Research Article

The Impact of Employees' Perceived Business Ethics and Ethical Climate on Organizational Social Capital

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Abstract

In this study, the authors have attempted to investigate the impacts of ethical context on social capital through the perspectives of educational staff working in public and private educational institutions. The research model was tested using survey data collected from educational staff members in various in various primary and secondary educational institutions. A micro-level analysis was performed utilizing a structured questionnaire following the convenience sampling method. From the extant literature, ethical context, defined as the set of ethical climate and business ethics perceived by individuals arise as meaningful contextual attributes which affecting organizational social capital. In this study, the authors have operationalized ethical climate by measuring how employees perceive caring, law code, rules, instrumental, and independence dimensions of ethical climate as adopted from Victor and Cullen's typology. To measure business ethics, the scale Perceived Organizational Ethical Values developed by Hunt, Wood, and Chonko was used. Finally, the dependent variable of the research model was measured using Nahapiet and Ghoshal's Internal Social Capital Scale which measuring three dimensions of social capital. It was assumed that the level of perceived ethical climate and business ethics as being the contextual variables would make significant contributions to perceived organizational social capital. Findings from this research indicated that business ethics and ethical climate were both significantly and positively related with social capital, and furthermore, business ethics and ethical climate had a significant positive impact on social capital. According to these results, business ethics and ethical climate perceptions of the educational staff members are the important predictors of perceived social capital in Turkish educational institutions.

Keywords
Social capital • Ethical climate • Business ethics • Education institutions

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Since its implications extend into a wide range of social science discipline (Baughn, Neupert, Anh, & Hang, 2011; Oh, Chung, & Labianca, 2004; Zheng, 2010) and fields, increasing studies have been conducted investigating social capital and its implications in recent years. Among these disciplines and fields are organizational behavior (Bolino, Turnley, & Bloodgood, 2002; Tsai & Ghoshal, 1998), human resources management (Chen, Zhang, & Fey, 2011), decision making (Brown & Ashman, 1996) and strategic management (Koka & Prescott, 2002). Robert Putnam's (1993) book "Making Democracy Work: Civic Traditions in Modern Italy" is a pioneering study facilitating the concept of social capital's acceptance and development. Following Putnam's (1993) study, researchers (e.g., Cohen & Prusak, 2002; Lesser, 2000; Nahapiet & Ghoshal, 1998; Tsai & Ghoshal, 1998) from various fields have not only contributed to the concept's conceptualization, but have also provided empirical evidences.

The main argument and proposition of this study has been elaborated on Yli-Renko, Autio, and Sapienza's (2001) model of social capital' determinants and Tsai and Ghoshal's (1998) social capital attributes. In addition, we have built our suggestions for this study on the suppositions of Ayios, Jeurissen, and Spence (2010) regarding the associates of ethical context and social capital in organizations. Ayios et al. (2010) have suggested that the level of social capital may stem from an organization's ethical structure, suggesting implications in their work "Social Capital: A review from an ethics perspective". Although Ayios et al.'s (2010) study provided just theoretical discussion, it lacked empirical research results for the suggested relationship between ethical structure and social capital. Therefore, in order to gain further insight, the current study has focused on investigating organizations' social capital by examining employees' perceived ethical climate and business ethics using empirical investigation techniques. We argue that these two perceptions represent the ethical context of employees' respective organizations and accordingly, have developed hypotheses associating these concepts with social capital have been developed.

A review of the literature and conceptualizations of the concepts revealed a need to investigate the effects of perceived ethical climate and business ethics on the social capital in educational institutions. We have aimed to test our hypotheses focusing on a sample of individuals employed in public and private education organizations in Turkey. The main objective of this study, then, is to understand how educational staff members working in both public and private educational institutions perceive ethical climate and business ethics to contribute to social capital in their organization. It is hypothesized that a set of ethical climate and business ethics evaluations of employees' could be the potential antecedents leading to increased social capital. As such, in order to support the root assumptions of the study, a preliminary study of the literature was performed and hypotheses were generated based on the evidences and conceptual rationalization present in previous studies.

The study follows theoretical implications and literature review in examining the definitions of the concepts used in the study and the relationships between business ethics, ethical climate and social capital. The first part of the study presents relevant studies from the literature and introduces the hypotheses of this study. Also in this part, the various dimensions of social capital in an organizational context are described. Moreover, ethical context is examined as being the potential antecedent resulting in increased social capital. In the following part, the methodology, sample and procedure selection were discussed. In the final part, the results of the study are presented and empirical findings are provided. The final part also presents the study's main conclusions, limitations and implications as well as relevant topics necessitating further research.

Literature Review and Hypothesis Development

In this part, we demonstrate the evidence used in the literature on social capital referring to ethical context and ethical theory. Reflecting the arguments and empirical supports, we present the proposed hypotheses of the current study.

Social Capital of Organizations

The internal social capital of organizations was defined as a resource reflecting the character of social relations within an organization (Leana & Buren, 1999) and has been viewed as a crucial factor explaining several organizational concerns, such as intellectual capital creation, higher levels of trust, organizational innovation and organizational performance (e.g., Cohen & Prusak, 2002; Leana & Firts, 2006; Nahapiet & Ghoshal, 1998; Pastoriza, 2008).

Establishing the conceptual foundation of social capital in organizations, Nahapiet and Ghoshal (1998, p. 243) defined the concept of social capital as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit." The internal social capital of the organization reflects the character of social relations within the firm (Leana & Buren, 1999). It is located not in the actors themselves, but in their relations with other actors (Lesser, 2000). It is an attribute of the collective rather than the sum of an individual's connections (Adler & Kwon, 2002). In addition, social capital provides mutual benefits and coordination among individuals unlike other material-based capital types and also covers common values, norms and relations that promote both social and trust-based relations in a community (Kangal, 2013). Adler and Kwon (2002) posited that social capital is not only a unique resource, unable to be traded on an open market, but that it is not easily exchanged from one organization to another. Other scholars have also stated that the specific features of social capital make it a potential source of organizational competitive advantage, leading an organization to

success in a competitive sector (Hau, Kim, Lee, & Kim, 2013; Nahapiet & Ghoshal, 1998; Pennings & Lee, 1999). While Putnam (2000) stressed that networks, norms, trust and cooperation were the key elements of social capital, Coleman (1988) lists trust, responsibilities, expectations, norms, relationships and cooperation. Similarly, King (2004) discussed social capital within the framework of a shared vision, trust and cooperation within an organization. Karagül and Masca (2005, p. 37) stated that from the economic point of view, relations based on trust among people are called as "social capital." In relation to these descriptions, social capital has been defined by Turkish scholars and authors as a potential source facilitating different people living together and cooperating, considering it to be a combination of trust, social networks, reciprocity, values and norms that have an important role in the economical and social welfare development of Turkish institutions (Ekinci, 2010; Özen & Aslan, 2006; Özmen, Aküzüm, Koçoğlu, Tan, & Demirkol, 2014). Özen and Aslan (2006, p. 134) demonstrated that the organizations' internal and external social capital were both related with their social networks, how embedded they are, and their employees' perceived organizational trust. Emphasizing the considerable lack of general trust and social capital levels within of Turkish organizations (Özen & Aslan, 2006).

