

The Effect of Ethical Treatment Towards Employees on Employee Job Satisfaction among Cane Haulage Smes in Mumias Sugar Belt, Kenya

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Abstract—This study attempts to examine the role of ethical treatment towards Employees in enhancing Employee Job Satisfaction among transport SMEs in the sugar industry in Kenya. In this study, respondents are the Employees hired by cane haulage SMEs contracted by Mumias Sugar Company. A total of 138 questionnaires were distributed. To test the conceptual framework, a structural equation was modeled to analyze the data. In this regard, frequencies, correlations and binary logistic regression were used to establish the relationship between ethical treatment to Employees and Employee job satisfaction. Findings revealed that ethical treatment indicators are predictors of Employee job satisfaction among transport haulage SMEs.

Keywords- Ethical treatment towards Employees; Employee Job Satisfaction; Cane haulage SMEs;

I. INTRODUCTION

Ethical business is a set of principles that govern the action of an individual or group in an enterprise, Suitlif and Kaufman (2003). Ethical business is concerned with truth and justice and includes aspects of which society expects for instance fair competition, social responsibilities and corporate ethical business behaviour (Gilman 2003). Ethical business practices refer to actions that appear to further some social good, beyond the interests of the firm and that which is required by law (McWilliams and Siegel, 2001). Specifically ethical business practices suggest that the enterprise identify its stakeholder groups and incorporate their needs and values within its strategic operation and decision making process, Hatman et al (2006). This concept encompasses the moral responsibilities that businesses have to the societies within which they operate (Hartman et al 2006).

The extensive debate and research concerning whether ethical business is or is not profitable indicates that most do not define ethical business as only those initiatives that are beyond profits, but that it includes both profitable and unprofitable initiatives which have social benefits. This definition of ethical business inherently goes beyond Langtry's (1994) minimalist and non-minimalist pure stockholder ethical theories. However, it is consistent with both his "tinged stockholder theory," where "firms should be run to maximize the interests of stockholders, subject not only to legal constraints but also to moral or social obligations" and to an intrinsic view of non-shareholder stakeholders as described by Berman et al. (1999). MSEs across the world exhibit a variety of ethical business practices principles, policies and practices (Baughn et al., 2007; Kusku and Zarkada-Fraser, 2004) with different levels of intensity (Welford, 2005; Maignan and Ralston, 2002).

However questions still linger as to what explains the similarities or differences in ethical business across countries, why ethical business practices change over time and what explains these changes. These unexplained questions justify the reason why a study should be carried out in Kenya to establish the status of ethical business practices among MSEs.

It is only in the last decade that business ethics scholars have made concerted effort to expand their research to countries other than the United States (Oumlil et al 2009). One country that has been getting a lot of attention of economists, business professionals, and politicians is China (Lu, 2008). It produces nearly half the world's goods and products. In less than a quarter-century since Deng Xiaoping initiated his "open door policy," China has become one of the most powerful and unpredictable force in the economic world. Its enormous pool of cheap labor and untapped market has attracted billions of dollars from multinationals all over the world and lifted over 250 million out of poverty since 1978. Today, China has the largest trade surplus with the United States and is one of the largest holders of U.S. treasury bills. In addition, it is expected to overtake the United States' gross domestic product by 2039 (Chandler, 2004). However, in the recent past, the "Made in China" label has taken a severe beating. Recent revelations of defective products from China like melamine-contaminated foods, and toys contaminated with lead paint have raised concerns about social responsibility in China (Gallagher, 2009; Lu, 2008).

