CHAPTER 1

INTRODUCTION

1.1 Introduction

The current research is based on certain issues in Indian corporates to ascertain that how much ethical ideology and demographic characteristics influences the diverse organizational outcomes. The ultimate purpose of the research is to develop and test the model delineating the connection between ethical ideologies, demographic characteristics and various organizational outcomes.

This research was conducted in Indian retail industry, which is a booming industry and having lots of potential for business and moreover from the employee point of view, retail industry engenders an attraction for employment. Relatively speaking, previous studies in the same area have not explored retail industry.

This chapter starts with the analysis for conducting this research through the identification of the central problem of the research. The purpose of the research has been elaborated and detailed in subsequent sections. There are different research questions which have been formulated during the research. In continuance, there are various sections which have been elaborated such as significance of the research, assumptions of the research, delimitations and limitations, and ethical contemplation of the research. The research that has been organized will be summarized before concluding remarks at the end of this chapter.

1.1.1 Background to the study

From the last three decades, globalization is one of the important drivers in Indian economy. Globalization is defined as the process of integration and interaction between different people, companies, nations and culture [Albrow et al. (1990)]. Globalization creates the opportunity for the host countries to boost their economy by giving employment to the maximum. Countries with low labor cost and copious natural resources have not taken much advantage of the globalization as a central source of survival in this highly competitive world markets. Apart from the positives, globalization has created tremendous pressure on the companies for survival. In this competitive global market, companies lay stress on their employees to meet the high organizational objectives.
For developing countries, there is a lot of challenge to meet the demands of the global market [Yusuf (2001)]. Developing countries make new schemes and reform their policies in order to attract the foreign companies. The bad reforms befall another stumbling block for the companies to operate in the developing countries. Companies operating in developing countries have to deal with the global demand at its best with respect to quality, price, and the local policies, which is influenced from politics. Therefore, these forces generate a great challenge for companies to survive in the global market.

1.1.2 Ethical Ideology

In the global competition, the increase in globalization of businesses has increased the need of ethics in organizations [Viswesvaran et al. (1998)]. Ethics related situations in business are becoming more complex, involving issues such as societal expectations, moral issues, fair competition, ethical decision-making, legal protection, rights, and ethical ideologies. This has led to an increase in the research work and literature in the domain of business ethics. These recent developments have increased both the depth and breadth of business ethics research.

Ethics is defined as an “inquiry about the nature and grounds of moral judgments, standards, and code of conduct” [Tsalikis and Fritzsche (1989)]. Traditionally, business ethics research typically involves an inquiry about the nature and grounds of ethical decision-making, and code of ethics related to different situations where business decisions are involved [Vitell and Davis (1990)]. A broad area of the research is normative in nature (studies related to the theoretical foundations of business ethics and ethical decision-making models), with empiricism gaining importance in recent years [Randall and Gibson (1990), Robertson (1993)].

Difference in ethical ideology leads to influence individual thoughts towards moral issues [Forsyth and Nye (1990), Forsyth (1992)]. Forsyth (1980) suggested that even when individuals confronted with identical ethical issues in similar situations, individuals sometimes make radically different ethical judgments. This emphasizes the importance of role of individual differences in the ethical decision making process. However, individuals differ on a wide variety of personality characteristics. Previous studies showed some personality characteristics such as locus of control and Machiavellianism which have been associated with ethical decision making [Hegarty and Sims (1978), Hunt et al. (1989), Trevino and Youngblood (1990)]. However, some personality differences alone do not explain variance in individual’s ethical decisions [Tansey et al. (1994)]. A Socio demographic variable influences the ethical climate of the organization. Previous studies
have been conducted to examine the effect by dependent variable like ethical awareness, ethical judgment, intent and ethical behavior on various individual factors, organizational factors and moral intensity [Rest (1986)].

1.1.3 Emotional Intelligence

The term Emotional Intelligence (EI) in the current thesis is defined as the ability to recognize, utilise, understand and manage emotions and emotional information. It has been recommended that there is an individual difference in ability to utilise the emotions and emotional information according to the organizational objective [Mayer and Salovey (1993)], and the term EI has become popular among the researchers. The popularity of EI has seeds its role in different constructs such as intelligence and personality.

