The Effect of Ethical Climate on Employee Satisfaction in 5-Star Hotel Managements: A Field Study in Gaziantep

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ABSTRACT--- The ethical climate in hotel management plays an important role in forming a regular competition structuring. Hotel managements need to understand employees’ perception of organizational climate in order to understand the management problems and find solutions to them. Understanding the climate in an organization is an important stage in examining the management process. One of the most important factors in customer satisfaction in hotel managements is the level of employee satisfaction. Therefore, determining the ethical climate and employee satisfaction in hotels will act as a guide for managers in their management methods.

In this study, the relationship between organizational ethical climate and employee satisfaction (satisfaction in work environment) was examined. For this purpose, 180 people from 6 different hotels in Gaziantep were studied. As a data collection tool questionnaire was used and data was analyzed through SPSS. As a result of the study, certain relationship between organizational ethical climate and employee satisfaction was revealed.

Keywords--- Hotel Management, Ethical Climate, Employee Satisfaction.

1. INTRODUCTION

Nowadays, globalization has removed the international boundaries. Therefore all organizations are now in a destructive competition (Farrell, vd, 2001; Brady vd, 2002). This competition has affected the lodging industry as well as the other organizations. Thus, survival of hotels depends on the quality level of their products and services (Fowdar, 2007; İkiz and Masoudi, 2008). Businesses should be able to interact with their environment and predict and adapt to the changes around them at the same time. Moreover, organizational ethical climate affects job satisfaction, the rate of leave of employment and work force. This indicates that employees’ satisfaction plays an important role in organizational performance and success. Satisfaction of employees shows that they love their job generally. It can be said that one of the most important factors which keeps organizations alive is employees who embrace and love their work.

Human factor is very significant in presenting the products and services in the way they are demanded by the customers (Özkul, 2007). In hotel managements, customers’ perception of quality is affected by the performance of employees in the processes of production and presentation of products and services (Olah and Korzay, 2004; Çıkmaş, 2013). Managers’ practices of ethics have an effect upon employees’ efficiency (Doğan and Karataş, 2011). Managers who respect and appreciate the employees and treat them fairly help employees embrace and adopt the idea of organizational ethic. They set a model for their employees with positive and consistent attitudes and behaviors. In organizations where the employees behave with the sense of responsibility, organizational ethical climate has an important role in employee satisfaction. Therefore, the level of employee satisfaction affects customers’ satisfaction and profit rate of hotel businesses significantly (Sigala, 2003; Heung ve Lam, 2003; Bakan and Büyükbeşe, 2004).

The purpose of this study is to examine the relationship between ethical climate and the job satisfaction in 5 star hotels in Gaziantep. The fact that there has been not very much study on this topic is the starting point of this study. This study is based on the analysis of data collected from the employees who works the 5 star hotels in Gaziantep in the scope of requirements mentioned before. Our findings are expected to contribute to the hotel managements’ literature.

2. ETHICAL CLIMATE AND EMPLOYEE SATISFACTION

Due to the technological and social changes in the world, the definition of “ethics” also has undergone some changes. According to one definition, the word “ethics” is derived from the Greek word “ethos” which means character (Simske et al., 2003: 395). The origin of this word has been determined as “swedhethos” which means individual morals and behavioral habits (Karalar et al., 2001: 74)
According to another definition, ethics examines the criteria for good and bad and also shows how a person should direct his/her individual and social relations (Pieper, 1999: 22). In this regard, ethics is a philosophical topic in which the causes of good and bad things and right or wrong behaviors are determined. (Buchholz and Sandra, 1998: 2). Ethics is mostly likened to a compass. A compass only shows the direction of a place but does not describe the place. Likewise, ethics shows and prescribes the right behavior (Pieper, 1999: 98). Generally, ethics determines the social rules, norms and individual relationships. Therefore it is a concept which removes the troubles and problems affecting the flow of social life (Akin, 1998: 32-33; Karabey and Karakoğlu, 2008: 26-27).

The concept of ethics is important for today’s businesses as it is for social life (Callan, 1997; Sigala, 2003). Nowadays, a great number of businesses penetrates the commercial market and present their products and services. During the course of this presentation, the success of communication with the target group is as significant as the quality of products and services (Çıkmaz, 2013: 33).

