

An Investigation of Antecedents and Outcomes of Ethical Leadership in the Salesforce

James DeConinck
Western Carolina University

Mary Beth DeConinck
Western Carolina University

ABSTRACT

Unethical behavior at major corporations has shown the need for ethical leadership. This study examined antecedents and outcomes of ethical leadership among a group of 37 sales managers and 197 salespeople. A model was tested analyzing the relationship among moral identity, ethical leadership, ethical climate, perceived organizational support (POS), and turnover intentions using structural equation modeling. The findings indicated that moral identity is an antecedent to ethical leadership. Ethical leadership is a direct predictor of ethical work climate and POS and an indirect predictor of turnover intentions. Ethical climate is a direct predictor of turnover intentions. This study makes an important contribution to the existing literature on salesforce leadership by showing the impact of ethical leadership on salespersons' job attitudes.

Keywords – Ethical leadership, Ethical Work Climate, Moral Identity, Perceived Organizational Support, Turnover Intentions

Copyright statement: Authors retain the copyright to the manuscripts published in AABRI journals. Please see the AABRI Copyright Policy at <http://www.aabri.com/copyright.html>

INTRODUCTION

The recent unethical behavior involving leaders at Wells Fargo (Verschoor, 2016) and Volkswagen (Jacobs and Kalbers, 2019) indicates the need for developing an ethical work climate. These business scandals have created an increased emphasis on developing ethical leaders. Ethical leadership is “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (Brown, Treviño, and Harrison, 2005, p. 120). Organizational leaders create ethical guidelines and influence subordinates’ behavior by rewarding ethical behavior and punishing unethical behavior (Brown and Mitchell, 2010). Ethical leadership has been an important area of research for the last ten years because of its relationship to positive employee attitudes and behavior (Eva, Newman, Miao, Wang, and Cooper, 2020; Mayer, Kuenzi, and Greenbaum, 2010; Neubert, Wu, and Roberts, 2013; Newman, Kiazad, Miao, and Cooper, 2014).

Ethical leadership is especially important in professional selling. The ability of an organization to attract and retain customers is a function of having an ethical sales force (Ingram, LaForge, and Schwepker, 2007). In addition, salespeople often work without direct supervision and can be vulnerable to ethical dilemmas. Last, salespeople often are given a quota, which can lead to unethical behavior in order to make the quota.

This study makes an important contribution to our existing understanding of ethical leadership by examining how moral identity influences ethical leadership and subsequently how ethical leadership directly effects perceived organizational support and ethical work climate and is related indirectly to turnover intentions. Moral identity is “a self-conception organized around a set of moral traits” (Aquino and Reed, 2002, p. 1424). It refers to the degree to which people see themselves as being ethical. Leaders who are viewed as having high moral identity display similar traits as leaders who are perceived as ethical (caring, trustworthy, fair) (Zhu, Treviño, and Zheng, 2016). Thus, moral identity should be related to ethical leadership. However, no study has examined this relationship with salespeople. Given the uniqueness and potential ethical conflicts associated with a salesperson’s job and the need for ethical leadership, a need exists to examine if moral identity influences ethical leadership.

While prior research has provided important insights into understanding outcomes of ethical leadership, limited research has examined the relationship between ethical leadership and two important outcome variables, ethical climate and perceived organizational support (POS). POS, the extent to which the organization cares about its employees and values their contributions, has been an important area of research for many years (Eisenberger, Huntington, Hutchinson, and Sowa, 1986). POS is related positively to job satisfaction, organizational commitment, organizational citizenship behavior, and related negatively to turnover intentions (Kurtessis, Eisenberger, Ford, Buffardi, Stewart, and Adis, 2017). The recent meta-analysis by Kurtessis et al. (2017) reported that the leadership styles of consideration, transformational, and leader-member exchange were antecedent variables related significantly to POS. However, no study was reported that analyzed the relationship between ethical leadership and POS. In addition, only one study has included ethical leadership, ethical climate, and turnover intentions in a single model (Demirtas and Akdogan, 2015). No study could be found that has examined how ethical leadership influences salespersons’ perception of their work climate, although some research has reported that ethical leadership is related to ethical work climate with other groups of employees (Engelbrecht, Wolmarans, and Mahembe, 2017; Hansen, Dunford, Alge, and

Jackson, 2016; Kuenzi et al., 2020; Mayer, Aquino, Greenbaum, and Kuenzi, 2012). One of the purposes of this study is to examine if sales managers who are viewed as ethical leaders influence salespersons' perception of an ethical work climate. The literature review and hypotheses to be tested are presented in the next section.

LITERATURE REVIEW

Ethical leadership

Some of the first research into defining ethical leadership was conducted by Treviño and colleagues (Treviño, Brown, and Hartman, 2003, Treviño, Hartman, and Brown, 2000). This research indicated that ethical leaders could be defined from two perspectives: the moral person and the moral manager. A moral person is trustworthy, honest, fair, approachable, shows concern for other people, and is moral in both his or her professional and personal life (Brown and Mitchell, 2010).

Moral managers serving as a role model are proactive in promoting ethical behavior in the organization. They establish and communicate regularly expectations regarding ethical behavior in the workplace and use rewards and punishments to ensure that employees follow ethical guidelines. Strong moral managers are role models for employees based upon their own behavior and how they reward or punish ethical/unethical behavior. They model their behavior to meet high moral standards. Ethical leaders are role models because they possess status, power and credibility (Brown and Treviño, 2006).