One of the rapidly growing areas of interest in EI is to explore its contribution in modern workplaces. Emotions in the workplace are becomes one of the crucial parts of modern workplace. The consequences of different emotional states in the workplace including both behavioral and attitudinal states have significant impact on individual, group and organization [Brief et al. (2002)]. There is a question, which always strike in individual’s mind when emotions are being studied that whether emotions in workplace is going to help us or hinder us? The answer of this question has being explored by researchers from last two decades. Recently the focus has been changed from emotion’s role in workplace to impact and optimum utilization of emotions in the workplace, the difference between managing emotions by different employees and impact of emotions may have on other organizational variables such as job stress, job satisfaction and turnover intention. The present research was conducted to reveal the role of EI between the individual differences and ethical ideology with job stress, job satisfaction and turnover intention.

1.1.4 Job Stress

As the 21st century is a time of globalization, the revolution of information, and speed [Wanye (2001)]. Change is only a factor appears to be constant in the organization. In this rapidly changing environment, characterized by intensified competition and escalating demands for flexibility and adjustment, organizations have taken strong decisions such as outsourcing, downsizing and mergers in order to adapt to the new situation. Job stress produced in the organization due to changes in the global economy. Job stress among employees is not a new phenomenon. There are several studies, which specifically addresses to the concerns of job stress and their consequences. Stress can evoke the negative emotions like fear, frustration, sadness and anger [Cavanagh (1988)].
Job stressors such as workload, working conditions and expectation from management cause strain [Behr and Glazer (2001)] and can lead to poor health of employees.

Over the last three decades, Job stress becomes very decisive factor for employee management among the human resource practitioners in India. Job stress is described as the detrimental physiological and psychological responses, which arise due to the job demand, do not match with the competencies, resources, and needs of an employee [National Institute of Occupational Safety and Health (1999)]. There are numerous studies referred to the job stress and their consequences. The negative effects of job stress on health have been extensively reported [Shirom (2003), Smith et al. (2002)], and all the studies indicated that there is an increase in job stress due to escalating, profound and rapid changes in organizations affect the workforce [McGowan (2001)]. Organizations are confronting issues due to changes in the demographic composition of the workforce, which is due to labor and market trends, legislation, and demographic realities. Due to changing composition, human resource managers are encountering demographic diversity "much more frequently and at higher levels both inside and outside their organizations" [Triandis et al. (1993)] than they have in the past.

1.1.5 Job Satisfaction

Job satisfaction has been an important central point for organizational and industrial psychology. Usually, Locke’s (1976) definition is used as a reference for defining job satisfaction as “a kind of pleasurable feeling or positive emotional state resulting from the evaluation of individual’s job or their job experiences” [Jex (2002; p.116)]. The appraisal involves various dimensions related to the job for example, salary, working conditions, peers and supervisor, career prospects and, of course, the intrinsic characteristics of the job itself [Arnold et al (1998; p. 204)].

Job satisfaction has been an area of great curiosity for researchers and human resource practitioners in a broad range of fields which includes organizational psychology, public administration, and management. It has been researched for more than five decades. The motivation for this interest is due to the practical implications of job satisfaction for such job related behaviours as motivation, productivity, organizational commitment, and absenteeism, turnover, and employee-employer relations. Consequently, a well-satisfied employee is more probable to be creative and innovative. In this reference, job satisfaction is an organizational variable that assessed and constantly observed for the well-being of any organization.
1.1.6 Turnover Intention

Why do employees decide to leave their organization? This is a basic question predicament the human resource managers and organizational theorists. Organizations use expensive human resource management (HRM) strategies not only in the hope of recruiting staff, but also for stay the employees in the organisation. The fundamental bias of turnover research is that voluntary turnover is a negative outcome for an organization. The organization wants to retain the human assets as it incurs the serious monetary losses which include separation costs, recruitment costs, training costs, and costs due to loss in productivity. Research has sought to recognize why employees leave the organisation, with the hope of providing organisation with up to date understanding of the strategies which they can use to limit turnover.