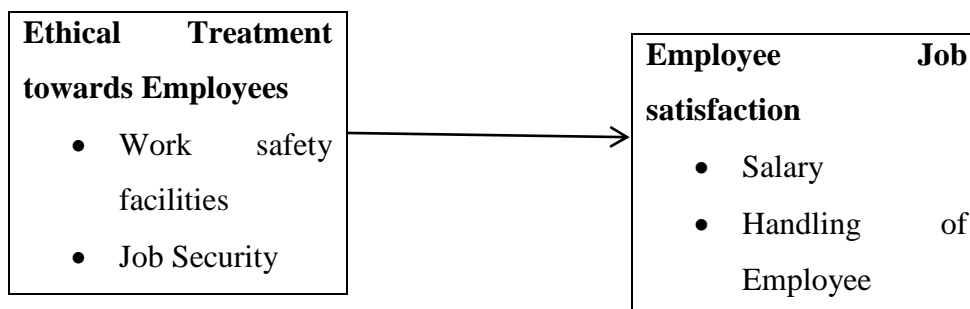
Companies in Kenya display different understandings and levels of commitment to ethical business as demonstrated by the issues they prioritize and the range of ethical business processes they employ (Muthuri et al 2010). Evidently philanthropic responsibilities feature highly on the ethical business practices agenda and unlike Carrol's (1991) ethical business practices pyramid, philanthropy takes a higher priority than legal responsibilities in Kenya.

The need for focused ethical business practices research on cane haulage in Kenya is critical particularly with the concern that current approaches to ethical business practices, with their origin in developed countries, "may not sufficiently relate or respond to the context and circumstances encountered in developing economies" (Hamann, 2006). This is compounded by the fact that SME cane transport employees continue to complain of poor working conditions and ethical violations at their places of work. As we know it, developing countries do not share the same cultural and social values, norms and priorities that underpin ethical business practices in 'western' nations (Blowfield and Frynas, 2005; Jamali and Mirshak, 2007). This makes it necessary for a study to explore a possible relationship between employee ethical treatment and job satisfaction.

Conceptual framework

An appropriate allocation of compensation structure which is a measure of ethics was reported to have a significant impact on job satisfaction (Adams et al, 2001). The ability of an organization to allocate the structure of compensation based on proper rules such as value of the job and performance levels may lead to an increased job satisfaction (Mathieu and Zajac, 1990). Skinner et al (1989) discovered that care for employees can improve their organizational commitment and promote job satisfaction. In line with these arguments, and with the assumption that employees work for rewards, this study hypothesised as follows:

Ho: Ethical treatment towards employees has no effect on employee job satisfaction



Literature Review

Ethical treatment towards employees and employee satisfaction

Tetralink Tailor and Associates East Africa (2009) carried out a survey in Kenya to ascertain the level of employee satisfaction among Kenya Sugar Board employees. The researcher used a participatory and collaborative approach to data collection. The study utilized a survey design. Several statements capturing various aspects of employee job satisfaction were polled to employees. The study established a strong satisfaction index of 72% among Kenya Sugar Board employees. This study however is deficient as it doesn't measure satisfaction against a performance indicator neither does satisfaction mediate a relationship between variables. Moreover, the study does not seek the satisfaction of primary stakeholders based on the normative model in the cane haulage service. It rather seeks to establish the satisfaction of policy stakeholders. The study further used a survey design which is inappropriate for a cause and effect study similar to the current one. There were no ethical dimensions featured in the study by Tetralink and Associates East Africa (2009). Consequently, the current study sought to effectively address these deficiencies.

Koh and Boo (2011) did another study in Pakistan to establish the link between organizational ethics and job satisfaction. The study found out that the relationship can be explained by the organizational justice theory and cognitive dissonance theory. The concept of organizational justice is central to understanding a wide range of human attitudes and behaviours in organizations. The underlying premise is that the justice perceptions of employees affect their job attitudes and organizational outcomes such as, job satisfaction and turnover intention.

Organizational ethics is often dichotomized into two components: (1) distributive justice which addresses the fairness of managerial decisions relative to the distribution of outcomes such as pay and promotion, and (2) procedural justice which focuses on how such managerial decisions are made. Dailey and Kirk (1992) in their study in Uruguay found that employee perceptions of both distributive and procedural justice play a central role in relation to job satisfaction. McFarlin (2011) in another study done in Spain however, found that distributive justice predicts job satisfaction better than procedural justice does. These studies however were not carried out in the sugar industry within an environment similar to Kenya making it necessary for the current study.

