

# Journal of Economics and Business

**Banagbanag, Analyn M. (2019), Personal Values and Organizational Commitment of Employees and Ethical Climate of Medium Enterprises in Eastern Visayas, Philippines. In: *Journal of Economics and Business*, Vol.2, No.1, 172-181.**

ISSN 2615-3726

DOI: 10.31014/aior.1992.02.01.77

The online version of this article can be found at:  
<https://www.asianinstituteofresearch.org/>

Published by:  
The Asian Institute of Research

The *Journal of Economics and Business* is an Open Access publication. It may be read, copied and distributed free of charge according to the conditions of the Creative Commons Attribution 4.0 International license.

The Asian Institute of Research *Journal of Economics and Business* is a peer-reviewed International Journal. The journal covers scholarly articles in the fields of Economics and Business, which includes, but not limited to, Business Economics (Micro and Macro), Finance, Management, Marketing, Business Law, Entrepreneurship, Behavioral and Health Economics, Government Taxation and Regulations, Financial Markets, International Economics, Investment, and Economic Development. As the journal is Open Access, it ensures high visibility and the increase of citations for all research articles published. The *Journal of Economics and Business* aims to facilitate scholarly work on recent theoretical and practical aspects of Economics and Business.



ASIAN INSTITUTE OF RESEARCH  
Connecting Scholars Worldwide



# Personal Values and Organizational Commitment of Employees and Ethical Climate of Medium Enterprises in Eastern Visayas, Philippines

Analyn M. Banagbanag<sup>1\*</sup>

<sup>1</sup> University of Eastern Philippines

## Abstract

This descriptive-correlational study determined the personal values, an organizational commitment of employees and ethical climate of medium enterprises in Eastern Visayas. Respondents were 21 managers and 182 rank-and-file employees of 16 medium enterprises, determined using purposive sampling technique. Personal Values Scales, Organizational Commitment Questionnaire and Ethical Climate Questionnaire were used. Results were analyzed using Pearson-Product Moment Correlation Coefficient, Point-Biserial Correlation Coefficient, Eta Correlation, and t-test. The twelve Personal Values were "dominant" for both respondents. The managers had an average level of Organizational Commitment, and the rank-and-file had high commitment. Both groups perceived their organization to be highly ethical. Being manager was significantly related to ethical climate while for the rank-and-file employees, household size, monthly salary, highest degree, and employment status were significantly related to ethical climate. Physical development, honesty, religiousness, self-control, creativity, and independence were significantly related to ethical climate for managers, and all 12 variables were significantly related to ethical climate for rank-and-file.

**Keywords:** Personal Values, Organizational Commitment, Ethical Climate, Medium Enterprise

## Introduction

Values contribute to a person's behavior and choice, including values that involve ethical decision making. Researchers have found that people's values tend to be congruent with the values that are upheld in their work environments (Holland, 1996). Organizations that have an ethical culture, coupled with systems that are also congruent, can influence the likelihood that employees will behave in ethical ways (Trevino, Weaver, & Reynolds, 2006). However, the critical issue of whether employees will choose to take the correct path is a matter of an individual's choice, and such a choice will be shaped by the individual's environment.

---

\* **Dr. Analyn M. Banagbanag** is the Chair of the Department of Management, College of Business Administration, University of Eastern Philippines. She teaches subjects in business management. She earned her Doctor of Management major in Business Management degree from the Eastern Visayas State University, Tacloban City.

Organisational commitment, as its name denotes, has been regarded as having work behavioral impacts that are instrumental in organisational success (Meyer & Herscovitch, 2001). Highly committed employees are found to exhibit better job performance and higher levels of attendance (Stephens, Dawley, & Stephens, 2004). The potential of commitment for facilitating employee's intention to participate in a professional activity is also confirmed (Snape & Redman, 2003). In addition, the commitment has been considered influential in the employee's willingness to do more than is required by organisations.

It is presupposed that these personal values and organizational commitment of employees make up the ethical climate of the work environment of these employees. Ethical climate refers to the shared perceptions of organisational members regarding what is considered correct behaviour in the organisation and how the organisation deals with ethical issues (Cullen, Parboteeah, & Victor, 2003). These personal values have a significant influence on decision-making, and they propel people in their commitment to the organization and to behave in an ethical or unethical manner. Personal values, although individualistic in nature, are largely influenced by societal and cultural factors. They influence an individual's behaviour and attitude, and this can at times conflict with the values held by colleagues or organisations within which they work. The approach to resolving ethical issues can become critical to the longevity of an organization, the individual's commitment to his/her organization and therefore determine the individual's future with the organisation.

In the world of business, the profit motive is singularly the biggest stumbling block to ethical behavior and practices. Business is business, and the drive for profit very often undermines ethical behavior, regardless of the political or economic environment. But what constitutes unethical behavior in the business world? Clearly, that which is prohibited by law is unethical. In the conduct of business and trade, there is often a large gray area wherein the distinctions between right and wrong are not so clear. What may be perceived to be unethical by a firm's competitors may well be justified as simply aggressive marketing methods. Thus self-regulation or self-policing comes into play, and personal values are a great factor.

The focus of this study are the medium enterprises in Eastern Visayas. It looked into the personal values and organizational commitment of the managers and the rank-and-file employees of medium enterprises in Eastern Visayas and how these factors relate to the ethical climate of their work environment.

Therefore, exploring how values are influential at both the personal and the organizational levels would be a valuable contribution to understanding the organizational commitment of rank and file employees and managers and the ethical climate in medium enterprises in Eastern Visayas.

