# Revisiting Antecedents of Salesperson Propensity to Leave:

# The Moderating Role of Ethical Climate

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# Revisiting Antecedents of Salesperson Propensity to Leave:
# The Moderating Role of Ethical Climate

For the past two years, the most difficult job to fill is that of salesperson (Rivera 2007). In part, the difficulty is created by high turnover among salespeople. While decades of research have examined the issue (e.g. Futrell and Parsuraman 1984), more recent research indicates the problem is still important (e.g., Aggarwal, Tanner and Castleberry 2004).

Though turnover is not always negative (e.g. Johnson, Griffeth and Griffin, 2000) there are, according to Darmon (1990) both direct costs and indirect costs created by the loss of salespeople. Richardson (1999) further broke these costs into four primary dimensions: the direct costs of sales losses and three indirect dimensions of separation costs, replacement costs, and training expenses. Not only is it difficult to find salespeople, but it is costly when they leave. Further, the difficulty in replacing salespeople means greater direct costs in lost sales as territories may remain open for longer periods of time.

One limitation in salesperson selection is the negative image of the profession. Students, for example, do not hold a positive image of salespeople even when those same students plan on entering the sales profession (Bristow et al. 2006). Thus, in spite of findings that suggest that salespeople are more ethical than some professions (e.g. Tanner and Dudley 2005), the negative image of selling appears to inhibit many from considering the profession (e.g. DelVecchio and Honeycutt 2002).

For those who do enter the profession in spite of the negative image, the reasons seem to be autonomy, money, and career growth (e.g. DelVecchio and Honeycutt 2002; Dudley and Tanner 2005). Once in the profession, is ethical climate a reason for leaving? In this study, we consider the potential role of ethical climate, in relation to other variables commonly believed to influence turnover. First, we develop the theoretical framework for understanding

propensity to leave, then focus specifically on ethical climate. Following the theoretical development, we present a study of salespeople.

## Theoretical Framework

While the critical variable to sales managers is turnover, a challenge to studying turnover is how to measure it; if salespeople actually leave, they are difficult to identify and data collection becomes problematic. One solution has been to substitute *propensity to leave* which seems generally well correlated with turnover. This relationship, first stated in a general context by Steel and Ovalle (1984), has been confirmed in sales research (Lucas et al, 1987). Since 1987, some ten studies (e.g. Sager et al. 1988, Jones et al 1996) confirm this relationship between intention to leave and turnover. Thus, the theoretical framework considers factors influencing propensity to leave rather than actual turnover.

**Ethical climate:**

Concern about salesperson ethical behavior and the need to learn more about ethical decision making has fueled the development of models and frameworks (e.g. Ferrell and Gresham 1985; Ferrell, Gresham, and Fraedrich 1989; Hunt and Vitell 1990; Wotruba 1990). A common element in these models is organizational environment, also termed organizational culture and corporate culture. Ethical climate is a part of the larger organization culture.

Ethical climate is defined as "the prevailing perceptions of typical organizational practices and procedures that have ethical content" (Victor and Cullen 1988, p. 101). A salesperson's perception of the firm's ethical climate is differentiated from other climate elements such as perceptions of control, organizational structure, and nature of reward systems (Victor and Cullen 1987). A salesperson's perception of ethical climate comes into play when that salesperson is faced with an ethical problem. The problem may encompass a trust violation, the observation of questionable behavior of others, or perceptions of how

customers are treated (Babin et al. 2000). For example, peers who are perceived as unscrupulous might suggest a poor ethical climate (Robin and Reidenbach 1987).

A firm's ethical climate has an impact on other important variables. Babin et al. (2000) reported that ethical climate was related to role stress, job satisfaction, and organizational commitment.  A more ethical climate yields less role stress, greater job satisfaction and greater organizational commitment. Schwepker (2001) reported similar results between ethical climate and job satisfaction and organizational commitment.  Further, an organization's ethical climate drives its values and energizes expected behaviors and has been demonstrated to influence employee ethics (Winbush and Shepherd 1994; Verbeke et al. 1996).