In order to conceptualize the concept of social capital, Nahapiet and Ghoshal (1998) specified three dimensions of social capital: "structural," "cognitive," and "relational." Stating that social capital is a result of the interrelations and interdependencies of these three dimensions (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998; Tsai & Ghoshal, 1998). Scholars argued that while the cognitive dimension of social capital refers to the resources providing parties with shared representations, interpretations, and systems of meaning. The structural dimension is a result of the structural configuration, diversity, centrality and boundary-spanning roles of network participants (i.e., the structure of the relationship). Nahapiet and Ghoshal (1998) also mentioned that the structural dimension of social capital reflects the extent to which people in an organization are connected and able to access the intellectual capital of others. At last, it has been suggested that the relational dimension refers to the personal relationships that people develop with each other as a result of a history of interactions, leading to relations of trust, obligations and norms of reciprocity (Nahapiet & Ghoshal, 1998; Lawson, Tyler, & Cousins, 2008).

Furthermore, the concept of social capital has been an area of focus in academic seeking to explain organizational network relationships, knowledge management activities, the creation of organizational knowledge and sharing (Chang & Chuang, 2011; Chow & Chan, 2008; Hau et al., 2013; Yang & Farn, 2009), individual/ organizational creativity (Liu, 2013), organizational innovativeness (Turgut, 2013), organizational performance improvement (Lawson et al., 2008), corporate ethics (Ayios et al., 2010), and both individual and career outcomes (Zhang, Liu, Loi, Lau,

& Ngo, 2010). Other researchers have also investigated the relation of social capital with innovation (Fountain, 1998; Maskell 2000), workplace discrimination (Gray, Kurihara, Hommen, & Feldman, 2007), organizational learning (Fisher & White, 2000), and employee turnover rates (Shaw, Duffy, Johnson, & Lockhart, 2005). Regarding the structural, cognitive and relational dimensions of social capital, the literature has demonstrated that a number of the ethical practices and values, such as honest, open and candid communication with employees coupled with internal social capital in organizations, lead to a strong ethical context that enhance mutual trust (Ayios et al., 2010; Bull, Ridley-Duff, Foster, & Seanor, 2010; Pastoriza, 2008; Su, 2014). In Turkey, it is argued that organizations' internal social capital in particular is mostly related to degree one is embedded in his organization and to internal trust relationships (Buğra, 2001; Karagül & Masca, 2005; Özen & Aslan, 2006; Paşamehmetoğulları, 2010; Sargut, 2003). A number of researcher have investigated the relationship between internal and external organizational social capital and social networks, embeddedness, cultural values, and organizational trust within Turkish organizations (Başak & Öztaş, 2010; Oba & Semerciöz, 2005). More specifically, one study confirmed that internal social capital had an impact on organizational performance (Özen et al., 2007). Further, Oba and Semerciöz (2005) conducted a number of studies on Small and Medium Sized Enterprises (SMEs), concluding that the social capital of Turkish SMEs emerged as a result of rational perceptions and calculative relations instead of affective trust, family relations, and interpersonal social ties. Supporting these findings, a body of Turkish studies reports that not only Turkish organizations lacking in social capital, so is the greater Turkish community (Buğra, 2001; Gökalp, 2003; Karagül & Masca, 2005; Sargut, 2003).

In the Turkish context and particularly in a Turkish educational setting, Töremen's (2002) study "Social Capital in Schools: A Conceptual Analysis" defined the concept of social capital and discussed the elements of social capital in schools. This specific study by Töremen investigated ways of improving and enhancing social capital in schools by categorizing social capital into four aspects: relationship network, organizational loyalty, trust and a feeling of belonging (Töremen, 2002, p. 560). In addition, Töremen, Ersözlü, and Akbulut's (2010) book "Social Capital and Its Management in Educational Organizations" has contributed to the understanding of how school leaders impact the development of internal social capital of their schools by enhancing collaboration and an environment of trust within their schools. The book explains the importance of social capital in educational organizations (Töremen et al., 2010) implying internal social capital's importance in increasing educational quality and in building strong socio-psychological relationships among school management, teachers and students. Moreover, Şimşek (2013) conducted a dissertation study exploring the relationship between perceived social capital and primary and secondary schools teachers' job satisfaction levels in Istanbul, Turkey.

It was revealed that teachers' perceptions of their schools' internal social capital positively influenced how satisfied they were with their job. Recently, Güngör and Ergen (2014, p. 68) conducted a study in order to identify the relation between social capital levels and variables which define student disadvantages within primary schools in Mersin, Turkey. Their findings showed to be a significant difference between schools' social capital levels based on the school district's population, the families' place of residence whether the student was native to the city, family income level, and in the case of student disability (Güngör & Ergen, 2014, p. 72). Based on their results, the authors suggested that schools with low levels of internal social capital should focus on developing their social networks in order to increase social capital. Furthermore, Ekinci (2012) using the "Scale for Social Capital at Schools" aimed to evaluate the effects that social capital levels in elementary schools have on organizational information-sharing as reported by teachers. The results showed a statistically meaningful relationship to exist between all sub-dimensions of social capital and organizational information-sharing (Ekinci, 2012, p. 2510). Considering these findings, it was argued that school administrators could make significant use of social capital in improving information-sharing levels within their schools.

In sum, such implications derived from studies of the literature and of empirical findings have encouraged us to investigate internal social capital in educational organizations. However, it was recognized that just as the current literature on how to use ethical contextual factors to explain social capital remains for the most part at a theoretical level, so too is empirical evidence scarce. Therefore, in this study, we have paid special attention on the antecedents of social capital, centering our efforts on understanding how perceived ethical climate and business ethics impact social capital in organizations.