According to consultants, rapid growth in organised retail has raised attrition levels precipitous high to 96 per cent a year, which is very high in comparison with past years. Indian retailers, big and small, are facing high personnel attrition issues across different stores. The McKinsey study reported that retail productivity in India is very low compared to international peer measures. The employee productivity in Indian retail was just 6% as compared to employee productivity in United States in 2010. India's employee productivity in food retailing is about 5% compared to Brazil's 14%; while India's employee productivity in non-food retailing is about 8% in contrast to Poland's 25% [Revathy (2012)].

1.2 Statement of the problem

The motivation of this study came through the problems faced by the Indian organizations, which is associated to job stress, job satisfaction and turnover intention. According to ASSOCHAM Survey (2012), due to demanding schedules and high level of stress, nearly 78% of corporate employees in India sleep less than six hours a day, leading to severe sleep disorders. The survey pointed out that 21% of the people in the sample suffered from depression. Increase in job stress negatively affects the job satisfaction [Li et.al. (2014)]. According to ASSOCHAM Survey (2012), India is ranked as third most job-dissatisfied country in the world. The increase in job stress and decrease in job satisfaction among the employees results into high attrition rate [Arshadi and Damiri (2013), Medina (2012)]. According to Aon Hewitt’s annual Salary Increase Survey (2016), India is facing highest attrition rates of 26.4 per cent and 22.6 per cent in hotels and retail sectors, respectively.
Job stress is an expensive problem for researchers and organizations due to its prevalence and negative consequences. In that perspective, the prevalence of job stress is disturbing when the costs of organizations and individuals are affected, this leads to workplace deviance [Henle (2005)]. Evidence reported that job stress is the major cause of turnover in organizations [NIOSH (1999)]. Further, employees who are responsible for workplace deviance are more likely to increase turnover intentions, increase job stress related issues, decreased productivity, job dissatisfaction, low morale, lost work time [O’Leary-Kelly et al. (1996)], damaged self-esteem, increased fear and insecurity at work, and psychological and physical pain [Griffin et al. (1998)]. It was found that role expectation conflict; coworker support and work-life balance is the latest factors responsible for the increased job stress in India [Shukla and Srivastava (2016a)]. Research supports the model that job dissatisfaction leads to intention to quit [Blau (1993)], which leads to turnover.

Eventually, workplace deviance affects the ethical climate of the organization [Peterson (2002)], which influenced the job stress [Singhapakdi et al. (1999), Mulki (2008)] and ethical ideology [Karande et al. (2000), Ming and Chia (2005)] of an individual. Therefore, it was believed that ethical ideology could have a significant relationship with job stress and job satisfaction, which can be important relation for creating an ethical climate without any deviance in the modern workplace.

Turnover intentions are defined as a conscious and deliberate willingness to leave an organization [Tett and Meyer (1993)]. Turnover is an apprehension for organizations of different sizes, types, and structures due to the extensive direct costs involved in selecting, recruiting, and training of the replaced employees. Even the significant indirect costs such as reduced morale, increased pressure on remaining human resource, loss of social asset and organisational memory that accompany the departure of valued manpower [Dess and Shaw (2001)]. Some researchers contemplate turnover intention as an intended psychological willingness to leave the organization [Griffeth et al. (2000), Tett and Meyer (1993)]. Despite its importance, there was a gap of limited empirical research regarding this issue in the literature [Awang et al. (2013)].

The insufficient number of moderator studies [Lindebaum and Cartwright (2011)] is in a quandary, as it prevents a deeper understanding of the environment in which EI functions as a consistent predictor of various organizational outcomes. The lack of unified construct of EI has created an additional difficulty for the researcher and questioned about the reliability of EI measure as more meaningful and sound construct.
1.3 Purpose of the study

The major purpose of this research was investigated in two phases. First, from the help of the literature a conceptual model is developed, which delineates the relationships between the multidimensional constructs of job stress, job satisfaction and turnover intention with two-dimensional construct of ethical ideology and socio demographic factor. In addition, the research examined the direct and indirect effects of ethical ideology on different dimensions of job stress, job satisfaction and turnover intention. Second, emotional intelligence was selected as an impending moderating variable as changing agent on these relationships. The proposed conceptual model was drawn from literature and empirical studies representing the relationship between the five constructs, which is depicted in Figure 1.1.