In a number of studies on organizational situations cited by Koh and Boo (2011) in their Pakistan studies, for example, layoffs, job insecurity, unfair promotions, selection and hiring, and part-time employment, fairness, equity and favorable perceptions by the employees are shown to lead to positive job attitudes and outcomes. Findings by Singhapakdi and Vitell (1991) reinforced this notion by concluding that ethically sensitive salespeople prefer to see a punitive or non-punitive action response, as opposed to a no-action response, taken by their firms in reaction to unethical behavior by employees. Conceptually, Lind's (1992) fairness heuristic states that perceptions of fairness in one area influence perceptions of fairness in another area. In other words, it means that employees who perceive their organizations to be ethical are also likely to perceive their organizations as being fair to them. This, in turn, is likely to enhance employee job satisfaction. Although these studies adequately enlist organizational ethics constructs, they are deficient in addressing employee job satisfaction. They instead were limited to job performance outcomes.

Bellizi and Hite (1989) did a study in France to establish the relationship between the employee ethics and business performance. The study found that the lack of an ethical fit between employees and their organization can result in distress and job dissatisfaction, among other things. Job satisfactions of salespersons were found to be weakened if they perceive the organization rewarding the unethical behaviors of co-workers. The study concluded that, if employees perceive strong top management support for ethical behavior, a favorable ethical climate, and a strong association between ethical behavior and career success in the organization, then they are also likely to have a higher level of job satisfaction. The findings are however inadequate in addressing the Kenyan ethical situation particularly in the sugar sector given its challenges.

In response to lack of cross-cultural studies involving non-Western countries on business ethics, Honeycutt et al. (1995) conducted a research on ethical similarities and differences, and job-related constructs among 160 Taiwanese and 91 U.S. sales personnel in the highly-competitive automotive industry. Their findings conclude that ethical perceptions of the industry negatively influenced job satisfaction levels of both Taiwan and U.S. samples. However, this finding may indicate that if ethical standards at the dealership are low and the employee perceives the overall industry to have higher ethical standards, the salesperson would understandably become disenchanted with his or her job. Moreover, in addressing deficiencies of such studies in non-western countries, Honeycutt (1995) failed to include Kenya paving way for the current study.

Honeycutt's (1995) findings seem contradicted by another recent study by Jaramillo et al. (2006) where 138 U.S. salespersons were surveyed to investigate the role of ethical climate on their role stress, job attitudes, turnover intention and job performance. In their research, the findings indicated that ethical climate resulted in lower role conflict and role ambiguity and higher satisfaction, which, in turn, led to lower turnover intention and increased organizational commitment. Organizational commitment, in this case, was found to be a significant predictor of job performance. The findings however might not form an adequate basis for generalization in Kenyan organizations due to cultural differences.

Sims and Kroeck (1994) studied the influence of ethical fit on employee attitudes and intentions to turnover in Spain among 66 employees working in five different departments in a medium-sized hospital. They used the Minnesota Satisfaction Questionnaire to measure intrinsic and extrinsic satisfaction of the employees. Their findings revealed that job satisfaction was not significantly related to the fit between the current ethical work climate and the employees' expressed preferences. The authors suggested that this could be due to the fact that satisfaction is a measure of job attitudes, while ethical work climates are a measure of the organization, i.e. a

conceptual difference. They further suggested that an organizational measure of satisfaction should be used instead to determine if organizational satisfaction is influenced by ethical work climate. This recommendation was not necessarily aimed at addressing ethical challenges in the Kenya scenario.

Vitell and Davis (1990) examined empirically the relationship between ethics and job satisfaction for 61 Management Information System (MIS) professionals in USA. Their results indicated that MIS professionals were more satisfied with the various measured dimensions of their job; pay, promotions, co-workers, supervisors, the work itself, when top management stresses ethical behavior and when they are optimistic about the relationship between ethics and success within their firms. The one exception to this was pay satisfaction which was unrelated to these constructs. One's sense of social responsibility was also found to be relatively unrelated to job satisfaction. Job satisfaction constructs examined by Vitell and Davis (1990) were not broad to capture relevant satisfaction measures for the Kenyan worker.