Business Ethics and Ethical Climate as Antecedents of Social Capital

Concerning the antecedents of social capital, the existing literature arising from the intra-organizational perspective has shown the positive effects of implementing human resource stability policies that promote stability, norms of generalized reciprocity, and bureaucracy and specified roles within organizations (e.g., Cohen & Prusak, 2001; Parzefall & Kuppelwieser, 2012). In addition, Pastoriza, Ariño, and Ricart (2008) and Pastoriza (2008) classified the antecedents of social capital under "organizational/social contextual antecedents" (a set of guiding values and beliefs, objective authority, faith in a common understanding and purpose, and faith in the ultimate satisfaction of personal motives) and "managerial antecedents" (manager-employee interaction frequency, relational closeness and trust, managerial behavior, motivation of both employee and manager motivation, and organizational performance management).

Ethics is derived from the Greek word "ethos" meaning "character and the term "morality" meaning behavior and habits. In general, ethics can be considered as the criteria for praising or criticizing the behavior of individuals (Jones, Bos, & Parker, 2005, p. 13). According to Thiroux (1998), ethics is concerned with controlling not only humans' understanding of what is right and wrong, but also their behavior (as cited in Yücel & Çiftci, 2012, p. 152). Business ethics is the ethical reflection of a business towards its behaviors and their impacts (Epstein, 1989). This reflection can be shown in its emphasis of corporate values on integrity, accountability, honesty, trust, fairness, responsibility, cooperation, mutuality, professionalism and open communication (Schwartz, 2005; Su, 2014). Dentchey and Gosselin (2007) defined business ethics as "a form of the art of applied ethics, examining ethical rules and principles within a commercial context, analyzing various moral and ethical problems that may arise in the business environment and particular tasks or obligations of business people" (p. 107).

Kırel (2000, p. 6) expressed that the focal point of business ethics is how to administer ethical standards for business policies and conduct. Starting that while the structure of business ethics consists of business morals as well as individual and social ethics, customers, competitors, partners, legal and political groups are external environment factors affecting this structure (Yücel & Çiftci, 2012). Kırel (2000) mentioned that business ethics deals with such values as, honesty, commitment, respect to the environment, fair conduct, equality, and justice. Buchholz and Rosenthal (1998, p. 263) implied that business ethics consisted of certain requirements that must be applied by managers and other employees. Schwartz (2005) asserted that an ethical business also cares about stakeholders who might be impacted by its behaviors, stating that these stakeholders include employees, shareholders, customers, suppliers, community and society as a whole (Su, 2014, p. 88).

Business ethical thinking and conducts can be guided by corporate ethical values because corporate values affect business strategy (Dolan, Garcia, & Richley, 2006), decision-making and behaviors (Boynton, 2006). As such, business ethics and ethical values can also be demonstrated by the degree that an individual believes his organization's management to support ethical business practices through such habits of reinforcement and other practices (Hunt, Wood, & Chonko, 1989; Valentine, Godkin, Fleischman, & Kidwell, 2011). Ethical conduct and ethical values, referred to as a set of norms and values shared by organizational members encourage certain patterns of behaviors through which organizational members understand and respond to their environment, thereby creating a positive environment in which trustworthy behaviors are encouraged (Maak, 2007, p. 329; Su, 2014, p. 88).

Researchers have developed theories attempting to explain how people behave when faced with ethical dilemmas (Tsalikis & Fritzsche, 1989), providing implications about

the individual and organizational outcomes of business ethics (Beauchamp, Bowie, & Arnold, 2004). Ethical theory, business and ethical values, and individual outcomes have all been explored by a wide range of research studies in the literature. Koh and El'Fred (2001) demonstrated the significant link between organizational ethics and employee job satisfaction. Stevens (2008) confirmed that corporate ethical codes were effective instruments in influencing employee behavior. Maak (2007) indicated that responsible and ethical leadership is related to the emergence of social capital. Ayios et al. (2010) provided a conceptual discussion on the relationship between ethics and social capital. Pastoriza, Ariño and Ricart (2008) investigated the antecedents and consequences of organizational social capital and demonstrated the effect of ethical managerial behavior on social capital (p. 329). Moreover, Pastoriza and Ariño (2013) confirmed the effect that ethical leadership on the part of supervisors had on generating internal social capital. Su (2014) documented that business ethics had positive impacts upon the development of human capital, intellectual capital and social capital within organizations.

In sum, although extensive literature and evidence on the positive outcomes of organizational social capital exists, researchers have given less importance to explaining the antecedents of social capital and to suggesting factors that help build social capital (Adler & Kwon, 2002; Parzefall & Kuppelwieser, 2012). In the current literature discussing the relation between ethical context and internal social capital has not passed the exploratory/theoretical level. In essence, we suggest that the literature on social capital could be strengthened by this ethical review, which tries to understand the role of ethical context in building social capital. Reflecting this argument and suggestion, we propose our first hypothesis as follows:

Hypothesis 1: There is a positive relation between employees' perceptions of business ethics and of their organization's internal social capital.

Furthermore, from a theoretical perspective, Kurt Lewin (1975) proposed individual's workplace behaviors and attributes to be the function of the psychological field within which he works. In studies of business, management and organizational behavior, the psychological field of the workplace has been operationalized by the multidimensional construct of organizational climate (e.g., Jones & James, 1979; Litwin & Stringer, 1974). More specifically, based on Lewin's theory, the multidimensional construct of ethical climate represented an attempt to operationalize the psychological field, or at least to operationalize those aspects of the field relating to the ethical aspects of employee behavior (Shacklock, Manning, & Hort, 2011, p. 35).

Pioneering the conceptualization of ethical climate, Schneider (1975) defined ethical climate as the stable, psychologically meaningful perceptions which an individual holds concerning the ethical procedures and policies in his organization and departments. Victor and Cullen (1987) defined organizational ethical climate as

an organization's "shared perceptions of what ethically correct behavior is and how ethical issues should be handled" (p. 51). Barnett and Vaicys (2000) indicated that an organization's ethical climate is affected by its normative systems, such as its policies, procedures, practices, and reward systems.

Following the general approach used by Jones and James (1979) and by Kohlberg's (1967) model of cognitive moral development in their measurement of organizational climate, Victor and Cullen (1987, p. 53) viewed organizational climate as a multidimensional construct and developed a two-dimensional (ethical criterion, locus of analysis) theoretical typology of ethical climates with roots in theories from moral philosophy, moral psychology, and sociology (see Kohlberg, 1967, 1984; Martin & Cullen, 2006; Parboteeah, Chen, Lin, Chen, Lee, & Chung, 2010).