Valentine and Barnett (2003) contend that employees of any type prefer to work in companies with positive ethical climates, a contention corroborated by McFarland (2003).  If salespeople feel compelled to engage in questionable tactics, increased turnover is one of many negative consequences that may occur.  Sparks and Johlke (1996) view this phenomenon from a students' perspective, observing that students might reject sales careers if they are perceived to have ethical challenges.  Thus, if salespeople view the sales organization as unethical, then they may voluntarily leave or exhibit higher intentions to leave (e.g. Mulki, Jaramillo, and Locander 2006; Weeks, et al. 2006; Weeks, et al. 2004). This perspective is not new; as Dubinsky and Levy (1985) observed that salespeople employed in "ethically challenging" situations can become frustrated, potentially leading to higher turnover.

While the relationship of ethical climate to turnover has been documented, what needs further explanation is the mechanism by which ethical climate influences turnover and other important organizational variables. In this paper, we explore the moderating role of ethical climate on salesperson turnover, partly in answer to Babin et al.'s (2000) call for more research relating ethical climate to other pertinent organizational constructs.

Since we are exploring a moderating role for ethical climate, we examine the impact of ethical climate on turnover in the presence of variables not normally associated with turnover in sales research but for which relationships have been identified in other settings. In addition, we examine variables that are often associated with turnover in the literature, but that association may be influenced by ethical climate.

Self-Efficacy

Self-efficacy, or one's perceptions about ability to successfully complete specific tasks (Bandura 1986), has been called the "foundation of human performance" (Peterson and Arnn 2005, p. 5). When individuals believe they can accomplish a task, they may engage that task when rewards outweigh costs. Bandura's social cognition theory considers self-efficacy and personal goals as two of the fundamental motivating factors in an individual's choice to engage in (work) behavior (e.g. Bandura and Locke 1998). Thus, self-efficacy is both personal and situational, in that the concept serves to understand the person/situation interaction through the individual's perceptual processes. Self-efficacy has been used in many theories to explain human behavior, ranging from how individuals respond to fear appeals (e.g. Rippetoe and Rogers 1987) to how salespeople handle failure (e.g. Srivistava and Sager 1999).

Recently, sales researchers have begun to focus on the important role of self-efficacy in understanding salesperson behavior. Sager, Strutton, and Johnson (2006) found that high self-efficacy perceptions were the common element in core self-beliefs that predicted performance. Earlier research found that high self-efficacy salespeople are more likely to apply problem-solving approaches to difficult sales situations, as opposed to avoiding such situations (Srivistava and Sager 1999). Self-efficacy perceptions may play a role in salespeople's strategies for coping with the difficulties of the sales position (Chowdury 1993). Research in sales also shows self-efficacy to be related to adaptive selling, goal setting, and

performance (Brown, Cron, and Slocum 1998; Spiro and Weitz 1990; Sujan, Weitz, and Kumar 1994).

Few studies have examined the relationship of self-efficacy and turnover. Among public accountants, self-efficacy has been found to be related to turnover, though positively (Peterson and Arnn 2005). Similarly, Mone (1994) in a study regarding downsizing, found a direct positive relationship between self-efficacy and intention to leave the downsizing company, as did Troutman et al. (2000). Troutman et al. (2000) and Peterson and Arnn (2005) argue that high self-efficacy employees will tend to leave the company because they believe that their ability to achieve can be better utilized elsewhere. Contrarily, Jex and Gudanowski (1992) indicate that there is no correlation between individual self-efficacy and propensity to leave in a study of university employees. No relationship has been identified in sales research (Shoemaker 1999), though several have expected a negative relationship to exist (e.g. Bartol 1999; Schwepker and Good 1999).