Based on the aforementioned research and additional research, Treviño and colleagues used social learning theory to conceptualize ethical leadership (Bandura, 1977; 1986). According to social learning theory, individuals learn proper behavior by observing others (role modeling). They imitate the behaviors, attitudes, and values of credible and attractive models (Brown and Treviño, 2006). By observing the behavior of the supervisor, employees will be influenced to behave ethically or unethically. When a leader shows caring and concern for employees, followers will perceive a leader as caring and concerned for their well-being and they will reciprocate that leader's support with beneficial organizational behavior.

In addition, the manner in which the supervisor uses rewards and punishments will influence how employees behave. Ethical behavior will increase when subordinates see their manager rewarding ethical behavior and punishing unethical behavior. However, rewarding or failing to punish employees who behave unethically will send a message that such behavior is appropriate (Brown and Mitchell, 2010). Therefore, as a role model, managers play an important role in determining what employees perceive as appropriate behavior.

Moral Identity

Moral identity is built around moral traits (helpful, honesty, caring, and generous) and influences peoples' attitudes, beliefs, and behaviors. Aquino and Reed (2002) proposed that moral identity is comprised of two aspects: internalization (the private component that is reflected in a person's beliefs, behaviors, and actions in the world) and symbolization (a person's willingness to convey his or her moral personality to other people through how they act). People high in moral identity internalization participate in moral actions and behave more ethically than other people (Mayer et al., 2012). Individuals high in moral identity symbolization partake in

public actions that characterizes their moral identity (Aquino, Freeman, Reed, Lim and Felps, 2009).

Brown and Mitchell (2010) recommended more research into the relationship between moral identity and ethical leadership. Intuitively, moral identity should be related to ethical leadership. Ethical leaders possess attributes incorporated into moral identity. Leaders high in moral identity behave morally and do not compromise their ethical principles (Colby and Damon, 1992). They participate in behaviors related to ethical leadership. For example, ethical leaders behave ethically in their personal and professional lives either for external reasons to display their moral principles to other people (symbolization) or internally because they view themselves in moral terms (Zhu et al., 2016). They discuss ethics with their employees and are role models for their employees in their behavior. They reward ethical behavior and punish unethical behavior (Brown, Treviño, and Harrison, 2005). They show concern for their subordinates and make fair decisions. All these characteristics are aspects of ethical leadership (Zhu et al., 2016).

While the number of studies analyzing the relationship between ethical leadership and moral identity is limited, these studies do indicate that moral identity is an antecedent to ethical leadership (Mayer et al., 2012; Qin, Huang, Hu, Schminke, and Ju, 2018; Sanders, Wisse, Van Yperen, and Rus, 2018; Zhu et al., 2016). However, none of these studies involved salespeople.

H1: Moral identity is related positively to ethical leadership.

Ethical Climate

Organizations have many work climates one of which one is ethical work climate (Simha and Cullen, 2012). Ethical climate is a subset of the organization's climate (Treviño, Butterfield, and McCabe, 1998). Ethical climate is 'the prevailing perceptions of typical organizational practices and procedures that have ethical content' (Victor and Cullen, 1988, p. 101). Employees' perceptions of right or wrong behavior in the organization's workplace are influenced by the ethical climate, which establishes norms of behavior (Babin, Boles, and Robin, 2000) and impacts ethical decision-making and behavior in the organization (Martin and Cullen, 2006). Research has reported that ethical climate is related to job satisfaction (Briggs, Jaramillo, and Weeks, 2012), organizational commitment (Neubert, Carlson, Kacmar, Roberts, and Chonko, 2009; Weeks, Loe, Chonko, and Wakefield, 2004), supervisory trust (Mulki, Jaramillo, and Locander, 2006), organizational identification (DeConinck, 2011), superior customer value (Schwepker, 2013), organizational justice (Burton, Welty Peachey, and Wells, 2017), higher performance (Mulki, Jaramillo, and Locander, 2009) and turnover intentions (Fournier, Tanner, Chonko, & Manolis, 2010).

The behavior of the leaders of an organization is the most important determinant of its climate (Stringer, 2002). Organizational leaders influence the organization's ethical work climate by establishing clear expectations of ethical conduct, supporting the organization's values by using rewards and punishments, and by coaching, supporting, and mentoring subordinates regarding ethical behavior (Grojean, Resick, Dickson, and Smith, 2004; Schminke, Ambrose, and Neubaum, 2005). By incorporating team spirit, and an appreciation of social responsibility among employees, organizational leaders can create a more ethical climate (Elci and Alpan, 2009).

An organization's ethical climate impacts employee ethics (Wimbush and Shepard, 1994). Ethical leaders emphasize the significance of moral behavior, which will have a positive impact on a firm's ethical climate (Engelbrecht, Van Aswegen and Theron, 2005). Because ethical leaders emphasize the importance of ethics when making decisions (doing what is right), they are in a unique position to nurture an ethical work climate (Mayer et al., 2010). Organizational leaders are viewed as appropriate role models for normative behavior.