In their work "The Organizational Bases of Ethical Work Climates", Victor and Cullen (1988, p. 105) suggested that, according to the basic criteria applied in moral judgment, moral philosophy could be generally categorized into three major classes of ethical theory, namely; egoism, benevolence, and principle. Victor and Cullen (1988) argued that Kohlberg's (1967) model of cognitive moral development which identified three levels of ethical standards employed by individuals in ethical development (pre-conventional, conventional, and post-conventional), was similar to the three bases of ethical theories which they stated as being egoism, benevolence, and principle. Later, Agarwal and Malloy (1999), VanSandt, Shepard, and Zappe (2006) and Parboteeah et al. (2010) argued that egoism and benevolence represent two subcategories of teleology (an egoistic and utilitarian moral philosophy, respectively) whereas principle represented deontology. In sum, based on the theoretical roots of the Psychological Field Theory (Jones & James, 1979; Lewin, 1975; Litwin & Stringer, 1974) and the cognitive moral development model's (Kohlberg, 1967, 1984) framework, Victor and Cullen (1987; 1988) proposed that organizational ethical climates could be classified into three basic types within ethical theory. Victor and Cullen (1987; 1988) proposed a set of nine ethical climate types in their works in order to develop their ethical climate questionnaire (ECQ) in which the items included reflected different aspects of organizational ethical climate. Broadly, based on Victor and Cullen's (1988) approach, Erben and Güneşer (2008, p. 958) defined ethical climate as the predominant perceptions of organizational practices and procedures that have an ethical base.

In addition, several other researchers have used dimensions derived from factor analysis to develop an ethical climate typology by categorizing an organization's particular climate dimensions using the dimension with the highest score as a base (see Fritzsche, 2000; Parboteeah et al., 2010; Upchurch & Ruhland 1996). Tseng and Fan (2011) provided an approach to develop a typology of ethical climate environments

by conducting hierarchical cluster analysis on the scores of the three ethical climate dimensions (self-interest, social responsibility, and law/professional codes) identified in their study. Shacklock et al. (2011) performed a hierarchical cluster analysis on the responses of 255 public sector employees working as human resource practitioners. Each practitioner was presented with 15 hypothetical scenarios (Shacklock et al., 2011, p. 40). Each scenario contained an ethical dilemma requiring some degree of non-compliance by the practitioner to produce an ethical outcome. As a result of their study, they identified five ethical climate dimensions in the principal components analysis, which they used as variables to classify the sample. These variables are: Caring, Law and rules, Independence, Instrumental, and Efficiency (Shacklock et al., 2011, p. 47).

In this study, we have adopted Victor and Cullen's (1988) typology to examine the differences between different types of ethical climate (Caring, Law, and Code, Rules, Instrumental, and Independence) as well as the potential relationship with social capital, one of the variables used in the current study. In Victor and Cullen's methodology, since a factor analysis was used to identify the dimensions of ethical climate (1988, p. 1715), this study uses Victor and Cullen's (1988) framework, itself stemming from their description of climate dimensions as representing different "types" of ethical environment as a result of their principal components analysis. Using the ECQ Victor and Cullen (1988) obtained responses from 872 employees of four firms. Their principal components analysis extracted five components which they labeled as "Caring," "Law and Code," "Rules," "Instrumental," and "Independence." "Caring" was characterized as the degree to which coworkers are perceived as being sincerely interested in each others' well-being. "Law and Code" represents the degree to which employees strictly adhere to their profession and government regulations and codes. The third component "Rules" was described as the degree to which employees strictly adhere to their organization or subunit's rules and mandates. "Instrumental" component was the degree to which employees were driven by self-interest. The final component "Independence" was defined as the degree to which employees were expected to be guided by their personal moral beliefs (Victor & Cullen, 1988).

Moreover, the definition of ethical climate implicates that it is a macro-level construct (Shacklock et al., 2011, p. 35), although the perception of ethical climate has been related to individual ethical decision-making at the micro-level (Wyld & Jones, 1997). Several researchers have considered ethical climate to be at the micro-level of the analysis while examining the construct with other individual variables (e.g., Barnes, 2013; Borry, 2011; Cullen, Parboteeah, & Victor, 2003; Deshpande, 1996; Erben & Güneşer, 2008; Mayer, Kuenzi, & Greenbaum, 2010; Ma'amor, Ann, Munir, & Hashim, 2012; Mutebi, Kakwezi, & Ntayi, 2012; Shacklock et al., 2011; Wimbush, Shephard, & Markham, 1997). For this reason, the current study has focused on individuals' perceptions toward organizational ethical climate, placing it at the

micro-level of the analysis. Taking into consideration that different organizational ethical climates exist depending on whether they are public and private organizations, this study has attempted to conduct research in both public and private organizations. Shacklock et al.'s (2011) implication may affirm our study's attempt to operationalize the ethical climate perceived in public and private organizations. They have suggested that understanding the types of ethical climate that exist within the public sector, as well as the influence they may have on decision making, may lead to a greater understanding of the drivers of ethical and unethical behavior (Shacklock et al., 2011, p. 35).

Furthermore, since the concept of ethical climate has received attention from a number of researchers, its relationship with various organizational and individual issues has been investigated. The research on ethical climate in particular has been designed to explore its associations with various individual and organizational outcomes, such as job satisfaction, organizational commitment, job performance, leadership behaviors, citizenship behaviors, organizational trust, business ethics, etc. (e.g., Agarwal & Malloy, 1999; Akbaş, 2010; Cullen et al., 2003; Elçi, 2005; Eser, 2007; Mutebi et al., 2012; Weeks, Loe, Chonko, & Wakefield, 2004). Cullen et al. (2003) have demonstrated the positive relationship between normative ethical climates and individuals' commitment to their organization. Moreover, Tsai, and Huang (2008) conducted a study on nurses in Taiwan in which they explored the relationship among ethical climate types, facets of job satisfaction, and organizational commitment.

In a Turkish setting, Erben and Güneşer (2008, p. 955) conducted a study using a micro-level analysis in which it was revealed that ethical climate had a mediating effect between paternalistic leadership and affective commitment. Another study conducted on Turkish firms investigated the moderating effects of organizational commitment and job satisfaction on the relation between ethical climate and turnover intention (Özyer, 2010). According to the results, it was seen that ethical climate and turnover intention were significantly related with each other (Özyer, 2010, p. 177). Ma'amor et al.'s (2012, p. 134) study conducted on manufacturing employees found a significant positive relationship between ethical climate and organizational commitment. In addition, Yeşiltaş (2012), in his doctorate dissertation study, conducted a study within tourism sector in Turkey in which he examined the impacts of ethical leadership and ethical climate in the organizations on individuals' organizational identification. The results showed that perceived ethical climate positively impacted individuals' organizational identification (Yeşiltaş, 2012, p. 151).