From a study by Jaramillo, Mulki and Solomon (2006) in Brazil, it is observed that ethical climate has both direct effect (e.g. role stress, job performance) and indirect effect (e.g. role conflict and role ambiguity) on job satisfaction. Sims and Keon (1997) found that a match between the ethical climate of the organization and the ethical preferences of employees was related to increase feelings of job satisfaction and decreased intentions to turnover. Likewise, Byington and Johnston (1991) concluded that employees who experience ethical conflict within their organizational environment reported lower levels of organizational commitment. These findings and conclusions may not necessarily apply to the sugar industry in Kenya because the study area and sector are not similar to the Kenyan environment.

II. MATERIALS AND METHODS

The study was conducted in Mumias Sugar Belt in western Kenya which comprises, Kakamega, Busia, Bungoma and Siaya counties. The Mumias Sugar Belt lies approximately between longitude 34-45E and latitude 00-16W. It borders Kisumu on the West, Uasin Gishu on the East, and Trans Nzoia on the North. The area was chosen because Mumias Sugar Belt accounts for 65% of the sugar production in the country (Ramenya, 2013) with a high number of cane haulage SMEs which employ many Kenyans.

With respect to this, the study used a correlational design in order to measure the relationship between ethical treatment towards employees and employee job satisfaction. The study population utilized 1000 employees of cane haulage SMEs contracted to Mumias Sugar Company out of which a sample size of 138 was obtained. Simple random sampling methods were used to identify the 138 employees. The researcher deployed a team of ten locally trained research assistants under the leadership of the main researcher to solicit the participation of cane transport employees.

Employees' Questionnaire

The employee questionnaire was divided into two sections namely; ethical treatment towards employees and employee job satisfaction.

Ethical treatment towards employees (Independent Variables)

The measure of ethical treatment towards employees was based on previous work by Stevens (2008). Studies conducted by HoMSEr (1994) and Stevens et al (2008) considered; employee work place treatment, trade unions freedom, promotion opportunities, work safety, job security and non-discrimination as dimensions of employee ethical treatment. This study modified and adopted the measures which were arranged on a five-point Likert scale ranging from 1= "strongly disagree" to 5= "strongly agree"

Job satisfaction (independent variable)

The study sought to capture the degree to which service employees are satisfied with their job indicators from the job descriptive index (Smith et al., 1969).

Measures used in this study were adopted from the Minnesota Satisfaction Questionnaire of the University of Minnesota (1977). The Minnesota Satisfaction Questionnaire (MSQ) is a popular measurement for

conceptualization of job satisfaction. This measurement consists two subscales; intrinsic and extrinsic job satisfaction, Chan-yin-Fah, (2010). The Minnesota Satisfaction Questionnaire (MSQ) was used as an instrument to measure the job satisfaction level among employees due to its previous reliability. Reliability for internal consistency in previous studies ranged from 0.84 – 0.91 for intrinsic subscale, 0.77 – 0.82 for extrinsic subscale, and 0.87 – 0.92 for general subscale respectively. The survey items consisted of a total of 8 items which included 4 items for intrinsic job satisfaction and 4 items for extrinsic job satisfaction and two items for general satisfaction.

The study selected eight questions out of the broad classified satisfaction facets, namely; friendliness of co-workers, the way the company takes care of employee complaints, salary and amount of work done, praise for a job well done, job working conditions, the way employers handle employees, recognition for the work done and employees’ chances of advancement which are listed in the job descriptive index and the Minesota Satisfaction Questionnaire. Responses were arranged on a five-point Likert scale, ranging from 1= “Not satisfied” to 5= “Extremely satisfied.”

Reliability Test

A pilot study for pre-testing the instruments was preceded by a research permit from Bungoma Central District Commissioner’s office and training of research assistants. Participants in the pilot study included 50 employees contracted to Nzoia Sugar Company in Bungoma county selected through a convenience sample. These respondents were not included in the main study. Items were revised as necessary on the basis of the results of the pilot test to enhance clarification and appropriateness for this research study.