Based on social learning theory (Bandura, 1986), Mayer et al. (2010) proposed that ethical leaders influence the organization's ethical work climate. Based on their status and power, subordinates view their manager as a role model for ethical behavior (Brown and Treviño, 2006). Employees learn appropriate behavior by observing the behavior of organizational leaders. Acting as a role model, managers who are ethical leaders indicate to subordinates that ethical behavior is valued and expected. Ethical leaders are more likely to implement training practices and openly discuss the value of ethical behavior because they believe in the importance of actively managing ethics (Brown and Mitchell, 2010). They will perceive that the organizational climate is one that emphasizes ethical values. In addition, by using rewards for ethical behavior and punishment for unethical behavior the ethical leader indicates expected behavior (Brown and Treviño, 2006). Last, ethical leaders emphasize hiring people with high moral standards.

Research has indicated that ethical leadership is an antecedent to ethical climate for employees in non-sales related positions (Engelbrecht et al., 2017; Hansen et al., 2016; Kuenzi et al., 2020; Mayer et al., 2012; Neubert et al., 2009).

H2: Ethical leadership is related positively to ethical climate.

Perceived Organizational Support

Perceived organizational support (POS) has been analyzed extensively for almost 35 years. Eisenberger et al. (1986, p. 501) defined (POS) as "the extent to which employees perceive that their contributions are valued by their organization and that the firm cares about their well-being." Similar to ethical leadership, the norm of reciprocity (Gouldner, 1960) and social exchange theory (Blau, 1964) are the basis of POS. According to the norm of reciprocity, individuals will respond to another in kind (i.e. returning a benefit or favor when one receives a benefit or favor from another person). When employees perceive increased support from the organization, they will exert increased effort to help the organization to achieve its objectives and goals leading to increased rewards (Kurtessis et al., 2017). Employees will experience greater organizational commitment and an increased expectation of being rewarded for high performance, which leads to increased loyalty and extra-role and intra-role performance that is helpful to the organization (Rhoades and Eisenberger, 2002).

Social exchange theory also is an integral component of ethical leadership. Blau defined social exchange as "voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others" (1964, pp. 91–92). In contrast to economic exchanges that involve, for example, pay for work performed, social exchange relationships stimulate greater feelings of gratitude, trust, and reciprocity. The relationship is long-term, involves a high level of trust and obligation, and stresses socio-emotional characteristics of the relationship (Shore, Tetrick, Lynch, and Barksdale, 2006). Social exchange

relationships involve the parties working for a future unspecified reward, whereas economic exchanges involve receiving reciprocation now.

Two recent meta-analyses (Bedi, Alpaslan, and Green, 2016; Ng and Feldman, 2015) have shown that ethical leadership is related positively to job satisfaction, organizational commitment, supervisory trust, and organizational citizenship behavior, while related negatively to turnover intentions. Interestingly, these authors reported no study that investigated the relationship between ethical leadership and perceived organizational support (POS). A third meta-analysis examining correlates of POS also reported no study that has examined the relationship between POS and ethical leadership, although POS was reported to have a significant correlation with other leadership styles (Kurtessis et al., 2017). Intuitively, because ethical leaders care about their employees' well-being and treat them fairly, based on the norm of reciprocity (Gouldner, 1960) employees will respond through positive work behavior (Brown et al., 2005). They will perceive a moral obligation to reciprocate the support by the organization through the ethical leader (Eva et al., 2020). In an organizational context, when an ethical leader displays concern for employees' well-being, these employees will reciprocate that behavior in a manner that benefits the organization.

Social exchange relationships develop between the supervisor and the employee and is an essential component of POS (Eisenberger, Stinglhamber, Vandenberghe, Sucharski, and Rhoades, 2002). Ethical leaders are agents who represent the organization in the exchange relationship between employees and itself (Coyle-Shapiro and Shore, 2007). They are role models for the organization who are viewed as meeting employees' socio-emotional needs (Brown et al., 2005).

Ethical leaders adhere to creating a working environment where concern and care for employees are important and their work is valued by the organization. This type of work culture will create a belief among employees the ethical leader is a representative of the organization who supports and rewards their efforts (Loi, Lam, Ngo, and Cheong, 2015).

Two recent studies (Eva et al., 2020; Wang and Xu, 2019) reported a positive relationship between ethical leadership and POS. However, both studies involved Chinese managers. No study could be found involving American employees that has analyzed the influence of ethical leadership on employees' POS. Given the importance of POS in work-related outcomes and behavior, additional research investigating how ethical leadership influences POS is warranted. The following hypothesis will be tested.

H3: Ethical leadership is related positively to POS.

One additional hypothesis will be tested. Research indicates that POS is an antecedent to turnover intentions (Kurtessis et al., 2017; Rhoades and Eisenberger et al., 2002).

H4: POS is related negatively to turnover intentions.

Does the presence of an ethical climate lead directly to turnover intentions? This question is somewhat difficult to answer. Only one study could be found that investigated the direct relationship between ethical climate and turnover intentions (Demitras and Akodan, 2015). However, additional studies have reported that ethical climate is correlated significantly with turnover intentions (Friend, Jaramillo, and Johnson, 2020; Mulki, Jaramillo, Locander, 2006;

2008; Mulki and Lassk, 2019). Based on the results reported in these other studies ethical climate is hypothesized to be an antecedent to turnover intentions.

H5: Ethical climate is related negatively to turnover intentions.