While Shoemaker (1999) found no relationship, non-significant results may have been a function of both high and low self-efficacy salespeople reporting higher intentions to leave than a middle group. Low self-efficacy may lead to intentions to find another career, while high self-efficacy may lead to intentions to find a better sales position. Further, these relationships should be exacerbated by ethical climate; as ethical climate worsens, the likelihood that both high and low self-efficacy salespeople will report intentions to leave should increase. Thus, we hypothesize two relationships:

H1: Ethical climate moderates the self-efficacy/propensity to leave relationship such that high self-efficacy salespeople will report greater propensity to leave under poor (low) ethical climate conditions.

Career fit

According to Edwards (1991) and Kristof (1996), person-job fit refers to the level of compatibility that an individual has with his/her job. Singh and Greenhaus (2004) distinguish

between the demands-abilities fit (knowledge, skills and ability to perform work) and supplies-values fit (fit between person's need, values and preferences). They further enlarge the analysis by introducing the notion of person-career fit. This perception of career-fit should be positively correlated with one's ability to carry out specific tasks within the position – a perception of a lack of fit should lead to turnover. Yet, such a perception could be moderated by a lack of fit with ethical climate. A poor ethical climate may be more likely to engender concerns about career-fit, thus strengthening the relationship with propensity to leave.

H2: There is a negative relationship between job career fit and propensity to leave that is moderated by ethical climate such that the relationship is stronger in a low ethical climate.

Role Overload

Role overload is an important but somewhat under-studied dimension of role stress. According to Kahn et al. role overload appears when a person must perform "a wide variety of tasks…but it may be virtually impossible for the focal person to complete all of them within a given time limits" (Kahn et al.1964, page 20). According to a study conducted by Cummings (2001), role overload is becoming more frequent among salespeople, with serious consequences on the quality of life.

Recognizing that salespeople are boundary spanners, or operate across the boundary of the selling organization into the customer's organization (e.g. Donnelly and Ivancevitch 1975, Singh and Rhoads 1991), the role overload experienced by a salesperson will probably have an impact on relationships with several agents: customer, manager and family. If faced with too many tasks, one way to cope is to engage in less-desirable, from the organization's standpoint, behavior such as selling products which are the easiest to sell though perhaps the lowest margin, contacting the friendliest rather than the most important clients, or avoiding customers. If these behaviors prohibit the salesperson from achieving quota, then it may be impossible to obtain good remuneration. Further, some of these negative behaviors are contrary to the dramatic evolution from a goods orientation to service (Vargo and Lusch,

2004). In any event, a sales rep with severe role overload is likely to leave the company in order to avoid the negative consequences associated with role overload. According to several works conducted in psychological research (e.g. Lee and Ashforth, 1996) and in the field of sales (Rhoads et al.1994, Verbeke, 1997) staying in such a situation can lead to burnout. In their meta-analysis, Griffeth et al. (2000) indicate a positive correlation between turnover and role overload.

The relationship between role overload and propensity to leave is controversial. In their model, Wudner et al. (1982) consider role overload an antecedent of intention to leave, mediated by job satisfaction and organizational commitment. This relationship between role overload and turnover was supported by Dubinsky et al. (1990) while Netermeyer et al.'s (1995) study failed to find a significant path between role overload and outcomes such as satisfaction, organizational commitment, or propensity to leave. Thus, the question of role overload and propensity to leave remains open. Further, we again would expect that the effects of role overload on intentions to leave would strengthen in the presence of a poor ethical climate. Thus we hypothesize:

H3: Ethical climate moderates the relationship between role overload and propensity to leave such that salespeople experience role overload are more likely to report greater intentions to leave in unethical conditions.

Job Satisfaction

Job satisfaction can be defined as an attitude regarding how well someone likes or dislikes a job (Churchill, Ford, and Walker 1976). In their meta-analysis, Brown and Peterson (1993) found 19 studies presenting a relationship between job satisfaction and propensity to leave. They reported a significant relationship between these two concepts but they consider organizational commitment to be a mediator of the relationship between satisfaction and propensity to leave. Since their work, several sales studies (e.g. Jones et al. 1996; Boles et al. 1997; Naumann 2000; Mulki et al. 2006) have confirmed a negative relationship between

salespeople's job satisfaction and propensity to leave, including salespeople in a call center (Tuten et al. 2004).