Furthermore, Barnes (2013, p. 91), his doctorate dissertation, confirmed the existence of significant relationship between transformational leadership and four of the five empirically derived ethical climate type perceptions (caring, law and code, rules, and instrumental). Another study examined ethical climate as a mediator of

the relationship between ethical leadership and employee misconduct, finding ethical climate to be significant mediator of the relationship between ethical leadership and employee misconduct (Mayer et al., 2010, p. 7). Focusing on the antecedents of ethical climate, Parboteeah et al. (2010) examined how managerial practices such as communication and empowerment influenced ethical climates in their study covering Taiwan's top 100 patent-owning companies. Moreover, Pastoriza, Ariño, and Ricart (2009) posited that creating an ethical work context would enable organizations to generate social capital.

As is evident, a substantial body of research has demonstrated that organizational ethical climate could very well be an important factor in influencing employee behaviors, attitudes and perceptions. However, it is recognized that although ethical climate and variables such as organizational commitment, leadership, and performance behaviors have drawn much attention, little empirical research has focused on the actual relationship between ethical climate and social capital in organizations. In Turkey, the existing studies investigating social capital in an educational setting have not focused on ethical context, providing instead conceptual discussions. To the knowledge of the authors, no research study has been designed to explore the relationship between ethical climate and perceived social capital. For example, with his conceptual study, Töremen (2002, p. 571) concluded that not only should school leadership promote trust, ethical environment, and open communication among organizational members in order to improve social capital, but that management should also promote social gatherings so as to improve cohesiveness and cooperation among employees as it will have an effect on improving social capital. Other studies conducted in Turkey have also neglected providing adequate empirical findings regarding the relation between ethical context and perceived internal social capital.

In this study therefore, we have attempted to examine how ethical climate and its components are related to perceived social capital in educational organizations. In the case of the current study, we suggested ethical climate to be one of the processes in which the relation between ethical context and social capital becomes apparent. We moreover expect employees' evaluations of ethical climate to be related with the social capital of their respective educational organization. Thus, the second hypothesis has been suggested as follows;

Hypothesis 2: There is a positive relation between employees' perceptions of ethical climate and their perception of the internal social capital in their organizations.

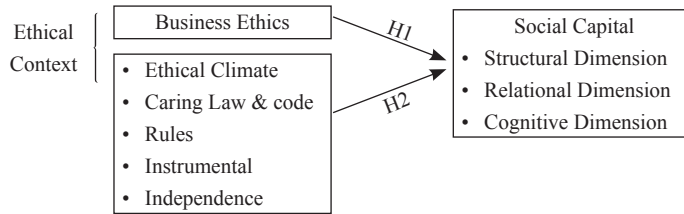Figure 1 presents the conceptual framework of the current study.

Figure 1. Proposed conceptual framework.

Methods

Sample and Procedures

This study follows the descriptive method using a correlational research design to investigate the effect of employees' perceptions on their perceived social capital in educational organizations. The selected sample group of this study consisted of educators working in public and private educational institutions in Istanbul, Turkey. The research model was tested using survey data collected from educators from a variety of educational institutions involving a set of primary and secondary schools in Istanbul. The researchers initially contacted school administrators of each institution to determine whether they were willing to cooperate with the research. After agreeing with school administrators, an appointment was made during which a discussion was held to describe the research aim and how it would be conducted. As a result, a total of 24 primary and secondary level schools stated that they were willing to cooperate with the research. Eight primary-middle level schools and 16 high schools responded positively to this study, providing a total of 800 participating educators for the study. The research was conducted by either the administrator or the administrative boards of each respective institution. Administrators were asked to deliver a hard copy of the questionnaire forms to educational staff members (teachers, school administration staff) within their institution. In addition, the digital version of the questionnaire form was sent to the participants via e-mail by administrative boards. The researcher's contact information was given to the participants so that they could return the completed questionnaires to the researcher's own e-mail address. The participants did not send their completed questionnaires to their own school's administrators. This method was preferred in order to ensure participants' confidentiality and to prevent ethical bias. A total of 465 useable responses were returned, resulting in an overall response rate of 59%. Accordingly, the response rate is supposed to be an approximate calculation. The mean age of respondents was 36.1 years (ranging from 24-56 years); 58.9 % were female, and average organizational tenure was 9.2 years (ranging from 1-26 years).

Measures

First of all, demographic information, including gender, tenure, educational level, job status and working position, was collected in the first part of the questionnaire form. In this part, participants were also asked to respond to questions related to various characteristics of their organization, such as institution type and whether their institution has adopted an ethical code.

The "internal social capital" scale was developed by Nahapiet and Ghoshal (1998) based on the three dimensions of social capital and contains a total of 26 items (9 items for structural, 4 items for cognitive, and 13 items for relational). We measured internal social capital using Nahapiet and Ghoshal's (1998) scale and continued to build on the work of Leana and Buren (1999), Leana and Pil (2006), and Pastoriza (2008). Moran and Ghoshal (1996), Tsai and Ghoshal (1998), Göksel, Aydıntan, and Bingöl (2010) and Turgut (2013) utilized the scale to measure the cognitive, relational and structural dimensions of social capital. An example item for the cognitive dimension is "People should be made aware that if they are going to be part of an organization then they are sometimes going to have to do things they don't want to do", for the relational dimension "I think my organization treats me fairly," and for the structural dimension "In my organization people combine their information, ideas, and other resources to accomplish joint tasks." The Cronbach's Alpha value for the scale was reported to vary between .77-.92. In Pastoriza's (2008) study, the Cronbach's Alpha values were .82 for the cognitive dimension, .95 for relational dimension, and .83 for the structural dimension. In a recent study conducted in a Turkish context, the Cronbach's Alpha value for the overall scale was .87 (Turgut, 2013). In this study, the Cronbach's Alpha value has been reported as .91.