Organizational ethical climate: covers organizational values, applications and procedures regarding to moral attitudes and behaviors. Since psychologists consider moral attitudes as the most powerful behavior guide, individuals’ perception towards organizational values, applications and procedures may have an influence on their emotional reactions towards organizations (Cullen et al., 2003: 128). Informal control systems like ethical climate is as important as the formal ones (Schminke et al., 2007: 183-184).

According to Bartels, in order to improve moral sensibility and reactions of organization members the organization should be changed by means of the education of ethical culture of the organization and ethics code. Changing indecent behaviors with ethical climate may affect organizational profitability positively. In studies conducted in the U.S.A. it is revealed that businesses have lost 40 billion dollars due to indecent behaviors. This can be another reason for organizations to manage organizational ethics with ethical climate (Bartels et al., 1998: 803). Most of the companies can set up moral atmosphere. In this way employees feel the ethical winds and understand what is right and wrong to act accordingly. This nonverbal understanding is called ethical climate.

Ethical climate is a part of a company presenting the ethical level or quality of the company (Post et al., 1996: 122). The strength of organizational ethical climate helps to increase the level of integrity and motivation in the organization (Dickson et al., 2001: 213). According to Schneider (1980), the types and aspects of climates are integrated into the whole perception of the organizational climate. The study of Victor and Cullen (1988, 1993) was based upon Schneider’s this assumption. In theoretical assumption;

- Organizations and their subgroups develop different kind of normative system.
- Even if these systems are not homogeneous or monolithic, organization members know them and perceive them as workplace climate.
- These perceptions differ from the emotional assessment of workplace environment (VardiveWeitz, 2003: 186).

The independent variable of this study is organizational ethical climate phenomenon was formulized by Victor and Cullen (1988, 1993) model.

Victor and Cullen Organizational Ethical Climate Model: Victor and Cullen (1987, 1988, 1993, 2006) pioneered the studies about ethical climates of organizations. Lemmergaard and Lauridsen, has tested the validity of ethical climate model of Victor and Cullen with an empirical study in companies in Denmark. According to the results of the study, the model proved to be more effective and strong compared to the previous studies (LemmergaardveLauridsen, 2008: 656). Ethical climate typology is based on the developmental psychology and reference group theory from sociology (Merton, 1968).

The factors shaping the organizational ethical climate model of Victor and Cullen are (Victor and Cullen, 1988: 119); social norms, organizational structure and special factors for businesses. Business ethics is not only about the content of the ethics rules (what), but also about the process of decision making (how). Theoretical model of ethical climate enables managers to assess the ethical climate of the organization and make changes if necessary according to results. Organizational ethical climate helps determine and understand the problems among organization members and gives them the idea about the criteria to solve those problems. Organizational ethical climate is a part of organizational culture (Cullen et al., 1989: 51).

Unlike the philosophy of ethics and individual moral development, ethical climate is an organizational concept. Therefore, moral justification varies to be used as a reference to the concept of organization (Victor and Cullen, 1988: 105-106). The most important thing for an organization is not the suitability of the ethical climate, but it the consistency and understandability of it. The administration needs to decide the values to defend and decision mechanisms to support those values. The employees should be informed about what is expected from them so that they can act accordingly. Identifying the existing ethical climate in an organization is a step to create the most efficient and harmonious climate possible (Cullen et al., 1989: 62).
Hotel managements are businesses which provide tourists with accommodation, catering, entertainment and personal services (Olali and Korzay, 2004:26). Providing a great number of personal services causes labor intensive (Riley, 1991: 73). Also, positive ethical climate in an organization increases reputation and value of the organization since it influences the motivation of employees and therefore the perception of customers (Barutçugil, 1984: 133). Customers place very much importance on trustworthiness and reliability which directs them to choose the companies in which employees are satisfied with their work. Beside customers, employees and shareholders also tend to make their choices in this direction (Mitchell, 2003: 79).

3. PURPOSE, EXTENT AND METHOD OF THE STUDY

The aim of this study is to determine whether there is a relationship between the ethical climate and the employees’ satisfaction who work at 5-star hotels which are currently active in Gaziantep. Within this context, the connection between ethical climate and job satisfaction in hotel managements were studied.