Churchill, Ford and Walker (1976) concluded that job satisfaction is primarily a function of the organizational climate created by company practices and policies. As one might expect from their conclusion, studies involving salespeople find that ethical climate is related to job satisfaction (e.g. Jaramillo et al. 2006; Mulki et al. 2006). Note that those studies consider job satisfaction, as we do, as a global measure of satisfaction, rather than a sum of job dimensions such as satisfaction with the organization, with management, or with tasks.

In a positive ethical environment, job satisfaction may be irrelevant to the decision to leave; rather, salespeople may leave for more money, personal considerations, or other factors. In a negative ethical environment, however, the relationship of job satisfaction to propensity to leave should be exacerbated. Thus, we hypothesize:

H4: Ethical climate moderates the relationship between job satisfaction and propensity to leave such that the effects of job satisfaction on propensity to leave are significant only under the low (poor) ethical climate condition.

Performance

Salespeople who fail to sell will be terminated. Further, if quotas are set too high, salespeople will fail and are likely to leave on their own (Wotruba and Tyagi 1991). Brown and Peterson (1993), in a meta-analysis of sales findings, concluded that failure to perform is a common cause of turnover. Yet, the findings regarding self-efficacy and propensity to leave reported by Peterson and Arnn (2005) among public accountants also raises the question of a curvilinear relationship – the best salespeople can leave because they can find better jobs and may explain the failure of some studies of salespeople to find a relationship between performance and propensity to leave (e.g. Futrell and Parasuraman 1984). A similar curvilinear relationship was identified in a study of salespeople by Tanner and Castleberry

(1990). Eighteen months after an initial survey regarding relationships with managers, they found that high performing salespeople with poor relationships with their managers were very likely to have left while low performing salespeople were terminated.

A similar relationship is expected here. High performing salespeople selling in an undesirable ethical climate who are, themselves, ethical can leave more easily than moderately performing salespeople. Low performing salespeople are more likely to turn (be terminated or quit) simply because they cannot perform. Thus, we expect ethical climate to influence the relationship of performance such that salespeople in a poor ethical climate are more likely to report intentions to leave as their performance improves.

H5: The relationship between performance and propensity to leave is moderated by ethical climate, such that in poor ethical conditions, high performing salespeople are more likely to report greater propensity to leave while in positive ethical conditions, low performing salespeople are more likely to leave.

## Method

### Sample

The data were collected from a convenience sample of salespeople who participated in an unrelated project at a European university. Each salesperson received a questionnaire and could return it by regular mail using a pre- or completely it directly on the web.  A little more than half, or 51% of them, chose traditional mail, with replies from either method being strictly anonymous. Out of 132 questionnaires obtained, two were deleted because of missing data. This sample is both composed of salespeople selling direct to consumers (61%) and to businesses, and is mainly composed of men (75%). Most of the sample (51%) has been with their present company between 2 and 9 years and 52% of them have been in the selling function for less than four years. All respondents are from different companies.

### Measures

To measure **self efficacy** we used the scale recently developed by Krishnan et al.(2002) in a selling context. Composed of 4 items (Likert scale, 5 points), the scale was

derived from the scales originally developed by Sujan et al.(1994) and Chowdury (1993). Reliability is acceptable ($\alpha$ = .80).

The **role overload** scale consisted of six items (Harris and Bladen, 1994) which includes the four item scale developed by Beehr, Walsh, and Taber (1976). The original role overload scale was used in a sales context by Singh (1998) and show good psychometric properties. Reliability was acceptable in this study ($\alpha$ =.80).