RESEARCH METHODOLOGY

Data were collected from a national firm. An email message was sent from the company requesting that each sales manager and salesperson complete the survey online from the researchers in this study. Each person was promised confidentiality. The sales managers completed statements related to moral identity. All other parts of the questionnaire were completed by the salespeople. A total of 37 sales managers (82.2%) and 197 (78.2%) salespeople completed the questionnaire. The average age of the salespeople was 37.2, the average sales experience with the company was 9.2 years; 92 (46.7%) salespeople had worked for the company between 1 and 5 years; a majority of the salespeople was male (122 – 61.9%); and most of them had attended college for at least two years (181 – 91.9%). All salespeople were compensated on a salary/commission basis. Most of the sales managers had either a four year or graduate degree (30 – 81.1%); they had worked as a sales manager for 8.7 years and the number of salespeople supervised ranged from 4 to 7 with the average number being 5.6.

Measures

The survey items appear in the appendix. All items were measured using a five-point Likert scale (strongly disagree to strongly agree). Ethical Leadership was measured using the 10 – item scale developed by Brown et al. (2005). Moral Identity was measured using the internalization subscale of the Self-Importance of Moral Identity Scale developed by Aquino and Reed (2002). While moral identity consists of both internalization and symbolization, as has been done with other studies (Johnson and Umphress, 2019; Matherne, Ring, and Farmer, 2018; Van Quaquebeke, Becker, Goretzki, and Barrot, 2019), only the internalization subscale was used as it better mirrors the core dimension of moral identity (Van Quaquebeke et al., 2019) and is a better indicator of moral decisions (i.e. ethical work climate) (Aquino and Reed, 2002). *Ethical climate* was measured using the 6 – item Ethical Organizational Climate scale developed by Kuenzi, Mayer, and Greenbaum (2018). Perceived Organizational Support was measured using six items from the survey of perceived organizational support (SPOS) developed by Eisenberger et al. (1986). Turnover intentions were measured using three items developed by Konovsky and Cropanzano (1991). Income and years employed by the organization were used as control variables.

Validity and Reliability

The constructs meet the criteria recommended by Hair et al. (2018) for both validity and reliability. Construct validity was tested using methods described Hair et al. (2018). The standardized factor loadings for each construct exceeded the recommended level of .7: moral identity .82 to .89; ethical climate .77 to .87; ethical leadership .79 to .87; supervisor satisfaction .70 to .84, POS .77 to .84, and turnover intentions .80 to .90. Construct reliability, which is typically reported in SEM studies rather than coefficient alpha, was high: moral identity .89;

ethical climate .87; ethical leadership .90; POS .85, and turnover intentions .91. The average variance extracted for the variables ranged from .64 for POS to .77 for moral identity. The average variance extracted estimates among the factors were greater than the square of the correlation indicating discriminant validity. Multicollinearity was evaluated by examining the variance inflation factor (VIF) for each variable. Values above ten indicate a problem with multicollinearity while a value closer to one indicates multicollinearity is not a serious problem (Hair et al., 2018). The largest VIF was 1.34 for POS, which indicates little or no multicollinearity exists.

RESULTS

The results were analyzed using LISREL 10.1. As recommended by Hair, Babin, and Krey (2017) the chi-square test, the comparative fit index (CFI), the root mean error of approximation (RMSEA), and the standardized root mean square residual (SRMR) were used to evaluate the fit of the model.

The results of the confirmatory factor analysis (CFA) indicate a good fit and exceed the commonly suggested cutoff values as proposed by Hu and Bentler (1999) ($\chi^2 = 628.25$, $df = 395$, $p = .00$, CFI = .96, Std. RMR = .033; RMSEA = .048). Next, the hypothesized model was assessed. The results for the hypothesized model also indicated a good fit ($\chi^2 = 638.84$, $df = 400$, $p = .00$, CFI = .96, Std. RMR = .05, RMSEA = .049). The results for the tested hypotheses appear in the figure.

All the hypotheses were supported. Moral identity is related positively to ethical leadership (H1, $\beta = .42$, $t = 6.38$); ethical leadership is related positively to ethical climate (H2, $\beta = .37$, $t = 5.57$); ethical leadership is related positively to POS (H3, $\beta = .44$, $t = 6.62$); POS is related negatively to turnover intentions (H4, $\beta = -.33$, $t = 4.91$); and ethical climate is related negatively to turnover intentions (H5, $\beta = -.17$, $t = 2.66$).

CONCLUSION

Theoretical Implications

Leadership is extremely important for sales organizations because of the uniqueness of a salesperson's job (quota attainment and often working alone) and its relationship to various job attitudes and behaviors (Ingram et al., 2005). Specifically, this study analyzed one antecedent (moral identity) and three outcomes (ethical climate, POS, and turnover intentions) of ethical leadership. The results of this study make important contributions to understanding salesforce leadership.

First, most studies have investigated only the outcomes rather than antecedents of ethical leadership (e.g., Kuenzi et al., 2020; Lam et al., 2016; Neubert et al., 2013; Wang and Xu, 2019). This study added to our understanding of ethical leadership by examining how moral identity influences ethical leadership. If organizations want to employ leaders who are regarded as ethical, then they need to identify traits of these individuals. Leaders high in moral identity display characteristics of being caring, fair, honest, and helpful. The results in the study indicate that ethical leaders possess these characteristics.