The study was conducted in 5 star hotels which are currently active in Gaziantep. Our data collection tool was a questionnaire. The questionnaire consists of two parts; demographical characteristics and propositions about employee satisfaction and ethical climate. In the first part, the participants were asked 7 questions about their demographical characteristics and information about their occupations. In the second part, there were 27 questions to determine the effects of ethical climate on their satisfaction at their workplace. In these questions 5 point likert scale was used (1- Strongly disagree…5- Strongly agree). After acquiring the questionnaires from participants, 6 of them were realized to be deficient and 5 of them were misfiled, therefore they were left out of the study.

Questions about organizational ethical climate were based on the study of Schwepker (2001) in which were propositions about organizational ethical climate, in addition to the questions Biçer (2005) adapted for his study. In the second part of the questionnaire, Minnesota Satisfaction Questionnaire (Weiss, Dawis, England ve Lofquist, 1967), which was also used by Doğan and Karataş (2011), was used. The number of questionnaires is in total 180 and the data collected from the questionnaires were analyzed by SPSS 16.0 package program.

The study variables, the number of questions about variables and the results of reliability analysis were given in Table 1. As Jensen (2003) also stated, the reliability of variables in the questionnaires was examined by Cronbach Alfa values. According to Nunally (1973), variables which have 70 or more Alpha values are accepted as reliable. As seen in Table 1, variables can be considered as reliable since they all have 95 or more Alpha values. In the analysis of the data, frequency, correlation and regression analyses were used. Findings were arranged in tables.

Table 1. Results of Reliability Analyses regarding Study Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of Questions</th>
<th>Alpha Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Climate</td>
<td>7</td>
<td>0.95</td>
</tr>
<tr>
<td>Satisfaction with workplace</td>
<td>11</td>
<td>0.95</td>
</tr>
<tr>
<td>Satisfaction with work itself</td>
<td>9</td>
<td>0.98</td>
</tr>
</tbody>
</table>

3.1. Research Model an Hypothesis

The hypotheses which were tested in this research are:

H₁: Organizational ethical climate in hotels affects employees’ satisfaction with the workplace.

H₂: Organizational ethical climate in hotels affects employees’ satisfaction with the job itself.

In accordance with the hypothesis model in Figure 1 was formed. It was aimed to test the model with statistical analyses.
4. DEMOGRAPHICAL CHARACTERISTICS OF PARTICIPANTS

Demographical characteristics of the research participants are seen in Table 2.

Table 2. Demographical Characteristic of Participants

<table>
<thead>
<tr>
<th>General Information</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age Distribution</strong></td>
<td>Number</td>
<td>%</td>
<td><strong>Education Level</strong></td>
<td>Number</td>
</tr>
<tr>
<td>18-25</td>
<td>14</td>
<td>7.8</td>
<td>Primary school</td>
<td>4</td>
</tr>
<tr>
<td>26-33</td>
<td>70</td>
<td>38.9</td>
<td>High school</td>
<td>112</td>
</tr>
<tr>
<td>34-41</td>
<td>73</td>
<td>40.6</td>
<td>Undergraduate</td>
<td>44</td>
</tr>
<tr>
<td>42 and more</td>
<td>23</td>
<td>12.7</td>
<td>Graduate</td>
<td>18</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>180</td>
<td>100</td>
<td>M.A. and PhD</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td>180</td>
</tr>
<tr>
<td><strong>Position</strong></td>
<td>Number</td>
<td>%</td>
<td><strong>Working Time In The Company</strong></td>
<td>Number</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>6</td>
<td>3.3</td>
<td>Less than 1 year</td>
<td>14</td>
</tr>
<tr>
<td>Mid-level Manager</td>
<td>98</td>
<td>54.4</td>
<td>1-3 years</td>
<td>54</td>
</tr>
<tr>
<td>Junior Administrative Officer</td>
<td>39</td>
<td>21.7</td>
<td>4-6 years</td>
<td>14</td>
</tr>
<tr>
<td>Other Employees</td>
<td>37</td>
<td>20.6</td>
<td>7-9 years</td>
<td>58</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>180</td>
<td>100</td>
<td>10 or more years</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td>180</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td>Number</td>
<td>%</td>
<td><strong>Department</strong></td>
<td>Number</td>
</tr>
<tr>
<td>Male</td>
<td>132</td>
<td>73.3</td>
<td>Front office</td>
<td>20</td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>26.7</td>
<td>Housekeeping</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Food &amp; Drink</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales marketing</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Public relations</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Accounting</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Human resources</td>
<td>17</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>180</td>
<td>100</td>
<td><strong>TOTAL</strong></td>
<td>180</td>
</tr>
</tbody>
</table>