The measure of the "**person-career fit**" is derived from the one used to measure "person-job fit." According to Singh and Greenhaus (2004), there are two ways to measure fit. The first compares different facets of the concept (e.g. job facets or career facets) with the desire of the individual. Singh and Greenhaus (2004), however, recommend using a second approach, "to conduct a global assessment rather than specific attributes" (page 208). Originally used in situations involving new hires, we adapted the measure to consider career fit (for example "I have a good fit in my new job" becomes "I have a good fit in the selling career"). This four-item scale was found to be reliable ($\alpha$ = .79).

Because the respondents came from different companies, a measure of **performance** which can be adapted to all the situations was required; for example, some firms do not use quotas. The measure used was developed by Babakus, Cravens, Johnston and Moncrief (1996) and is consistent with Chonko et al.'s (2000) recommendation for multiple subjective items. The scale is composed of six items (see Table 1) and used a five point scale ranging from "outstanding" to "needs improvement" is a self-reported evaluation. Reliability is acceptable ($\alpha$ =.74).

---------------------------Insert Table 1 Here -------------------------

The scale selected for measuring **satisfaction** is a short form of the initial scale developed by Brayfield and Roth (1951). This six item version was developed by Agho et al. (1992). In a sales context, the scale is similar to the approach used by Teas (1981), as well as

more recently by Babin and Boles (1998). According to Babin and Boles, "the items reflect overall satisfaction and not any specific dimension of satisfaction" (1998, page 81). Because of a problem with reliability we deleted one item (item 4), leaving five items (alpha = .81).

Finally for **ethical climate,** the scale used was developed by Schwepker et al. (1997) where they ask about the presence and enforcement of ethical climate (such as code of ethics and corporate policies). This scale, composed of seven items, has been used in several sales studies (Schwepker 2001; Schwepker and Good 2004; Weeks et al. 2004; Weeks et al. 2006; Mulki et al. 2006, Jaramillo et al. 2006). Reliability was acceptable ($\alpha$ = .85).

**Propensity to leave** was measured using Donnelly and Ivancevitch's (1975) scale. This scale has been extensively used in sales area (e.g. Singh, Verbeke, and Rhoads, 1996; Roberts, Coulson and Chonko 1999). Reliability in this study was acceptable ($\alpha$ =.87).

Confirmatory factor analysis was conducted to test the structure of the measures and to assess convergent and discriminant validity. The tests were based on the covariance matrix and the maximum likelihood method using Lisrel 8 (Joreskog and Sorbom 1993). Using Cronbach alpha to evaluate reliability resulted in alphas ranging between .74 and .87, above the levels generally required for this kind of research (Nunnally 1978; see Table 2).

----------Insert Table 2 Here -----------

According to Bagozzi, Yi, and Phillips (1991), a construct exhibits substantial convergent validity if the t-test value associated with the factor loading of the variables is above 1.96. For all the items, the t-values were all greater than 1.96, so one can conclude that these constructs have good convergent validity (see Table 2).

According to Bagozzi, Yi, and Phillips (1991), discriminant validity is good if the correlation between two dimensions is not "1". Discriminant validity for all concepts was considered two by two. We compared pair-wise a two-dimensional model to a single dimension. In all the cases the two dimensional model shows a better fit that the single

dimension model, the smallest distance between the two models concerned career fit and satisfaction ($\Delta \chi^2$ = 29, 98, df = 1). All constructs met the criteria for discriminant validity.

**Results for Hypotheses**

Because data were collected both by web and by traditional mail, we tested for differences by mode of collection. T-tests of means indicate, with the exception of propensity to leave (t = 4.44; df = 128; sig = .03) and job career fit (t = 4.41; df = 128; sig = .04) there were no significant differences between the two modes of collection. The results indicate that propensity to leave is highest but career fit is less important when data are collected over the web. The data were then aggregated for further testing.

Descriptive statistics for all variables are presented in Table 1. As we can see from Table 3, mean propensity to leave is not high (2.21) but there is a large standard deviation.