The study used internal consistency for assessing reliability. Internal consistency reliability which is also known as internal construct reliability or internal reliability estimate performed. It was done by measuring the homogeneity of items in the measure (Zikmund, 2003; Sekaran, 2003). The most popular test of inter-item consistent reliability was Cronbach’s co-efficient alpha which was used for multi-point scaled items. This was done through factor analysis by testing to see that the items which make up the scale were all measuring a single idea (Bryman, 1997). Items which were inconsistent with this position were deleted. A summary of cronbach’s reliability test are reported in the tables below.

Table A: Ethical Treatment Towards Employees Reliability Test

[Cronbach’s Alpha = 0.606] (if item deleted)

ETE1*	Employees on good pension scheme
ETE2	Employees with full support to join Trade Union (0.582)
ETE3*	Employees promoted since they joined current Employer
ETE4	Employees with good work Safety Facilities (0.546)
ETE5*	Employees with competitive Salary Package
ETE6	Employees with good job Security (0.411)
ETE7	Employers give local Community Preference during employment (0.566)
ETE8*	Employees’ Gender balance during recruitment
ETE9*	Employers solve financial problems beyond Employees salary
ETE10*	Employers sponsor employees for further training

* Item deleted

Cronbach’s Alpha = 0.693 (if item deleted)

Table B: Employee Job Satisfaction Reliability Test

EJS1*	Friendliness of co-workers
EJS2	Way that the company takes care of employees complains (0.612)
EJS3	Salary and amount of work done (0.646)

EJS4	Praise for job well done (0.659)
EJS5	Working conditions (0.681)
EJS6	Way employer handles employees (0.639)
EJS7	Recognition for the work done (0.639)
EJS8	Chances of advancement (0.677)

* Item deleted

Data Analysis

Data analysis and presentation

This research study utilized descriptive statistics such as frequencies as well as cross-tabulation to explore the data in relation to responses and correlations among the various indicators for ethical treatment and job satisfaction. The indicators identified to be associated were subjected to further analysis according to Kenny and Barron (1986) Path A. Logistic regression was used to examine hypothesised relationships

Results and discussion.

This subsection ascertains the validity of the second step involved in the Kenny and Baron (1986) on whether there was any significant relation between the independent variable(s) and the hypothesized dependent variable(s). Frequencies for employee job satisfaction are displayed in the table below before being used for Pearson correlations and logistic regression with ethical treatment factors.

Ethical treatment towards employees

Ethical treatment towards employees was assessed based on employee perspective in order to address the objective of this study. This assisted in answering whether the content of ethical treatment towards employees had a relationship with enterprise performance. Information in this section was based on the following ethical treatment indicators; employees on good pension scheme, employees with full support to join trade union, employees promoted since they joined current employer, employees with good work safety facilities, employees with competitive salary package, employees with good job security, employers give local community preference during employment, employees' gender balance during recruitment, employers solve financial problems beyond employees salary, and employers' sponsor employees for further training.

The responses were analyzed on a five-point Likert scale, that is, "Strongly Disagree" (SD), "Disagree" (D), "Neutral" (N), "Agree" (A), and "Strongly Agree" (SA) with values 1, 2, 3, 4, and 5, respectively as reported in the Table below