The scale "Perceived Business Ethics" developed by Hunt et al. (1989) to measure business ethics was used. The scale contains 5 items including such items as "Top management in my company has clearly stated that unethical behaviors will be in no way be tolerated" and "If a manager in my company is discovered to have engaged in unethical behavior resulting primarily in personal gain (rather than corporate gain), he or she will be promptly reprimanded." The reverse items were converted before the statistical analysis. The scale has been used by Su (2014) and the Cronbach's Alpha value was .765. In this study, the results showed that the Cronbach's Alpha value for perceived business ethics was .84.

Furthermore, organizations' "ethical climate" was measured using the Ethical Climate Questionnaire (ECQ) developed by Victor and Cullen (1987; 1988). Example items included "What is best for everyone in the organization is the major consideration here" and "It is very important to follow the organization's rules and procedures." The overall scale contained totally 26 items (7 items for caring, 4 items for Law

code, and 4 items for rules, 7 items for instrumental, 4 items for independence). The ethical climate framework has been widely used in empirical research especially after the studies which were published in "Journal of Business Ethics" (Martin & Cullen, 2006, p. 176). Relevant ethical climate types have shown stability as a result of many studies conducted on dissertations and journal articles. The scale's intercorrelations and reliability have been confirmed (Barnes, 2013, p. 132). Recently, in Barnes' (2013) study, the reliabilities for the sub-scales of the Ethical Climate Scale were .62 (caring), .68 (low code), .76 (rules), .83 (instrumental), and .69 (independence). The scale has been used in a Turkish research study by Akbaş (2010) and the Cronbach's Alpha value was reported as .896. In Akbaş's study, the Cronbach's Alpha value for perceived ethical climate was reported as .80.

Respondents were asked to respond using a six-point Likert scale ranging from "strongly disagree" to "strongly agree." To test the applicability of the questionnaire in the research context, we have invited a PhD lecturer and an Associate Professor of Marmara University to participate in the questionnaire's pretest to ensure content validity for the overall scale. As stated by Zareei, Zamani, and Tanaomi (2014, p. 10), content validity ensured that all aspects and elements able to reflect researcher's intended content is available in the measurement. The pretest resulted in a minor correction in questionnaire's wording and confirmed the content of the adopted scales. Consequently, the invited academicians commented on all implemented criteria and endorsed all of the scale's items.

In the current study, a factor analysis was applied to three of the questionnaire's scales and included 26 items related to social capital, 5 items related to business ethics, and 26 items related to ethical climate. Each scales level of reliability was analyzed by computing each scale's Cronbach's Alpha coefficient. All items on the business ethics scale converged on one factor, which is consistent with Su's (2014) findings. Items on the social capital converged on their hypothesized three factors and items on the ethical climate scales converged on their hypothesized five factors. Accordingly, each of the three scales in the survey reported a high degree of reliability. The results of factor analysis and reports of reliability analysis for the study variables are illustrated in Table 1 below.

Furthermore, as shown in Table 2, all coefficients were greater than 0.7, indicating a high reliability rate for the overall research instrument.

Table 1
Description of the Variables Included in the Factor Analysis*

Variables			Explained Variance %
Social Capital Construct			
	N of Items	Factor Loadings	
Structural (SSC)	9	.775	35.555
Cognitive (CSC)	4	.665	31.356
Relational (RSC)	13	.616	23.251
KMO = .891 Chi-Square Bartlett's Test = 288.3125			
Ethical Climate Construct			
	N of Items	Factor Loadings	
Caring (CV)	7	.744	30.555
Law code (LV)	4	.693	24.377
Rules (RV)	4	.606	19.222
Instrumental (IV)	7	.588	13.241
Independence (IDV)	4	.563	10.755
KMO = .901 Chi-Square Bartlett's Test = 366.3854			
Business Ethics Construct			**Factor Loadings**
Managers in my company often engage in behaviors that I consider to be unethical			.866
In order to succeed in my company, it is often necessary to compromise one's ethics			.858
Top management in my company has let it be known, in no uncertain terms, that unethical behaviors will not be tolerated			.822
If a manager in my company is discovered to have engaged in unethical behavior that results primarily in personal gain (rather than corporate gain), he or she will be promptly reprimanded			.775
If a manager in my company is discovered to have engaged in unethical behavior that results primarily in corporate gain (rather than personal gain), he or she will be promptly reprimanded			.712
KMO = .888 Chi-Square Bartlett's Test = 255.025			

*This study's factor analysis reports, SPSS 18.

Table 2
Scales' Reliability Scores

The Research Scales	Cronbach's Alpha
Social Capital Scales	.91
1. Structural	.89
2. Cognitive	.93
3. Relational	.91
Ethical Climate Scales	.80
1. Caring	.73
2. Law code	.78
3. Rules	.76
4.Instrumental	.83
5.Independence	.86
Business Ethics Scale (unidimensional)	.84

Results

Descriptive Statistics of the Variables

Before conducting the data analysis, study variables' means and standard deviations were calculated. The mean values shown in Table 3 indicate that among the mean values of the social capital dimensions, relational dimension was the highest (M = 4.76, SD = 1.15) whereas the cognitive dimension was the lowest (M = 4.21, SD = 1.26).While ethical climate dimensions were found to be closer to each other, the highest of them was the rules dimension (M = 4.85, SD = 1.14). The reported mean value for perceived business ethics was the highest value among all of the study' variables (M = 4.97, SD = 1.32). It can therefore be interpreted that the sample group perceived business ethics to be relatively high in their organization. Variables' descriptive statistics are presented in Table 3.

Table 3
Descriptive Statistics

Variable	Mean(M)	Standard Deviation(SD)
1. Structural dimension	4.48	1.30
2. Cognitive dimension	4.21	1.26
3. Relational dimension	4.76	1.15
4. Caring	4.41	1.29
5. Law code	4.73	1.33
6. Rules	4.85	1.14
7. Instrumental	4.55	1.05
8. Independence	4.68	1.42
9. Business Ethics	4.97	1.32

Correlation and Regression Tests

After calculating variables' means and standard deviations, correlations among the variables were evaluated. While performing a regression analysis testing the hypothesis, the variables were centered (mean = 0) in order to minimize the effects of

Table 4
Intercorrelations of Scales

The Research Scales	2	3	4	5
Social Capital Scales				
1. Structural	.44	.36		
2. Cognitive		.25		
3. Relational				
Ethical Climate Scales				
1. Caring	.36	.49	-.15	.19
2. Law code		.68	-.37	.05
3. Rules			-.38	.11
4.Instrumental				.10
5.Independence				
Business Ethics Scale				

collinearity. In addition, the Guilford Convention was used in this study to evaluate the correlative relationships among the research variables and to interpret the strength and direction of the correlation coefficient of the sample as indicated in the studies of Van Aswegen and Engelbrecht (2009, p. 5), Neuman (2003, p. 351), and Barnes (2013, p. 140). Based on this method, the intercorrelations of the study's scales are illustrated in Table 4.