----------------------------------------Insert Table 1 Here -------------------------------------

In order to test examine the research question regarding the moderating role of ethical climate, we created two groups (low perceived ethical climate, high perceived ethical climate) splitting the sample at the median. This procedure placed 66 salespeople into a poor or low ethical climate and 64 in a group who perceive a high or positive ethical climate.

Stepwise regression was then conducted on the full sample, as well as the two sub-samples. A moderating effect would be observed if a variable was significant in one sub-sample but not the other, or if the relationship was different for each sub-sample.

----------------------------------------Insert Table 2 Here -------------------------------------

Self-efficacy (H1) is positively related to PTL when ethical climate is poor, but there is no relationship when ethical climate is high. This finding supports the hypothesis, as salespeople who perceive themselves as capable are more likely to leave in poor ethical conditions. Interestingly, the same positive relationship is significant in the overall sample,

suggesting that more capable (at least in their own eyes) salespeople are more likely to consider leaving, a finding which indicates self-efficacy may be an important influence on propensity to leave.

Person-career fit (H2) is also moderated by ethical climate. In a poor ethical climate, there is no relationship; however, an inverse relationship was observed in the positive ethical climate group. This finding suggests that in a good ethical climate, those who conclude a poor fit with a sales career are more likely to leave, the inverse of what we proposed in H2.

Role overload is positively correlated with propensity to leave in the positive ethical climate group but there is no relationship in the poor ethical climate condition. These findings are contrary to H3, though still indicative of a moderating effect.

H4 concerned job satisfaction. As expected, job satisfaction is inversely correlated to propensity to leave in the poor ethical climate condition. There was no relationship, however, in the positive ethical climate group, supporting H4.

The hypothesis concerning performance (H5) was only partially supported. High performers *are* more likely to consider leaving in a poor ethical climate but there was no relationship in the positive ethical climate group. This lack of relationship in the positive climate is contrary to our expectation that low performers would be more likely to report intentions to leave in a positive climate setting.

## Discussion

The aim of this paper was to explore whether ethical climate could moderate the relationship between variables that may cause turnover and propensity to leave. This study supports Mulki and Jaramillo's work (Jaramillo et al. 2006; Mulki et al. 2006) in that we conclude that ethical climate is a key factor in understanding turnover. However, we propose a different form of relationship, suggesting that ethical climate acts as a moderator, a role

supported by the data. In general, it appears that the effect of EC is more complex than first thought.

As expected, ethical climate is an important moderator of the relationship between **self-efficacy** and propensity to leave. When ethical climate is low, the relationship between self-efficacy and propensity to leave is significant; this relationship is not found when ethical climate is high. From these findings, we conclude that people who are aware of their abilities to perform sales tasks prefer to work in companies where the ethical conditions are good, supporting H1. If self-efficacy is high but the conditions are poor, those salespeople may be more confident in finding better conditions.

Conversely, **person-career fit** is negatively correlated with propensity to leave when perceived ethical climate is high, which means that people who have a good fit with sales career are much less likely to leave their company when ethical conditions are good. However this relationship is not supported when perceived ethical climate is low, supporting H2.

The observed relationship of ethical climate and **role overload** with propensity to leave was the opposite that was hypothesized. Ethical climate does appear to moderate the relationship but not in the manner expected. We expected to find greater role overload leading to greater PTL in the negative EC condition, but we found that greater role overload had a stronger effect on PTL in the positive EC condition. There are two potential explanations. One possibility to cope with too much work and, for example, to reach quantitative objectives and quotas is to sell with unethical practices, especially if such practices are supported by the sales manager (Schwepker and Good, 2004). Thus, a coping strategy for role overload may be to sell unethically, which may lead someone to try to stay in a poor ethical climate. In a positive ethical climate, an overloaded salesperson may seek other employment to escape the role overload. An alternative explanation is that the negative ethical climate itself is overwhelming the effect of role overload.

As expected, **job satisfaction** was significantly related only in the poor ethical climate condition. While this result is supportive of findings by others regarding the importance of organizational culture, the importance is the recognition of the type of organizational culture that supports retention of salespeople.