According to the relevant table, in age distribution 79.5% of the participants were between 26-41. When we look at the education level of employees we can see that more than half of them (62.2%) were high school graduates. Undergraduates and graduates constitutes 11.2% of the participants. 79.4% of the participants were managers and 20.6% of them were...
employees. Nearly half of the participants (54.4) stated that they worked 7 or more years at that company as the duration of employment 73% of the participants were male and 26.7% of them were female. As for the departments employees worked in, participants who worked in front office constitutes 11.1%, 27.8% of them worked in housekeeping department, 20% of them were in food & drink, 7.2% sales marketing, 14.4% of them works in public relations, 10% them were in accounting office and 9.4 % of them were in human resources department.

5. RESULTS

In this part the results of correlation and regression analyses will be explained. Correlation testis used to assess the direction and strength of the relationship between two variables. This study made use of the correlation analysis in order to learn the relationship between organizational ethical climate and satisfaction with the workplace and the work. The Pearson correlation coefficient and significance level are shown in Table 3.

Table 3. Results of Correlation Analysis

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Ethical Climate</th>
<th>Workplace Satisfaction</th>
<th>Satisfaction with the Job itself</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Climate</td>
<td>1</td>
<td>392**</td>
<td>451**</td>
</tr>
<tr>
<td>Workplace Satisfaction</td>
<td>392**</td>
<td>1</td>
<td>779**</td>
</tr>
<tr>
<td>Satisfaction with the Job itself</td>
<td>452**</td>
<td>779**</td>
<td>1</td>
</tr>
</tbody>
</table>

**P≤0.01: Significant for correlation 0.01 level.

According to the table, we can say that there is a significant relationship which is positive and in the strength of 0.392, 0.454 between our variables. Therefore, it can be said that organizational ethic affects the satisfaction with the workplace and the job positively.

Regression analysis is used to find the cause and effect relationship between dependent and independent variables (Bayram, 2004: 119). In this study, regression analysis is used to understand and test the relationship between the variable in the model and dependent variables.

The first hypothesis to be tested in the analysis is employees’ satisfaction with the workplace with the help of ethical climate. The independent variable of this study is ethical climate and the dependent variable is the satisfaction with workplace. Accordingly, our first hypothesis is; "H₁: Organizational ethical climate affects employees’ satisfaction with workplace.”

Result of the regression analysis shows that there is a positive and a significant relationship between ethical climate and being satisfied with the workplace (F=32.273). As shown in Table 4., adjusted R² value is 0.149, which means that ethical climate has a significant influence on employees’ satisfaction with their workplace. In other words, organizational ethical climate variable in regression equation explains the dependent variable of the study (satisfaction with workplace) in the ratio of 14%. According to this result, hypothesis 1, H₁:” Organizational ethical climate affects employees’ satisfaction with the workplace.” is confirmed. Considering these results, we can say that there is a statistical relationship between organizational climate and being satisfied with the workplace. Employees, who place importance on the ethical values of the organization, feel satisfied with the workplace. Thus, this satisfaction leads them to be more productive and efficient in their performances. Organizations need to be aware of this fact and create a positive ethical climate.
Second hypothesis in order to examine the effect of organizational ethical climate on employees’ satisfaction with their work, H₂: “Organizational ethical climate in hotels effects job satisfaction of employees.” is also tested with multiple regression analysis. As shown in Table 5, organizational ethical climate was taken as an independent variable and job satisfaction was taken as a dependent variable. It has been found out that organizational ethical climate affects job satisfaction of employees positively and significantly ( F=46,274). Organizational ethical climate explains the 20% of job satisfaction. The second hypothesis of the study is: “Organizational ethical climate in hotels has an effect on job satisfaction of employees.” Results indicate that there is a statistically significant relationship between organizational ethical climate and job satisfaction. Therefore, application of ethical rules and principles helps employees to be satisfied with their jobs and creates an healthy and efficient atmosphere for them to work.