![Proposed conceptual model](image)

Due to the recent problems prevailing in Indian corporates, this study was conducted to give elucidation of these problems. This research explores the socio demographic characteristics with their individual ethical ideology and suggests the resolution of these problems. Emotional intelligence is considered as a tool to prevent job stress which leads to increase in job satisfaction and decrease in turnover intention. In that sense and regard, this study encourages adhering to individual ethical ideology which can directly influence the job stress, job satisfaction and turnover intention and EI can
moderate the relationship and help individuals to stick on their ethical ideology in any difficult situation.

Four pre-existing scales were selected and one scale was newly constructed to measure the modeled constructs. Job stress was assessed by using new job stress scale [Shukla and Srivastava (2016a)]. The questionnaire for this investigation comprised of 22 items categorized in five different dimensions (time stress, anxiety stress, work life balance, job expectation conflict and coworker support). Job satisfaction was measured using a six-item scale developed by Schriesheim and Tsui (1980). This scale was found to be reliable in Vigoda and Cohen (2002). Turnover intention was measured with three items adapted from Camman, Fichman, Jenkins and Klesh (as cited in Chen et al., 1998). Ethical ideology of employees were measured using the ethics position questionnaire (EPQ) developed by Forsyth (1980). The EPQ consists of two scales, each containing ten items; one scale was designed to measure idealism and the other to measure relativism. Different versions of these two scales have been widely used in business ethics research [Singhapakdi et al. (1999), Marta et al. (2008), Zhao (2008)]. Previous studies confirmed the reliability and validity of these constructs used in the research [Chen and Fransesco (2003), Gautam et al. (2001)]. To measure emotional intelligence (EI) we used a 16-item multidimensional scale (WLEIS), developed by Wong and Law (2002) and further validated by Law, Wong, and Song (2004) and Shi and Wang (2007).

Prior to the investigation of the relationships, all the scales were assessed with the sample of the research with respect to their applicability according to Indian context. This research is considered due to most of the studies was conducted in the different countries of the globe particularly in western countries. The main objectives of the assessments were to test the reliability and validity of their dimensionality.

Empirical studies in business contexts [Karande et al. (2000), Ming and Chia (2005)] revealed that ethical ideology contribute in creating ethical climate in organization. Ethical ideology is defined as a system of moral values used to make ethical decisions, and often recommend guidelines for arbitrating and resolving behavior that may be morally questionable [Henle et al. (2005)]. It has been found that improving the ethical climate may be essential for addressing various organizational outcomes i.e. job stress, job satisfaction, and turnover intentions in the organization [McDaniel (1997), Raines (2000), Koh (2001), Shirey (2005)]. High-scored relativistic individuals are not reliant on universal moral rules [Forsyth (1980, 1992)] those with low relativism believe they should act in line with such moral values [Davis et al. (2001), Dubinsky et al. (2004)]. Whereas, less idealistic
individuals believed that actions that harm others is not necessarily bad [Redfern (2005)] and it depend on the circumstances. On the other hand, highly idealistic individuals always believed on the goodness of universal moral values and know the significance of not harming others [Tansey et al. (1994)]. As individuals have different moral orientations according to their emphasis towards these two principles (Forsyth 1992), we poised that ethical ideology influences the various organizational outcomes.

Therefore, the seven purposes of this research were to examine (1) whether different dimensions of ethical ideologies are present in the retail employees; (2) whether different dimensions of job stress are found, and (3) whether different dimensions of job satisfaction are valid in Indian retail sector. (4) Whether employees are interested to leave their current organization. The fifth purpose after the assessment of construct dimensionality was (5) to investigate whether the particular dimension of ethical ideology, as followed by the employees, had specific associations with different facets of job stress, job satisfaction and turnover intention demonstrated by the retail employees. With reference to the findings, the sixth purpose of the research was (6) to investigate whether significant relationships were establish between ethical ideology namely, idealism and relativism and the emotional intelligence of the retail employees. In observance of the fundamental natures of idealism (i.e., the adherence to moral principles) and relativism (i.e., the rejection of moral principles) the focus of the investigation was on the relationships between these two types of ethical ideology and emotional intelligence. Next seventh purpose of this research was to (7) investigate the moderating effect of emotional intelligence on the relationship between ethical ideologies, job stress, job satisfaction and turnover intention.