In addition, **performance** is negatively correlated with propensity to leave when ethical climate is low.  In the case of low ethical climate, the best performers want to leave the company; however, when perceived ethical climate is high, there is no significant relationship between performance and propensity to leave, supporting H5.

**Management Implications**

This study indicates the positive effects of ethical climate in the reduction of dysfunctional turnover. Further, our findings contradict those of Futrell and Parasuraman (1984) who suggested that investing in the working environment may not be the best way to decrease turnover rate of the best performers. Building an ethical climate will tend to reduce the intention of good performers to leave the company.

Creating a positive ethical climate can aid in the retention of good performers. This strategy of developing a positive ethical climate will have positive impact on turnover that should also support Weeks et al. (2004, p. 203) position that "ethical business practices have consistently been found to be more profitable than unethical ones." A favorable ethical climate should increase profitability through reducing costs associated with turnover and by retaining high performers.

These results further suggest that a favorable ethical climate could also influence the recruitment of salespeople. If high performers prefer a favorable climate, then such a climate should also attract the better performers.

**Research implications**

The lack of a relationship in the negative EC condition for role overload begs further investigation. Role overload could create pressure to engage in unethical behavior, which may explain the lack of significant relationships in the poor EC condition; however, this explanation warrants additional research.

Role overload's relationship with self-efficacy and career fit should also be considered; role overload may signal to the salesperson low self-efficacy and/or poor career fit. Yet, if that were true, we would expect similar results for role overload as observed with self-efficacy and career fit and we did not. Thus, further work is needed to understand the nature of self-efficacy and career fit.

We observed that strong performers and those with high perceptions of self-efficacy are more likely to be influenced to want to leave by a negative ethical climate. We argue that ethical climate is an important organizational characteristic but there are others that may also influence propensity to leave. Fit and perceptions of efficacy may be mechanisms by which one interprets one's place in the organization and may be very central to PTL; however, more work is necessary to understand the relative importance of these variables. It appears, though, that the importance of these variables is also a function of ethical climate.

A limitation of this study is inherent in this single sample. The study needs replication to be sure that the moderating role of ethical climate could be validated in other contexts. For example, it would be worthwhile to consider whether the moderating role of ethical climate could vary across several variables such as countries, industries, type of sales or selling context.

Wimbush and colleagues (e.g. Wimbush et al. 1997) argue that ethical climate is multi-dimensional, and can be composed of several aspects such as caring, laws and rules, and other dimensions. One potentially fruitful way of research would be to see if all these dimensions have the same moderating role when considering the relationships we have tested.

**CONCLUSION**

This study demonstrates the moderating role played by ethical climate on factors that influence turnover. An important observation is that the intention to leave the company increases among more able performers under negative ethical climate conditions. This study is a call for companies to develop the condition of a positive ethical climate; the result should be less turnover which should improve financial performance for the firm.