**Table 4. Results of Regression Analysis on Satisfaction with the Workplace**

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>β</th>
<th>T</th>
<th>P</th>
<th>R²</th>
<th>d. R²</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Ethical</td>
<td>0.392</td>
<td>5.681</td>
<td>0.061</td>
<td>0.153</td>
<td>0.149</td>
<td>32.273</td>
</tr>
<tr>
<td>Climate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable: Satisfaction with the workplace.

**Table 5. Results of Multiple Regression Analysis of Job Satisfaction**

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>β</th>
<th>T</th>
<th>P</th>
<th>R²</th>
<th>d. R²</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Ethical</td>
<td>0.454</td>
<td>6.803</td>
<td>0.069</td>
<td>0.206</td>
<td>0.202</td>
<td>46,274*</td>
</tr>
<tr>
<td>Climate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dependent variable: Job satisfaction

It has become very important to increase employees’ satisfaction and motivation in organizations where change and competition has been dramatically increasing. Nowadays, understanding the dominating climate in an organization is a key to an efficient development and accomplishing goals. These facts put organizational ethical climate into a very special position in the eyes of employees. Improving satisfaction of employees would provide organizations with great advantages.

6. DISCUSSION AND CONCLUSION

In this study, the effect of organizational ethical climate on satisfaction of employees who work at 5 star hotels in Gaziantep was examined. According to the results of field study, it is indicated that ethical climate in Gaziantep hotel managements has an effect on workplace and job satisfaction of employees. The study results show that workplace and job satisfaction of employees has been affected by the ethical climate positively. These results also correspond to the similar studies in the literature. O’Driscoll (2007), stated that the increase in the level of employee satisfaction also increases the occupational success. Roman (2003), indicated that a successful ethical climate affects reputation of an organization positively. Doğan and Karataş (2011), confirmed that organizational ethical climate has an influence on employee satisfaction. Gül and Gökçe (2008) also confirmed that thanks to ethical climate, acting together to reach common goals becomes easier since every person speaks and understands the same language. The results of this study correspond with the other studies in the literature.

The results of this study have shown that there is a positive and significant relationship between ethical climate and workplace and job satisfaction. That is, ethical climate has a positive effect on employees’ satisfaction with their workplace and job itself. The more efficient the ethical climate is the more satisfied the employees will be with their workplaces. Their satisfaction will reflect on their performance in a positive way. Also, since there is a significant connection between ethical climate and job satisfaction, employees who love their job works in a healthy and efficient way.
In accordance with the study results, managers can be recommended as:

- Ethical rules and principles should be set companies. Right and wrong behaviors should be made known to employees. Management should decide on its values and determine the decision mechanisms in order to support those values. Employees should be made known what is expected from them so that they can behave accordingly. In order to create an efficient ethical climate, the current climate should be known and understood (Cullen et al., 1989: 62).
- Employees should not be seen only as a factor of production. In today’s world, organizations which value its employees are more likely to survive in the competition.
- All implementations which are needed in order to increase the satisfaction of employees should be actualized.
- All activities regarding to the ethical and secure climate should be made into a policy.

In this way organizations will have employees who trust their organizations and work in an ethical climate. This will be the very first step to increase employee satisfaction. Increasing the satisfaction of employees is not also the duty of organizations, but also it is their need. Therefore, creating environment in which employees will be satisfied is a necessity for organizations. Employees who are satisfied with their jobs will stay longer in the organization they work in.

Although ethical climate and employee satisfaction have gained importance, studies regarding these topics are limited. In this study the relationship between employee satisfaction and ethical climate was examined. Other researchers may study the topics like performance, leave of employment or organizational commitment instead of employee satisfaction. Moreover, this study only included employees working at hotels in Gaziantep. Another limitation of this study is only 5 star hotels were included in this study leaving out other hotel managements.

7. REFERENCES