The specific research questions that address these purposes, and that highlights the possible explanation to the organizational problems are now discussed.

1.4 Research Questions

Based on the identified organizational problems discussed in section (1.3) the following research questions are formulated through the analysis of the literature available in the respective domain in order to provide some suggestions and recommendations to help managers in resolving the organizational issues. In lieu of the facts, the following research questions were developed:

1. Are the dimensions of job stress, as proposed by Shukla and Srivastava (2016a) suitable within the Indian retail sector context?
2. Are the dimensions of job satisfaction, as conceptualized by Schriesheim and Tsui (1980) applicable within the Indian retail sector context?
3. Is turnover intention, as suggested by Camman, Fichman, Jenkins and Klesh (as cited in Chen et al., 1998) applicable within the Indian retail sector context?
4. Are the dimensions of ethical ideology, as suggested by Forsyth (1980) applicable in the Indian retail sector?
5. Are the dimensions of emotional intelligence, as suggested by Wong and Law (2002) valid in the Indian retail sector?
6. Is various dimensions of ethical ideologies relate to different dimensions of employee’s job stress in retail environment?
7. Is various dimensions of ethical ideologies relate to different dimensions of employee’s job satisfaction in retail environment?
8. Is various dimensions of ethical ideologies relate to different dimensions of employee’s turnover intention in retail environment?
9. Are various dimensions of ethical ideologies relating to employee’s emotional intelligence dimensions in retail organizations?
10. Is socio demographic characteristics (gender, age, education, income, experience and marital status) are associated to emotional intelligence, job stress, job satisfaction and turnover intention.
11. Does the emotional intelligence of retail employees moderate the relationship between the individual’s ethical ideologies, job stress, job satisfaction and turnover intention in Indian retail organizations?

1.5 Significance of research

As it was discussed earlier, there are three major problems faced by retail employees in India are as: (1) the employees in Indian retail organizations are experiencing very high levels of job stress; (2) the job satisfaction among retail employees in India is low due to high job stress; (3) there was high level of turnover intention among retail employees in India. In this respect, exploring ethical ideology and emotional intelligence can be the possible solution of these problems faced by Indian retail industry.

This research attempted to establish the relationship by testing individual’s ethical ideology and emotional intelligence for reducing the job stress, enhancing employee’s job satisfaction and diminish in turnover intention. Hence, this research conveyed organisational human resource managers with the understandings of how individual ethics and emotional intelligence might be employed to create a stress free culture.

Previous studies reported the impact of ethical ideology on job stress [Huang (2014)], emotional intelligence [Angelidis and Ibrahim (2011)]. However, there is a concrete paucity in the research related to ethical ideology, job satisfaction and turnover intention specifically in the Indian retail sector. This research will contribute to fill the gaps in previous studies concerning the relationships of above stated constructs, particularly, in Indian retail settings.

Empirical studies have confirmed the significant relationship between ethical ideology and emotional intelligence [Angelidis and Ibrahim (2011)] as well as the significant association between emotional intelligence, job stress [Slaski and Cartwright (2002), Shukla and Srivastava (2016c)] job satisfaction [Carmeli (2003), Kafetsios and Loumakou (2007)] and turnover intention [Carmeli (2003), Falkenburg and Schyns (2007), Goleman (1998), Kooker et al. (2007), Lee and Liu (2007), Wong and Law (2002)]. On the basis of above findings, it can be established that emotional intelligence has potential to moderate the relationship between ethical ideology, job stress, job satisfaction and turnover intention. However, this promising relationship is unexamined. Thus, this research contributes to conquer this deficiency. On another note, the study has wider implications.

**1.6 Assumption of research**

This research has used the self-report questionnaire to collect the data with an assumption that authentic and precise information was provided by the respondents. In lieu of the fact that all data was collected in a specific period of time, and it was also assumed that there was no change in the perception of the respondents from that to current time.

**1.7 Delimitation and limitation**

This Delimitation provides the boundaries of this research. This research was delimited and limited by a various practical methodological factors.

1. This research was delimited to Forsyth’s ethical ideology [Forsyth (1980; 1992; 2002a, 2002b)] and measured by ethics position questionnaire.