Second, with respect to sales personnel, no study has examined the relationship between ethical leadership and ethical work climate. The results here confirm findings in other studies

with a variety of employees (Engelbrecht, Wolmarans, and Mahembe, 2017; Hansen, Dunford, Alge, and Jackson, 2016; Kuenzi et al., 2020; Mayer, Aquino, Greenbaum, and Kuenzi, 2012) that ethical leadership is related to employees' perceptions of an ethical work climate. The publicity surrounding ethical scandals indicates a need for organizations to employ leaders who adhere to high ethical standards. Ethical leaders create an atmosphere where ethical behavior is valued and rewarded and unethical behavior is punished (Brown and Mitchell, 2005).

Third, virtually no study has investigated the relationship between POS and ethical leadership. However, understanding antecedent variables related to POS is important since POS is correlated significantly with a variety of outcome variables such as organizational commitment, organizational identification, organizational citizenship behavior, and withdrawal cognitions (Kurtessis et al., 2017). The study's results make an important theoretical contribution by showing that ethical leaders influence salespersons' perceptions that the organization supports their work efforts.

Last, this study found that ethical climate influences turnover intentions. Salespeople who perceive their work environment is ethical reported a lower intention to leave the organization.

Managerial Implications

The results of this study have several managerial implications. One important managerial implication is that ethical leadership influences salespersons' turnover intentions indirectly through POS and ethical climate. Controlling turnover is an important concern for organizations (Hancock, Allen, Bosco, McDaniel, and Pierce, 2013). The costs of replacing an employee can be substantial ranging from 60 to 200 percent of an employee's salary (Allen, Bryant, and Vardaman, 2010). Turnover also can have a negative relationship with firm performance (Kacmar, Andrews, Van Rooy, Steilberg, and Cerrone, 2006).

Organizations need to understand the underlying causes of turnover, if they want to reduce turnover. According to the findings reported here, the sales manager who is perceived to be an ethical leader has an important role in reducing salespersons' turnover intentions. These sales managers discuss ethics with salespeople, serve as role models for the salesforce in both their personal and professional lives, are trustworthy, and discipline salespeople who violate the organization's ethical benchmarks. Most often salespeople are promoted to a sales management position based on continually exceeding sales quota. However, as one way to reduce turnover, organizations also should consider the ethical values of the salesperson when considering promotion.

Another managerial implication is that ethical leaders influence salespersons' perception that the work environment is ethical. When salespeople view their manager as being both a moral person (trustworthy, high integrity and concern for others) and a moral manager (emphasizes ethical behavior and uses rewards and punishments to encourage ethical behavior), they perceive their work climate as being more ethical. Salespeople desire to work for an organization who hires people with high moral standards and adheres to a strict code of ethics and where ethics is part of employees' training. When these characteristics are present in the organization, salespeople report the work climate is more ethical and are less likely to search for another job.

What can organizations do to increase ethical leaders in the sales force? The first step begins with human resources. Organizations must adapt hiring and promotional practices to emphasize aspects of both moral identity (caring, compassionate, helpful, honest) and ethical leadership (trustworthy, high ethical values, a role model for subordinates). Selection tools

involving interviews and testing that emphasize the importance of ethics and integrity can be used. Second, organizations need to adapt training programs to emphasize the importance of moral identity and ethical leadership. Using assessment centers that focus on discussing how to handle ethical situations or dilemmas, rewarding ethical behavior while disciplining unethical behavior, and being a role model is way to develop ethical leaders.

Limitations and Future Research Opportunities

Similar to all research, this study has some limitations. First, this study was examined with only one antecedent variable (moral identity) and three outcome variables (ethical work climate, POS and turnover intentions). Religiosity is another antecedent variable that could be included. What role does religion play in developing ethical leaders? Another potentially interesting area of research is examining gender differences in ethical leadership. Do men or women make better ethical leaders in a professional selling environment? This study did not examine actual turnover, but turnover intentions. Does ethical leadership and ethical climate lead to higher turnover among salespeople? Future research needs to analyze these relationships.

An important area of future research is to examine organizational training regarding developing ethical leaders. How do organizations develop ethical leaders? Do salespeople participate in a formal ethics training program during their initial training? Once promoted to a sales management position, are they given training in being an ethical leader? Who inside or outside the organization should conduct the training? Salespeople are usually promoted to a sales management position based on continually exceeding their quota. While companies may talk about the importance of ethical behavior, how much consideration is really given to promoting salespeople also on their ability to be ethical leaders? Can sales managers be trained to be ethical leaders? How important is being an ethical leader to current and future sales managers?

In conclusion, this study has shown the importance of moral identity as an antecedent of ethical leadership in a professional selling environment. This study also has shown that ethical leadership is related directly to POS and ethical work climate. It also is related indirectly through POS and ethical climate to turnover intentions. The results from this study indicate the importance of ethical leadership in the salesforce.