The subsequent analysis investigated the complexity of these relationships in terms of the effects and contributions of the independent variables (business ethics and ethical climate) on social capital. Pearson's correlation coefficients of constructs are presented in Table 5.

Table 5
Construct Correlations

Variables	1	2	3
Social Capital		.554*	.705**
Business Ethics			.313*
Ethical Climate			

$* p < .05, ** p < .01.$

As can be seen in Table 5, a strong and positive correlation between ethical climate and social capital construct is reported ($r = 0.705$, $p < .01$). Furthermore, there is a moderate and positive correlation between perceived business ethics and social capital ($r = 0.554$, $p < .05$). Essentially, these findings suggest initial support for hypotheses 1 and 2 as they provide evidence that ethical context including perceived business ethics, organizational ethical climate, and social capital are significantly and positively related.

Moreover, regression analyses were also performed in order to test the contribution that the participants' perceived business ethics and ethical climate makes to perceived social capital. In Table 6, Model 1 contains the business ethics variable, whereas Model 2 contains the ethical climate variable. The results of the regression analyses indicated that the business ethics coefficient is both positive and significant ($\beta = 0.479$, $p = .004$). These results indicated that business ethics has significant incremental explanatory power over social capital. Moreover, as can be interpreted from Table 6, Model 2 shows that the ethical climate coefficient is both positive and significant ($\beta = 0.513$, $p = .003$). Therefore, ethical climate is revealed to have significant incremental explanatory power over social capital, meaning the greater individuals perceive business ethics and ethical climate in their organization to be, the higher their social capital. Based on the findings of the regression analysis, the research model depicting the relationship between business ethics, ethical climate and social capital is shown in Figure 2.

Table 6

Results of the Regression Analysis for Business Ethics and Ethical Climate in Relation to Social Capital

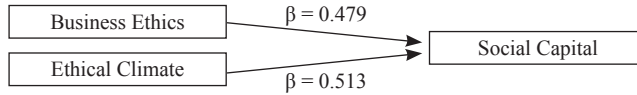| Variables	Beta	F-Value	p	R	R^2
Business Ethics	0.479*	4.672	.004	0.396	0.344
Ethical Climate	0.513*	2.744	.003	0.477	0.416

Dependent Variable:

Social Capital

* $p < .05$.

Figure 2. Research model of the relationship between business ethics, ethical climate and social capital.

Additional Comparative Analyses for the Factors of Gender and the Type of the Organization

For further comparative analysis, an independent sample *t*-test was conducted in order to present the significance results on the relationship between the factors of gender and organization type, on the one hand, and the study variables, on the other.

Table 7

Independent Sample T-Test Results between the Study Variables and Gender Factor

Variables		N	Mean	St. Dev.	t	p
SocialCapital	Female	275	4.84	0.51	2.649	.008
	Male	190	4.42	0.85		
BusinessEthics	Female	275	4.35	0.41	2.175	.003
	Male	190	4.02	0.77		
EthicalClimate	Female	275	4.25	0.51	2.384	.000
	Male	190	4.59	0.85		

As it can be seen in Table 7, the independent sample t-test results revealed that social capital levels differ based on gender. More specifically, women perceived social capital to be higher in their organizations than did men (μ female = 4.84, sd = 0.51, μ male = 4.42, sd = 0.85, $p < .05$). Table 7 also indicates that there exists a significant difference (with the p value of .03 and t value of 2.175) between female and male employees. As the mean values indicate, female employees perceived business ethics to be higher than did male employees (4.35 > 4.02). Moreover, when ethical climate was tested controlling for gender, male employees perceived higher levels of ethical climate than female employees (with the significant p value of .000, t value of 2.384 and mean values of μ female = 4.25, sd = 0.51, μ male = 4.59, sd = 0.85, $p < .05$).

Table 8
Independent Sample T-Test Results between the Study Variables and Type of the Organization

Variables		N	Mean	St. Dev.	*t*	*p*
Social Capital	Public	252	4.76	0.50	2.525	.002
	Private	213	4.47	0.75		
Business Ethics	Public	252	4.39	0.41	2.655	.004
	Private	213	4.11	0.77		
Ethical Climate	Public	252	4.73	0.59	3.367	.001
	Private	213	4.14	0.49		

As can be seen in Table 8, the independent sample t-test results revealed that perceived internal social capital differed based on whether one worked for a public or private organization. Employees working in public organizations perceived social capital to be higher than those working in private organizations (μ public = 4.76, sd = 0.50, μ private = 4.47, sd = 0.75, $p < .05$). Table 8 shows that there exists a significant difference ($t = 2.525$, $p = .002$) in employees social capital perceptions depending on whether they work in a public or private organization. Moreover, as mean values indicate, employees working in public organizations perceived their organizations' business ethics to be higher did employees working in private organizations (μ public = 4.39, sd = 0.41, μ private = 4.11, sd = 0.77, $t = 2.655$, $p = .004$). In addition, when ethical climate was tested controlling for organization type, employees working in public organizations were found to perceive higher levels of ethical climate than employees working in private organizations (μ public = 4.73, sd = 0.59, μ private = 4.14, sd = 0.49, $t = 3.367$, $p = .001$).

Discussion

This study analyzed the relationships between business ethics and ethical climate, on one hand, and organizational social capital, on the other. According to the relevant literature, ethical context plays a critical role not only in creating organizational climate, but also in shaping both organizational outcomes and employees' behavioral and attitudinal outcomes. Since business ethics and ethical climate were stated to be antecedents of a more moral organization in which social capital has been created, it was deemed worthwhile to examine the contributions that business ethics and ethical climate make to organizational social capital. Although empirical research studies on the relationship between ethical contexts (as undertaken with business ethics and ethical climate constructs) and social capital were scarce, the authors of the current study attempted to hypothesize relationships based on the established knowledge on business ethics and ethical climate typologies. The extant literature provided empirical evidence for the relations between business ethics and ethical climate, on the other hand, a number of organizational and individual outcomes, on the other (e.g., Borry, 2011; Cullen et al., 2003; Deshpande, 1996; Erben & Güneşer, 2008; Parboteeah et al., 2010; Shacklock et al., 2011; Wimbush et al., 1997). The