2. This study was delimited to multidimensional scale (WLEIS), developed by Wong and Law (2002) for measuring emotional intelligence.
3. This study was delimited to new job stress scale as described by Shukla and Srivastava (2016) for measuring job stress.

4. This study was delimited to job satisfaction scale as developed by Schriesheim and Tsui (1980).

5. This study was delimited to turnover intention scale as developed by Camman, Fichman, Jenkins and Klesh [as cited in Chen et al. (1998)].

6. The sample of this research was limited to permanent employees of the Indian retail organizations in National Capital Region (NCR). Therefore, the finding of this research cannot be generalized.

The definition of ethical ideology, job stress, job satisfaction, turnover intention and emotional intelligence are defined by the five pre-existing scales used in this research. Although the scales have shown distinguished confirmation of sturdiness, socio-demographic characteristics with five variables were investigated.

There are few limitation exists in design of proposed study.

1. This research data have been vulnerable to time of measurement effect. As the respondents were approached only once, they might have been influenced by current events [Fife-Schaw (1950)].

2. This research has been conducted through pen and paper. Although, these scales are presented to measure the real feeling of the respondents, but may be respondents are biased in disclosing their genuine feeling in real organization settings.

1.8 Ethical consideration

Following steps were adopted to ensure that this research should be conducted according to the norms of Research Ethics Committee of Jaypee University of Engineering and Technology. Firstly, an official request letter to collect data was given to the researcher, so that researcher obtained approval from, each organization. Secondly, an approval form was provided to the respondents, giving a brief description and clarification about the purpose of the research, intimating them of a possible restlessness due to personal questions asked in the research, and promising an assurance of privacy and the voluntary nature of participation. Finally, information obtained from the research participants was only presented in formats, which can be used in the research. In trying circumstances, no raw data was given to the organization.
1.9 Organization of research

This research is presented through seven chapters. The first chapter describes the motivation of the research, research problems, research purpose, research questions, and the significance of the research. In addition, assumptions, delimitations, limitations, and ethical considerations of the current research were discussed.

Chapter Two elucidates the literature available according to the various constructs used in the research. In this chapter, basic theories relate to constructs of interest (Ethical Ideology, Job stress, Job satisfaction, Turnover Intention and Emotional Intelligence) are discussed.

Chapter Three discusses the empirical studies regarding these variables. This chapter details the empirical studies available to the mentioned constructs. It describes the empirical studies according to the relationships between different constructs which was presented in Figure 1.1.

Chapter Four elucidates the current scenario of retail sector in India. This chapter gives an answer of the pertinent question that “why retail industry was selected for the research”. It also explains the empirical studies conducted in retail sector according to the constructs involved in the research. It enlightens from the fact that the literature was done from different perspectives to create a robust model to test.

Chapter Five represents the methodology used in the research. This chapter consists of research design, method for accumulating data, the illustration of the research background and the sampling method. The measurement tools used in this research were also investigated and a pilot test of the translated measures.

Chapter Six reveal the finding of the research and the statistical analyses with regard to the proposed hypotheses.

Finally, Chapter Seven provides the discussion of the findings, scholarly and managerial implications, some limitations of the research as well as suggestions for future research in the same context.

1.10 Conclusion

As consequences of globalization, the Indian corporates are implementing new strategies to survive in this competitive global market, due to which the organizations have high expectation from their employees in terms of their productivity. Employees felt that pressure which got originated from the high competition. At a cost, employees have high job stress, less job satisfaction and high turnover intention, which ultimately costs the
organization. Even to meet the targets and demand of the organization, employees compromise with their ethical ideology, leading to scandals and corruption. Additionally, to overcome from this situation employees withdraw from the organization. Therefore, the organization has to pay the direct and indirect cost when they are not able to retain the quality employees. Thus, discovering unconventional solution from emotional and ethics point of view of individuals might contribute to the balancing the stress and satisfaction levels, which ultimately results in low attrition rate.

This research aimed to answer these questions originated from high competition. The motivation of this research was to examine the potential of personal ethics (ethical ideology), individual characteristics (gender, age, income, education, marital status, experience) and individual’s emotions (emotional intelligence) for panacea of various organizational problems (job stress, job satisfaction and turnover intention) of employees in the Indian retail context.