. Robinson, S. L. (1996). Trust and breach of the psychological contract. *Administrative Science Quarterly*, 574-599.
64. Robinson, S. L. and Rousseau, D. M. (1994). Violating the psychological contract: Not the exception but the norm. *Journal of Organizational Behavior*, 15(3), 245-259.
65. Rousseau, D.M. (1995). *Psychological Contracts In Organizations: Understanding Written And Unwritten Agreements*. Thousand Oaks, California: Sage Publications.
66. Scholl, R. W. (1981). Differentiating organizational commitment from expectancy as a motivating force. *Academy of management Review*, 6(4), 589-599.
67. Schwepker, C. H. (2001). Ethical climate's relationship to job satisfaction, organizational commitment, and turnover intention in the salesforce. *Journal of business research*, 54(1), 39-52.
68. Shapira-Lishchinsky, O. and Rosenblatt, Z. (2009). Perceptions of organizational ethics as predictors of work absence: A test of alternative absence measures. *Journal of Business Ethics*, 88(4), 717-734.
69. Shockley-Zalabak, P., Ellis, K. and Winograd, G. (2000). Organizational trust: What it means, why it matters. *Organization Development Journal*.
70. Shore, L. M., & Martin, H. J. (1989). Job satisfaction and organizational commitment in relation to work performance and turnover intentions. *Human relations*, 42(7), 625-638.
71. Sims, R. L. and Kroeck, K. G. (1994). The influence of ethical fit on employee satisfaction, commitment and turnover. *Journal of Business Ethics*, 13(12), 939-947.
72. Sobel, M. E. (1982). Asymptotic confidence intervals for indirect effects in structural equation models. In S. Leinhardt (Ed.), *Sociological methodology* (290–312). San Francisco, CA.
73. Steers, Richard M.. 1977. "Antecedents and Outcomes of Organizational Commitment". *Administrative Science Quarterly* 22 (1). Sage Publications, Inc.: 46–56.
74. Stewart, R., Volpone, S. D., Avery, D. R., and McKay, P. (2011). You support diversity, but are you ethical? Examining the interactive effects of diversity and ethical climate perceptions on turnover intentions. *Journal of business ethics*, 100(4), 581-593.

75. Şahin, B ve Dündar T. (2011).Sağlık Sektöründe Etik İklim Ve Yıldıırma (Mobbing). Ankara Üniversitesi SBF Dergisi, 66(1), 129-159.
76. Tan, H. H., and Tan, C. S. (2000). Toward the differentiation of trust in supervisor and trust in organization. Genetic, Social, and General Psychology Monographs.
77. Taylor, R. G. (1989). The role of trust in labor-management relations. Organization Development Journal, 7(2), 85-89.
78. Tennyson, S. (1997). Economic institutions and individual ethics: A study of consumer attitudes toward insurance fraud. Journal of Economic Behavior & Organization, 32(2), 247-265.
79. Tett, R. P.,and Meyer, J. P. (1993). Job satisfaction, organizational commitment, turnover intention, and turnover: path analyses based on meta-analytic findings. Personnel Psychology, 46(2), 259-293.
80. Trevino, L. K., Butterfield, K. D.and McCabe, D. L. (1998). The ethical context in organizations: Influences on employee attitudes and behaviors. Business Ethics Quarterly, 447-476.
81. Turnley, W. H., Bolino, M. C., Lester, S. W. and Bloodgood, J. M. (2004). The effects of psychological contract breach on union commitment. Journal of Occupational and Organizational Psychology, 77(3), 421-428.
82. Türkay, O., ÜNAL, A., and Taşar, O. (2012). Motivasyonel ve yapısal etkenler altında duygusal emeğin işe bağlılığa etkisi. Uluslararası Yönetim İktisat ve İşletme Dergisi, 7(14), 201-222.
83. Ulrich, C., O'Donnell, P., Taylor, C., Farrar, A., Danis, M. and Grady, C. (2007). Ethical climate, ethics stress, and the job satisfaction of nurses and social workers in the United States. Social Science & Medicine, 65(8), 1708-1719.
84. Valentine, S. and Barnett, T. (2003). Ethics code awareness, perceived ethical values, and organizational commitment. Journal of Personal Selling and Sales Management, 23(4), 359-368.
85. Valentine, S., Greller, M. M. and Richtermeyer, S. B. (2006). Employee job response as a function of ethical context and perceived organization support. Journal of Business Research, 59(5), 582-588.
86. Victor, B. and Cullen, J. B. (1988). The organizational bases of ethical work climates. Administrative Science Quarterly, 101-125.
87. Whitener, E. M., Brodt, S. E., Korsgaard, M. A. and Werner, J. M. (1998). Managers as initiators of trust: An exchange relationship framework for understanding managerial trustworthy behavior. Academy of Management Review, 23(3), 513-530.
88. Yin, J.C.T. and Yang, K. A. (2002). Nursing Turnover in Taiwan: A Meta-Analysis of Related Factors, International Journal of Nursing Studies, 39, 573-581.
89. Yuan Wang, K. and Clegg, S. (2002). Trust and decision making: are managers different in the People's Republic of China and in Australia?. Cross Cultural Management: An International Journal, 9(1), 30-45.
90. Zaheer, A., McEvily, B. and Perrone, V. (1998). Does trust matter? Exploring the effects of interorganizational and interpersonal trust on performance. Organization Science, 9(2), 141-159.
91. Zatzick, C. D., Deery, S. J., & Iverson, R. D. (2015). Understanding the Determinants of Who Gets Laid Off: Does Affective Organizational Commitment Matter?. Human Resource Management, 54(6), 877-891.