Table C: Frequencies of Responses on Ethical Treatment Towards Employees

Statement		SD	D	N	A	SA	TOTAL
Employees on good pension scheme	F	61	26	0	12	1	100
	%	61.0	26.0	0.0	12.0	1.0	100
Employees with full support to join Trade Union	F	30	48	5	13	4	100
	%	30.0	48.0	5.0	13.0	4.0	100
Employees promoted since they joined current Employer	F	43	36	0	11	10	100
	%	43.0	36.0	0.0	11.0	10.0	100
Employees with good work Safety Facilities	F	13	66	0	8	13	100
	%	13.0	66.0	0.0	8.0	13.0	100
Employees with competitive Salary Package	F	66	27	0	6	1	100
	%	66.0	27.0	0.0	6.0	1.0	100
Employees with good job Security	F	42	25	2	25	6	100
	%	42.0	25.0	2.0	25.0	6.0	100
Employers give local Community Preference during employment	F	48	39	0	12	1	100
	%	48.0	39.0	0.0	12.0	1.0	100
Employees Gender balance during recruitment	F	56	39	1	4	0	100
	%	56.0	39.0	1.0	4.0	0.0	100
Employers solve financial problems beyond Employees salary	F	56	29	0	10	5	100
	%	56.0	29.0	0.0	10.0	5.0	100
Employers sponsor employees for further training	F	68	32	0	0	0	100
	%	68.0	32.0	0.0	0.0	0.0	100

Source: Survey Data 2012

When asked about their level of agreement on pension scheme enrolment, 61% (61) respondents strongly disagreed, 26% (26) disagreed, none was neutral, 12% (12) agreed while only 1% (1) strongly agreed to be a contributor in a pension scheme. On the question of being supported to join trade unions by the employer, 30% (30) strongly disagreed, 48% (48) disagreed, 5% (5) were neutral, 13% (13) were in agreement while only 4% (4) strongly agreed. When asked if they had been promoted, 43% (43) strongly disagreed, 36% (36) disagreed, none was neutral, 8% (8) agreed and 13% (13) strongly agreed to having been promoted. When asked about their work safety, 13% (13) strongly disagreed, 66% (66) disagreed, none was neutral, 8% (8) agreed and 13% (13) strongly agreed to having work safety facilities. On the question of having a competitive salary package, 66% (66) strongly disagreed, 27% (27) agreed, none was neutral, 6% (6) agreed, while only 1% (1) strongly agreed to having good salary package. When asked about job related security, 42% (42) strongly disagreed, 25% (25) disagreed, 2% (2) were neutral, 25% (25) agreed while only 6% (6) strongly agreed to having job security. When asked if employers give local community preference during employment, 48% (48) strongly disagreed, 39% (39) disagreed, 1% (1) was neutral, 4% (4) agreed while none strongly agreed. On the question of gender balance during employment, 56% (56) strongly disagreed that there was gender balance, 39% (39) disagreed, 1% (1) was neutral, 4% (4) agreed and none strongly agreed. When respondents were asked if their employers solve their financial problems, 56% (56) strongly disagreed, 29% (29) disagreed, none was neutral, 10% (10) agreed that their employers solve their financial problems while only 5% (5) strongly agreed. When they were asked if their employers sponsor them for further studies, 68% (68) strongly disagreed, 32% (32) disagreed, none was neutral, none agreed and none strongly agreed.

It can be observed from the table above, that majority of the employees of the cane transport companies seemed to disagree with all the statements regarding ethical treatment towards employees by the employer. This can be interpreted to mean that in the opinion of employees, cane transport employers did not treat them well.

Employees job satisfaction indicators

Several indicators on employee's job satisfaction were used to assess whether the content of job satisfaction had a relationship with ethical treatment towards employees. These indicators consisted of perceived; friendliness of co-workers, way in which the company takes care of employees' complains, salary and amount of work done, praise for job well done, working conditions, the way in which employer handles employees, recognition for work done, and chances of advancement. All responses were derived from a five-point Likert scale which entailed "Strongly Disagree" (SD), "Disagree" (D), "Neutral" (N), "Agree" (A), and "Strongly Agree" (SA) having corresponding values of 1, 2, 3, 4, and 5, respectively. The results were recorded in the table below.