literature on social capital also affirmed the significant effects of ethical context and several other organizational and individual antecedents on organizational social capital (Ayios et al., 2010; Cohen & Prusak, 2002; Leana & Firts, 2006; Nahapiet & Ghoshal, 1998; Oh et al., 2004; Pastoriza, 2008; Tsai & Ghoshal, 1998; Zheng, 2010). Emphasizing the role of ethical values in enhancing social capital, Ruppel and Harrington (2001) pointed out that organizations should encourage cooperation, idea exchange, and sharing among employees rather than encouraging competition as competition only inhibits cooperation, exchange and sharing, which in turn only works to affect social capital negatively. Furthermore, Su (2014) demonstrated that the greater firms' business ethics are, the higher their social capital. Thus, the results of this study are consistent with those of Su (2014) regarding the association between business ethics and social capital since he has found that the business ethics variable had positive and significant effect has both a positive and significant effect ($\beta = 0.237$, $p = .012$) and has significant incremental explanatory power over social capital. Providing empirical support for the extant literature, the findings of the current study have revealed that the greater business ethics in organizations are, the higher organizational social capital is.

To test the hypotheses of this study, the authors designed a research study in which Victor and Cullen's (1998) five-component ethical climate typology and Nahapiet and Ghoshal's (1998) three-dimensional social capital concept were adopted. In addition, business ethics were evaluated using perception of organizational ethical values, an instrument developed by Hunt et al. (1989). Considering the critical importance of ethical values and ethical climate in educational settings, the research was carried out on educational staff working members working in both public and private education organizations in Turkey. Since it was also anticipated that social capital was among the core values of educational organizations, it was assumed that all scales utilized in the structured research and the selected sample have suited the research aim of the current study.

The results of this study indicated that all the ethical climate components and one dimension of business ethics had significant positive relations with social capital. Ethical climate had both a strong and positive correlation with social capital ($r = 0.705$, $p < .01$) while business ethics had a moderate and positive correlation with social capital ($r = 0.554$, $p < .05$). Additionally, both business ethics ($R^2 = 0.344$, $p < .05$) and ethical climate ($R^2 = 0.416$; $p < .05$) had positive and moderate impacts and explanatory power on social capital. These results are supported by the literature (Maak, 2007; Pastoriza et al., 2008).

As indicated in the literature review section of the current study, to date, a number of authors (e.g., Coleman, 1988; Özen & Aslan, 2006; Pastoriza, 2008; Woolcock & Narayan, 2000) have viewed social capital as the sum of elements and values

that enable employees not only to work together, but also to be productive while working. Most of the authors insisted in their studies that the main elements of social capital were trust, network relations, information networks, embeddedness, information-sharing, etc. (e.g., Coleman, 1988; Ekinci, 2012; Fukuyama, 2005; Özen & Aslan, 2006; Öztaş, 2007; Putnam, 1993; Stanton-Salazar & Dornbusch, 1995; Woolcock & Narayan, 2000). However, previous studies have not provided insight for the ethical elements of the internal social capital. Only a few studies have even discussed the role of ethical perceptions on perceived organizational internal social capital, contributing to the empirical knowledge of the impact that ethical leadership, perceived ethical climate and managers' business ethics have on social capital (Ayios et al., 2010; Maak, 2007; Pastoriza et al., 2008). Therefore, the execution of the current study has provided a venue to explore how the ethical norms presented in an organization regarding not only how ethical decision making, but also how individuals' ethical values impact perceived internal social capital by articulating previously conducted studies on business ethics and ethical climate. According to the results of the current study, having ethics-based perceptions and relationships among teachers/administrators and building an environment conducive for them to perceive an ethical climate within the school management is critical for internal social capital to manifest. Moreover, it is suggested that in addition to the educational staff perceiving business ethics, establishing an ethical climate within the school positively effects school effectiveness, leading to better education quality and a positive school climate.

Consequently, this study found that by emphasizing an ethical climate, whose components include caring, law codes, rules, instrumental and independence, might help to improve cognitive, relational, and structural forms of organizational social capital. In sum, ethical context, itself composed of perceived business ethics and ethical climate dimensions, is suggested to generate benefits for the development of internal social capital in organizations due to its being a prerequisite for and indicator of internal social capital.

Further, in theoretical knowledge, the findings of this study may support the usefulness of Victor and Cullen's (1988) ECQ. The survey used in this study examined the proposed relationship by extracting the actual ethical climate types by utilizing Victor and Cullen' (1988) methodology. Thus, we suggest that the findings of this study may provide more specific and concrete had been previously studied.

Practical Implications

In practical terms, we suggest that the findings of this study may provide practical and useful information for administrators, human resources specialists, policy-makers, and governmental departments in the education industry desiring to gain

a better understanding about the basics of ethical management, how to establish an ethical climate and codes, and how to improve organizational social capital. Moreover, this study may help both academicians, educational staff members, and business sector managers to gain insight about the different types of ethical climate and social capital, as well as about how ethical management and ethical climate in organizations influence both organizational and individual outcomes, such as, job satisfaction, organizational commitment; leadership types, performance, and social capital management. In addition, since ethics appears to be an important element of internal social capital (Ayios et al., 2010; Pastoriza et al., 2008; Su, 2014), educational organizations can better develop internal capital reserves by working to increase positive business ethics and establish an ethical climate in their organizations. Furthermore, we also suggest that school administrators may be able to find ways to establish a desired ethical climate in the school environment and develop internal social capital among the members of their institution.

Limitations and Future Directions

The limitation of this study, include the fact that the data were collected from a single industry, education, in a single country, Turkey, and in a single city, Istanbul. Therefore, it would be difficult to generalize the results, especially in the case of applying them to a different industry or different cultural setting. A second limitation is that although this study has focused on a Turkish-specific case and a Turkish cultural setting, the literature review and research instruments were based primarily on non-Turkish (US, European or Asian) studies due to a lack of previous related research and measuring instruments. Hence more research on ethics, especially qualitative based research, needs to be performed in order to overcome the cultural limitations of this study. In addition, it is recommended that future studies be conducted within a variety of industries using larger sample groups in order to obtain more reliable data. Moreover, comparative evaluations in particular should be done to analyze the statistical differences between cultural, organizational, and personal variables. Finally, in terms of further directions for future study, we suggest that better information might be gained by adopting a multiple-source method in which the scales of the research variables would be rated by both employees and managerial staff including the managers or owners of organizations.

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