REFERENCES

- Allen, D. G., Bryant, P. C., and Vardaman, J. M. (2010). Retaining talent: Replacing misconceptions with evidence-based strategies. *The Academy of Management Perspectives*, 24, 48–64.
- Aquino, K. and Reed, II, A.R. (2002). The self-importance of moral identity. *Journal of Personality and Social Psychology*, 83(6), 1423-1440.
- Aquino, K., Freeman, D., Reed, A., Lim, V. K. G., and Felps, W. (2009). Testing a social cognitive model of moral behavior: The interactive influence of situations and moral identity centrality. *Journal of Personality and Social Psychology*, 97(1), 123 – 141.
- Babin, B. J., Boles, J. S., and Robin, Donald P. (2000). Representing the perceived ethical work climate among marketing employees. *Journal of the Academy of Marketing Science*, 28(3), 345-358.
- Bandura, A. (1977). *Social Learning Theory*. New York: General Learning Press.
- Bandura, A. (1986). *Social Foundations of thought and actions*. Englewood Cliffs, NJ: Prentice-Hall.
- Bedi, A., Alpasaln, and Green, S. (2016). A meta-analytic review of ethical leadership. *Journal of Business Ethics*, 139(3), 517-536.
- Blau, P. (1964). *Exchange and Power in Social Life*. New York: Wiley.
- Briggs, E., Jaramillo, F., and Weeks, W. A. (2012). The influences of ethical climate and organization identity comparisons on salespeople and their job performance. *Journal of Personal Selling & Sales Management* 32(4), 421.436.
- Brown, M. E., and Mitchell, M. S. (2010). Ethical and unethical leadership: Exploring new avenues for future research. *Business Ethics Quarterly*, 20(4), 583-616.
- Brown, M. E. and Treviño, L. K. (2006). Ethical leadership: A review and future directions. *Leadership Quarterly*, 17(6), 595-616.
- Brown, M. E., Treviño, L. K., and Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*, 97(2), 117–134.
- Burton, L. J., Welty Peachey, J., and Wells, J. E. (2017). The role of servant leadership in developing an ethical climate in sport organizations. *Journal of Sport Management* 31(3), 229-240.
- Colby, A. and Damon, W. (1992). *Some do care: Contemporary lives of moral commitment*. New York: The Free Press.
- Coyle-Shapiro, J. A. M., and Shore, L. M. (2007). The employee-organization relationship: Where do we go from here? *Human Resource Management Review*, 17(2), 166-179.
- 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.
- Demitras, O. and Akdogan, A. (2015). The effect of ethical leadership behavior on ethical behavior on ethical climate, turnover intention, and affective commitment. *Journal of Business Ethics*, 130(1), 59-67.
- Eisenberger, R., Huntington, R., Hutchinson, S., and Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology*, 71(3), 500-507.

- Eisenberger, R., Stinglhamer, F., Vandenberghe, C., Sucharski, I. L., and Rhoades, L. (2002). Perceived supervisor support: contributions to perceived organizational support and employee retention. *Journal of Applied Psychology*, 87(3), 565-573.
- Elci, M., Alpan, L. (2009). The impact of perceived organizational ethical climate on work satisfaction. *Journal of Business Ethics*, 84(3), 297-311.
- Engelbrecht, A. S., Wolmarans, J., and Mahembe, B. (2017). Effect of ethical leadership and climate on effectiveness. *South African Journal of Human Resource Management*, 15(1), 1-8.
- Engelbrecht, A. S., Van Aswegen, A. S., and Theron, C. C. (2005). The effect of ethical values on transformational leadership and ethical climate in organisations. *South African Journal of Business Management*, 36(2), 19-26.
- Eva, N., Newman, A., Miao, Q., Wang, D. and Cooper, B. (2020). Antecedents of duty orientation and follower work behavior: The interactive effects of perceived organizational support and ethical leadership. *Journal of Business Ethics*, 161(3), 627-639.
- Fournier, C., Tanner, Jr. J. F., Chonko, L. B. and Manolis, C. (2010). The moderating role of ethical climate on salesperson propensity to leave. *Journal of Personal Selling & Sales Management*, 30(1), 7-22.
- Friend, S. B., Jaramillo, F., and Johnson, J. S. (2020). Ethical climate at the frontline: A meta-analytic evaluation. *Journal of Service Research*, 23(2), 116-138.
- Gouldner, A. W. (1960). The norm of reciprocity: A preliminary statement. *American Sociological Review*, 25, 161-178.
- Grojean, M. W., Resick, C. J., Dickson, M. W., and Smith, D. B. (2004). Leaders, values, and organizational climate: Examining leadership strategies for establishing an organizational climate regarding ethics. *Journal of Business Ethics*, 55(3), 223-241.
- Hair, J. F., Babin, B. J., Anderson, R. E., and Black, W. C. (2018). *Multivariate Data Analysis* 8th ed. India: Cengage.
- Hair, J., Babin, B. J., and Krey, N. (2017). Covariance-based structural equation modeling in the *Journal of Advertising: Review and recommendations*. *Journal of Advertising*, 46, 163-177.
- Hancock, J. I., Allen, D. G., Bosco, F. A., McDaniel, K. R., and Pierce, C. A. (2013). Meta-analytic review of employee turnover as a predictor of firm performance. *Journal of Management*, 39(3), 573-603.
- Hansen, D. S., Dunford, B., Alge, B., and Jackson, C. (2016). Corporate social responsibility, ethical leadership, and trust propensity: A multi-experience model of perceived ethical climate. *Journal of Business Ethics*, 137(4), 649-662.
- Hu, L., and Bentler, P. M. (1999). Cutoff Criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling* 6, 1-55.
- Ingram, T. N., LaForge, R. W., and Schwepker, C. H. (2007). Salesperson ethical decision making: The impact of sale leadership and sales management control strategy. *Journal of Personal Selling & Sales Management*, 27(4), 301-315.
- Jacobs, D., and Kalbers, L. P. (2019). The Volkswagen diesel emissions scandal and accountability. *CPA Journal*, 89(7), 16-21.
- Jaramillo, F., Mulki, J. P., and 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.