Table D: Response frequencies of employees job satisfaction

Statement		SD	D	N	A	SA	TOTAL
Friendliness of co-workers	F	3	1	3	46	47	100
	%	3.0	1.0	3.0	46.0	47.0	100
Way in which the company takes care of employees complains	F	15	44	23	17	1	100
	%	15.0	44.0	23.0	17.0	1.0	100
Salary and amount of work done	F	34	59	5	2	0	100
	%	34.0	59.0	5.0	2.0	0.0	100
Praise for job well done	F	5	24	24	46	1	100
	%	5.0	24.0	24.0	46.0	1.0	100
Working conditions	F	24	48	15	13	0	100
	%	24.0	48.0	15.0	13.0	0.0	100
Way in which employer handles employees	F	7	36	36	21	0	100
	%	7.0	36.0	36.0	21.0	0.0	100
Recognition for the work done	F	11	49	14	26	0	100
	%	11.0	49.0	14.0	26.0	0.0	100
Chances of advancement	F	36	36	21	7	0	100
	%	36.0	36.0	21.0	7.0	0.0	100

Source: Survey Data 2012

When respondents were asked to rate their satisfaction with friendliness of co workers, 3% (3) were strongly dissatisfied, 1% (1) was dissatisfied, 3% (3) were neutral, 46% (46) agreed and 47% (47) strongly agreed to satisfaction with fellow workers friendliness. On the question of satisfaction with the way the company takes care of its employees, 15% (15) strongly disagreed, 44% (44) disagreed, 23% (23) were neutral, 17% (17) agreed and only 1% (1) strongly agreed. When asked if they were satisfied with salary and amount of work done, 34% (34) strongly disagreed, 59% (59) disagreed, 5% (5) were neutral, 2% (2) agreed and none strongly agreed. When they were asked if they receive praise for work done, 5% (5) strongly disagreed, 24% (24) disagreed, 24% (24) were neutral, 46% (46) agreed and only 1% (1) strongly agreed. When they were asked if they were satisfied with working conditions, 24% (24) strongly disagreed, 48% (48) disagreed, 15% (15) were neutral, 13% (13) agreed and none strongly agreed. When respondents were asked if they were satisfied with the way employer handles employees, 7% (7) expressed strong dissatisfaction, 36% (36) disagreed, 36% (36) were neutral, 21% (21) agreed and none strongly agreed. On the question of recognition for good work done, 11% (11) expressed strong disagreement, 49% (49) disagreed, 14% (14) were neutral, 26% (26) agreed and none strongly agreed. When asked about their satisfaction with chances of advancement, 36% (36) strongly disagreed, 36% (36) disagreed, 21% (21) were neutral, 7% (7) agreed that they had chances of advancement and none strongly agreed.

It was observed among indicators of employees' job satisfaction in Table D that most employees had positive opinion about friendliness of co-workers and receiving praise for a job well done. On the other hand, majority were negative about the way the company takes care of employees complains, salary and amount of work done, working conditions, way in which employer handles employees, recognition for the work done, and chances of advancement. This could explain the fact that employees hardly have issues with each other. The bone of contention is usually with their employer. It explains why employees were satisfied with fellow employees and dissatisfied with their employer. The satisfaction level of employees sharply varies with findings of Tetralink (2009) who obtained a high satisfaction index for employees of Kenya Sugar Board. The variance could be explained by the fact that Tetralink (2009) investigated job satisfaction levels of employees of a different stakeholder in the sugar industry.

Hypothesis Testing

Ho: Ethical treatment towards employees has no effect on job satisfaction

This hypothesis was tested using Pearson correlations as shown below.

Pearson correlations between employee ethical factor and job satisfaction factor.

The Table below presents the results from cross tabulation to assess the correlation between employee ethical factors and job satisfaction factors assessed by employees. Those variables that were significantly related in Table C were used with job satisfaction indicators identified in Table D. The Table displays Pearson correlations between employee ethical factors and job satisfaction factors.