Figure 1 : Theoretical Framework
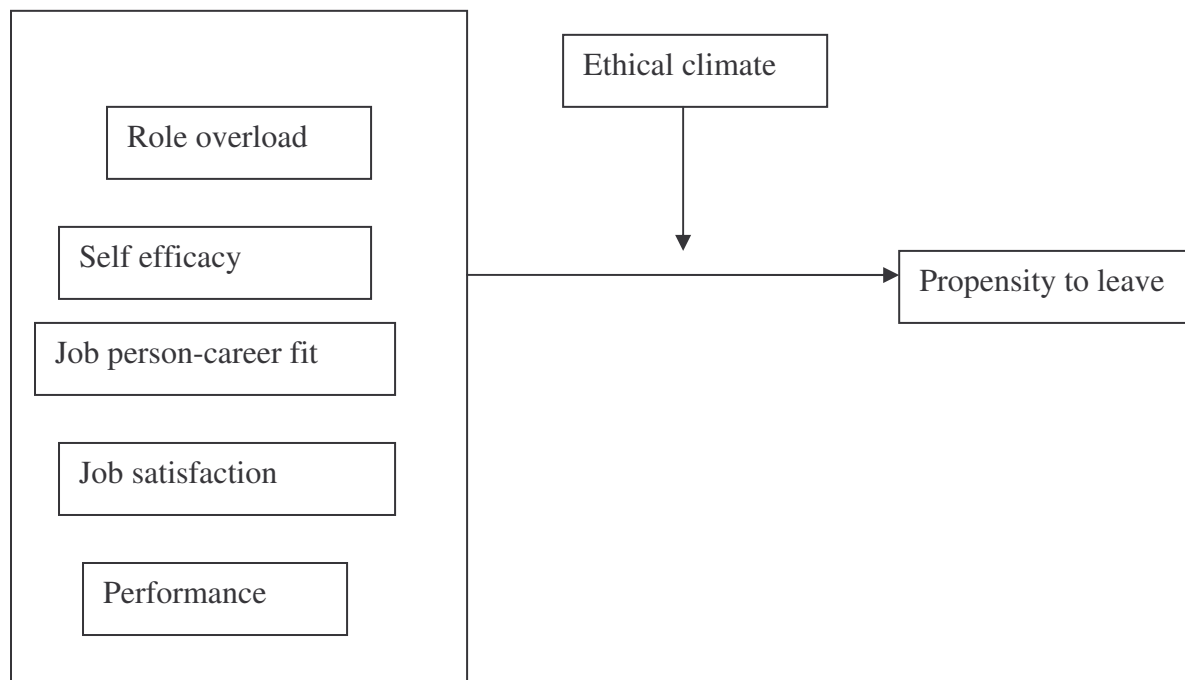
**Table 1: Means, standard deviations, reliability and intercorrelations of all variables included in the study**

| Variables | M | SD | α | Range | t values | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. Role overload | 3.10 | .72 | .80 | 6 - 25 | 5.09 to 8.99 | 1 | | | | | |
| 2. Self-efficacy | 4.14 | .54 | .80 | 4 – 20 | 6.72 – 10.77 | .08 | 1 | | | | |
| 3. Person – career-fit | 3.88 | .68 | .79 | 9 – 25 | 6.05 to 11.38 | -.02 | .60** | 1 | - | - | |
| 4. Job satisfaction | 3.94 | .63 | .81 | 9 - 25 | 6.51 to 9.38 | -.03 | .53** | .60** | 1 | | |
| 5. Performance | 3.63 | .61 | .74 | 11 - 29 | 2.47 to 10.40 | -.03 | .32** | .34** | .24** | 1 | |
| 6. Propensity to leave | 2.21 | 1.11 | .87 | 3 - 15 | - | .05 | -.03 | -.26** | -.40** | .05 | 1 |
| 7. Ethical climate | 3.47 | .87 | .85 | 12 - 35 | 3.77 to 12.10 | .13 | .18 | .14 | .13 | - .01 | -.23** |

(**p <.01 ; *p < .05)

## Table 2 Result of the regression analysis

| Variables | Total sample n = 130 | | | Low Ethical Climate n= 66 | | | High Ethical Climate n= 64 | | |
|---|---|---|---|---|---|---|---|---|---|
| | B | t | sig | b | t | sig | b | t | Sig |
| Role overload | .03 | .36 | ns | .09 | .08 | ns | .26 | 2.10 | .04 |
| Self-efficacy | .27 | 2.77 | .00 | .30 | 2.50 | .01 | .16 | 1.05 | Ns |
| Person – career-fit | -.17 | -1.47 | .ns | -.09 | -.60 | ns | -.33 | -2.62 | .01 |
| Job Satisfaction | -.55 | -5.74 | .00 | -.65 | -5.60 | .00 | -.08 | -.51 | ns |
| Performance | .14 | 1.67 | ns | .27 | 2.60 | .01 | .02 | .15 | ns |
| R2 | .21 | | | .35 | | | .13 | | |

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