- Johnson, H. H. and Umphress, E. E. (2019). To help my supervisor: identification, moral identity, and unethical pro-supervisor behavior. *Journal of Business Ethics*, 159(2), 519-534.
- Kacmar, K. M., Andrews, M. C., Van Rooy, D. L., Steilberg, R. C., and Cerrone, S. (2006). Sure everyone can be replaced . . . but at what cost? Turnover as a predictor of unit-level performance. *Academy of Management Journal*, 49, 133-144.
- Konovsky, M. A. and Cropanzano R. (1991). Perceived fairness of employee drug testing as a predictor of employee attitudes and job performance. *Journal of Applied Psychology*, 76(5), 698-707.
- Kuenzi, M., Mayer, D. M., and Greenbaum, R. L. (2020). Creating an ethical organizational environment: The relationship between ethical leadership, ethical organizational climate, and unethical behavior. *Personnel Psychology*, 73(1), 43-71.
- Kurtessis, J. N., Eisenberger, R., Ford, M. T., Buffardi, L. C., Stewart, K. A., and Adis, C. S. (2017). Perceived organizational support: A meta-analytic evaluation of organizational support theory. *Journal of Management*, 43(6), 1854-1884.
- Lam, L. W., Loi, R., Wai, K., and Liu, Y. (2016). Voice more and stay longer: How ethical leaders influence employee voice and exit intentions. *Business Ethics Quarterly*, 26(3), 277-300.
- Loi, R., Lam, L. W., Ngo, H. Y., and Cheong, S. (2015). Continuities and extensions of ethical climate theory: A meta-analytic review. *Journal of Business Ethics*, 69(2), 175-194.
- Martin, K. and Cullen, J. (2006). Continuities and extensions of ethical climate theory: A meta-analytic review. *Journal of Business Ethics*, 69(2), 175-194.
- Matherne, C. F., Ring, J. K., and Farmer, S. (2018). Organizational moral identity centrality: Relationships with citizenship behaviors and unethical prosocial behaviors. *Journal of Business & Psychology*, 33(6), 711-726.
- Mayer, D. M., Aquino, K., Greenbaum, R. L., and Kuenzi, M. (2012). Who displays ethical leadership, and why does it matter? An examination of antecedents and consequences of ethical leadership. *Academy of Management Journal*, 55(1), 151-171.
- Mayer, D., Kuenzi, M., and Greenbaum, R. (2010). Examining the link between ethical leadership and employee misconduct: The mediating role of ethical climate. *Journal of Business Ethics*, 95(9), 7-16.
- Mulki, J., Jaramillo, J., and Locander, W. (2008). Effect of ethical climate on turnover intention: Linking attitudinal and stress theory. *Journal of Business Ethics*, 78(4), 559-574.
- Mulki, J. P., Jaramillo, F., and 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.
- Mulki, J. and Lassk, F. G. (2019). Joint impact of ethical climate and external work locus of control on job performance. *Journal of Business Research*, 99(??), 46-56.
- Neubert, M. J., Wu, C., and Roberts, J. A. (2013). The influence of ethical leadership and regularity focus on employee outcomes. *Business Ethics Quarterly*, 23(2), 269-296.
- Neubert, M., Carlson, D., Kacmar, K. Roberts, J., and Chonko, L. (2009). The virtuous influence of ethical leadership behavior: Evidence from the field. *Journal of Business Ethics*, 90(2), 157-170.
- Ng, T. W., and Feldman, D. C. (2015). Ethical leadership: Meta-Analytic evidence of criterion-related and incremental validity. *Journal of Applied Psychology*, 100(3), 948-965.

- Newman, A., Kiazad, K., Miao, Q., and Cooper, B. (2014). Examining the cognitive and affective trust-based mechanisms underlying the relationship between ethical leadership and organizational citizenship: A case of the head leading the heart? *Journal of Business Ethics*, 123(1), 113–123.
- Palanski, M., Avey, J., and Jiraporn, N. (2014). The effects of ethical leadership and abusive supervision on job search behaviors in the turnover process. *Journal of Business Ethics*, 121(1), 135-146.
- Qin, H., Huang, M., Hu, Q., Schminke, M., and Ju, D. (2018). Ethical leadership, but toward whom? How moral identity congruence shapes the ethical treatment of employees. *Human Relations*, 71(8), 1120-1149.
- Rhoades, L., and Eisenberger, R. (2002). Perceived organizational support: A review of the literature. *Journal of Applied Psychology*, 87(4), 698-714.
- Sanders, S., Wisse, B., Van Yperen, N.W. and Rus, D. (2018). On ethically solvent leaders: The roles of pride and moral identity in predicting leader ethical behavior. *Journal of Business Ethics*, 150(3), 631-645.
- Schminke, M., Ambrose, M. L., and Neubaum, D. O. (2005). The effect of leader moral development on ethical climate and employee attitudes. *Organizational Behavior & Human Decision Processes* 97(2), 135-151.
- Schwepker, C. H. (2013). Improving sales performance through commitment to superior customer value: The role of psychological ethical climate. *Journal of Personal Selling & Sales Management*, 33(4), 389-402.
- Shore, L. M., Tetrick, L. E., Lynch, P., and Barksdale, K. (2006). Social and economic exchange: Construct development and validation. *Journal of Applied Social Psychology*, 36(4), 837-867.
- Simha, A., & Cullen, J. B. (2012), Ethical climates and their effects on organizational outcomes: Implications from the past and prophecies for the future. *Academy of Management Perspectives*, 26(4), 20-34.
- Stewart, R., Volpone, S., Avery, D., 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.
- Stringer, R. (2002). *Leadership and organizational climate*. Upper Saddle River, NJ: Prentice-Hall
- Treviño, L.K., Hartman, L. P., and Brown, M. (2000). Moral person and moral manager: How executives develop a reputation for ethical leadership. *California Management Review*, 42(4), 128-142.
- Treviño, L. K., Butterfield, K. D., and McCabe, D. L. (1998). The ethical context in organizations: Influences on employee attitudes and behaviors. *Business Ethics Quarterly*, 8(3), 447-476.
- Treviño, L. K., Brown, M. E., and Hartman, L. P. (2003). A qualitative investigation of perceived executive ethical leadership: Perceptions from inside and outside the executive suite. *Human Relations*, 56(1), 5–37.
- Van Quaquebeke, N., Becker, J. U., Goretzki, N., and Barrot, C. (2019). Perceived ethical leadership affects customer purchasing intentions beyond ethical marketing in advertising due to moral identity self-congruence concerns. *Journal of Business Ethics*, 156(2), 357-376.