Table E: Pearson Correlation of ethical treatment to employees factors and job satisfaction factors (p-value)

Employee Ethical Factor	Job Satisfaction Factor						
	EJS2	EJS3	EJS4	EJS5	EJS6	EJS7	EJS8
ETE4	7.109 (0.927)	7.302 (0.544)	12.922 (0.353)	13.732 (0.079)	5.866 (0.746)	6.520 (0.678)	9.428 (0.335)
ETE6	18.040 (0.340)	9.780 (0.747)	15.746 (0.597)	10.014 (0.574)	18.571 (0.046)**	12.262 (0.348)	7.343 (0.870)

** P-value < 0.05

Key

ETE6 employer cannot sack easily
EJS6 the way boss handles employees

Source: Survey Data 2012

Table E suggested that there was a significant positive association between Employees with good job security; ETE6 and way employer handles employees, EJS6; $r = 18.571(p < 0.05)$. This implies that when employee's job security increased, employees became more satisfied with the way they were handled. This is a linear relationship. The true nature of the relationship was explored in the foregoing logistic regression models which were fitted to ascertain whether indeed there was a significant relationship between the dependent variable; ETE 6, employees with good job security and mediating variable EJS 6, satisfaction with the way the employer handles employees. The results were displayed in Table 4.18 to show the logistic regression output for step 2 of Kenny and Baron (1986)

Table F displays path A of the four mediation steps of Kenny and Barron (1986)

Path a of Baron & Kenny steps

Step	Regression and Effect size	Predictor	Outcome	Unstandardized	Standardized	95% CI	P value
	Power analysis			coefficient B	coefficient Beta	LL	LU
2	a	ETE6	EJS6	-0.117	-0.133	-0.292	0.058
0.186**	d=-0.288	0.86					

Source; Researcher 2012 P-value <0.05**

Key

ETE6 employer cannot sack easily
EJS6 the way boss handles employees

Source: Survey Data 2012

According to table F step 2 of Baron and Kenny (1986) did not pass $B = -0.117$, ($p > 0.05$). Consequently, H_0 was accepted and the alternative rejected. This suggests that there was no evidence that employees with good job security influenced satisfaction with the way employers handle their employees.

This finding is inconsistent with a number of studies on organizational situations cited by Kol and Boo (2001); ethical practices were reported to lead to positive job attributes and outcomes. In other words employees who perceive their organizations to be ethical are also likely to perceive their organizations as being fair to them, this in turn is likely to enhance job satisfaction, hence organizational ethics and job satisfaction expected to be positively linked.

These study findings are equally inconsistent with findings by Sims and Kroeck (1994), Viswesvaran and Deshpande (1996); which found that lack of an ethical fit between employees and their organization can result in job dissatisfaction. Similarly, our findings disagree with the position taken by Bellizzi and Hite (1989); which opines that job satisfaction of salesperson were weakened if they perceive the organizations rewarding the unethical behaviour of co-workers.

This scenario can be explained by the fact that when employees perceive strong top management support for ethical behaviour, a favourable ethical climate and a strong association between ethical behaviour and career success in the organization than they are also likely to have a higher level of job satisfaction. Findings of this study contradict a study by Honey Cult et al. (1995); which concluded that ethical perceptions of the industry negatively influenced job satisfaction levels. This would be an indication that if ethical standards at the leadership are low and the employees perceive the overall industry to have higher ethical standards, the employee would understandably become disenchanted with the job.

On the contrary, our study is in agreement with findings of a similar study by Sims and Kroeck (1994); who studies the influence of ethical fit on employees' attitudes and intentions to turnover. Their findings revealed that job satisfaction was not significantly related to the fit between the current work ethical climate and the employees expressed preferences. This consistency could be due to the fact that both studies adopted the Minnesota satisfaction questionnaire. On the other hand this could be due to the fact that satisfaction is a measure of job attitudes, while ethical climate work climate are a measure of the organization.

Results for this study are equally in agreement with a study conducted by Vittel and Davis (1990a) which empirically examined the relationship between ethics and job satisfaction for 61 management information system professionals. Their results indicated that most professionals were more satisfied with the various measured dimensions of their job when top management stressed ethical behaviour. They were all found to be related to job satisfaction. This consistency could be accounted for by similarities in the measures of the variables.

III. CONCLUSIONS AND RECOMMENDATIONS

On the basis of findings, this study concludes that there is no significant relationship between ethical treatment of employees and employee job satisfaction. The study therefore recommends that other job satisfaction indicators should be explored in a separate study.

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