- Verschoor, C. G. (2016). Lessons from the Wells Fargo scandal. *Strategic Finance*, 98(11), 19-20.
- Victor, B. and Cullen, J. B. (1988). The organizational bases of ethical work climates. *Administrative Science Quarterly*, 33(1), 101-125.
- Wang, Z. and Xu, H. (2019). When and for whom ethical leadership is more effective in eliciting work meaningfulness and positive attitudes: The moderating roles of core self-evaluation and perceived organizational support. *Journal of Business Ethics*, 156(4), 919-940.
- Weeks, W. A., Loe, T. W., Chonko, L. B., and Wakefield, K. (2004). The effect of perceived ethical climate on the search for sales force excellence. *Journal of Personal Selling & Sales Management*, 24(3), 199-214.
- Wimbush, J. C. and Shepard, J. M. (1994). Toward an understanding of ethical climate: Its relationship to ethical behavior supervisory influence. *Journal of Business Ethics*, 138(8), 637-647.
- Wu, Y. C. (2017). Mechanisms linking ethical leadership to ethical sales behavior. *Psychological Report*, 120(3), 537-560.
- Zhu, W., Treviño, L. K., and Zheng, X. (2016). Ethical followers and their followers: The transmission of moral identity and moral attentiveness. *Business Ethics Quarterly*, 26(1), 95-115.

Correlations, Means, and Standard Deviations

	1	2	3	4	5	6	7
Moral Identity							
Eth. Climate	0.284						
Ethical Leader	0.413	0.366					
POS	0.240	0.279	0.440				
Turn. Intentions	-0.165	-0.209	-0.278	-0.373			
Years	0.088	0.148	0.170	0.156	-0.162		
Income	0.095	0.134	0.137	0.159	-0.199	0.155	
Means	14.5	20.9	35.5	21.3	11.2	10.2	83.1
Std. Deviations	4.2	4.4	7.3	4.2	4.7	6.8	39.3

Appendix Questionnaire

Ethical Leadership

1. Conducts his/her personal life in an ethical manner
2. Listens to what employees have to say
3. Disciplines employees who violate ethical standards
4. Has the best interests of employees in mind
5. Makes fair and balanced decisions
6. Can be trusted
7. Discusses business ethics or values with employees
8. Sets an example of how to do things the right way in terms of ethics
9. Defines success not just by results but also the way that they are obtained
10. When making decisions, asks “what is the right thing to do”

Moral Identity Internalization

Listed below are some characteristics that might describe a person:

Caring, Compassionate, Fair, Friendly, Generous, Helpful, Hardworking, Honest, Kind

The person with these characteristics could be you or it could be someone else. For a moment, visualize in your mind the kind of person who has these characteristics. Imagine how that person would think, feel, and act. When you have a clear image of what this person would be like, answer the following questions.

1. It would make me feel good to be a person who has these characteristics.
2. Being someone who has these characteristics is an important part of who I am.
3. I would be ashamed to be a person who had these characteristics. (R)
4. Having these characteristics is not really important to me. (R)
5. I strongly desire to have these characteristics.

Ethical Organizational Climate

1. Ethical issues are taken into consideration when decisions are made.
2. Ethics training is consistent with how employees actually perform their jobs.
3. Employees strictly follow the written code of ethics.
4. An effort is made to measure and track ethical behaviors.
5. A good effort is made to measure and track ethical behaviors.
6. When an unethical act occurs, employees take responsibility for their actions.

Perceived Organizational Support

1. The organization values my contribution to its well-being.
2. The organization strongly considers my goals and values.
3. The organization really cares about my well-being.
4. The organization shows very little concern for me. (R)
5. The organization is willing to extend itself in order to help me perform my job to the best of my ability.

6. Help is available from the organization when I have a problem.

Turnover Intentions

1. I would like to look for a job outside of this organization during the next year.
2. I often think about quitting my job at this organization.
3. If it were possible, I would like to get a new job.

Figure 1 Final Model