This study determined the personal values and organizational commitment of the employees and the ethical climate of medium enterprises in Eastern Visayas. Specifically, this study tried to answer the following questions: What is the profile of managers and rank and file employees of medium enterprises in terms of the following: age, sex, civil status, highest educational attainment, household size, position, number of years in present employment, employment status, and monthly salary; What are the dominant personal values of managers and rank and file employees of medium enterprises in terms of intellectualism, kindness, social skills, loyalty, academic achievement, physical development, leadership, honesty, religiousness, self-control, creativity, and independence; What is the level of organizational commitment of managers and rank and file employees of medium enterprises along: affective commitment, continuance commitment, and normative commitment; What is the ethical climate of the medium enterprises as perceived by the managers and rank and file employees of medium enterprises along the following domains: ethical environment, employee-focused, community-focused, obedience to authority, code implementation, self-interest, efficiency, rules and procedures, personal ethics, law and professional codes; Is the ethical climate of the medium enterprises related to profile, personal values, and organizational commitment; and Is there a difference in the ethical climate of medium enterprises as perceived by two groups?

## **Methodology**

The study used the descriptive-correlational design that enabled the researcher to describe the occurrence of variables and/or determine a relationship between or among the variables.

The respondents of the study were 21 managers and the 182 rank-and-file employees of 16 medium enterprises in Eastern Visayas who were determined using the purposive sampling technique.

To get the necessary data, standardized instruments were used like Personal Values Scales of Scott (1965), Organizational Commitment Questionnaire (Allen and Meyer 1990), and Ethical Climate Questionnaire (Victor and Cullen 1988). Results were analyzed using Pearson Product Moment Correlation Coefficient, Point-Biserial Coefficient, Eta Correlation, and t-test.

## Results and Discussion

Based on the data gathered, the following findings are established.

### Profile of the Respondents

**Age.** Out of the 21 respondents occupying the managerial positions, nine (9) or 42.9 percent were aged 36 – 55, seven or 33.3 percent belonged to the age bracket of 35 and below, and five (5) or 23.8 percent belonged to the age bracket 56 and above. Out of the 182 respondents who were part of the rank-and-file, 133 or 73.1 percent belonged to the age bracket of 35, and below, 45 or 24.7 percent of them were aged 36 – 55 years old and only four (4) or 2.2 percent belonged to the age bracket of 56 and above.

**Sex.** There were 11 or 52.4 percent female managers and 10 or 47.6 percent male managers. A majority of the rank-and-file employees or 113 or 62.1 percent were females, and only 69 or 37.9 percent were males.

**Civil Status.** Seventeen (17) or 81 percent of the managers were married, three (3) or 14.3 percent were single, and only one (1) or 4.8 percent was a widow/widower. The rank-and-file employees were dominated by single individuals who comprised 95 or 52 percent, 82 or 45.1 percent of them were married, four (4) or 2.2 percent were separated, and only 1 or .5 percent was a widow/widower.

**Highest Degree Earned.** Fourteen (14) or 66.7 percent of the managers were bachelor's degree holders, three (3) or 14.3 percent were high school graduates, two (2) or 9.5 percent were high school level and one (1) each or 4.8 percent took the vocational course and a college level. There were 82 or 45.1 percent of the rank-and-file employees who were high school graduates, 67 or 36.8 percent were holders of a bachelor's degree, 12, or 6.6 percent were high school level, nine (9) or 4.9 percent had taken a vocational course, eight (8) or 4.4 percent were college level and only four (4) of them were elementary graduates.

**Household Size.** There were 11 or 52.4 percent of the managers who had 5 and below members in their household, 10 or 47.6 percent had 6-9 members in their household. On the rank-and-file employees, 106 or 58.2 percent had a household size of 5, and below, 68 or 37.4 percent had 6-9 household size, and only 8 or 4.4 percent had 10 and above the size of household.

**Position.** Eleven (11) of the manager-respondents or 52.4 percent were holding the position of manager, and 10 or 47.6 percent were supervisors while 108 of the respondents were part of the rank-and-file.

**Number of Years in Present Employment.** On the number of years in their present employment, seven (7) or 33.3 percent of the managers had been in their present employment for 1 – 3 years, six (6) or 28.6 percent were in their present position for 10 years and above, five (5) or 23.8 percent for 4 – 6 years and three for 7 – 9 years. Ninety-six (96) or 52.7 percent of the rank-and-file employees had been employed in the medium enterprise for 1 – 3 years, 32 or 17.6 percent of them had been in their present employment for 4 – 6 years and another 32 or 17.6 percent for less than a year, 14 or 7.7 percent for 10 years and above and eight (8) or 4.4 percent for 7 – 9 years of employment.

**Employment Status.** There was 20 or 95.2 percent of the managers who were on permanent status, and only 1 or 4.8 percent was on contractual status. There were 86, or 47.3 percent of the rank-and-file employees were on permanent status, 81 or 44.5 percent contractual employees, and 15 or 8.2 percent part-time employees.

**Monthly Salary.** Fifteen (15) or 71.4 percent of the managers were receiving Php 11,000.00 – 15,000.00 per month, five (5) or 23.8 percent were receiving 5,000.00 – 10,000.00 per month and only one (1) was receiving a monthly salary of Php 16,000.00 – 20,000.00. There were 138 or 75.8 percent rank-and-file employees who were receiving a monthly salary of Php 5,001.00 – 10,000.00, 26 or 14.3 percent were receiving Php 5,000.00 and below, 15 or 8.2 percent were receiving Php 11,000.00 – 15,000.00 per month and only three (3) or 1.6 percent were receiving Php 16,000.00 – 20,000.00. Figure 1 presents the profile of the respondents.

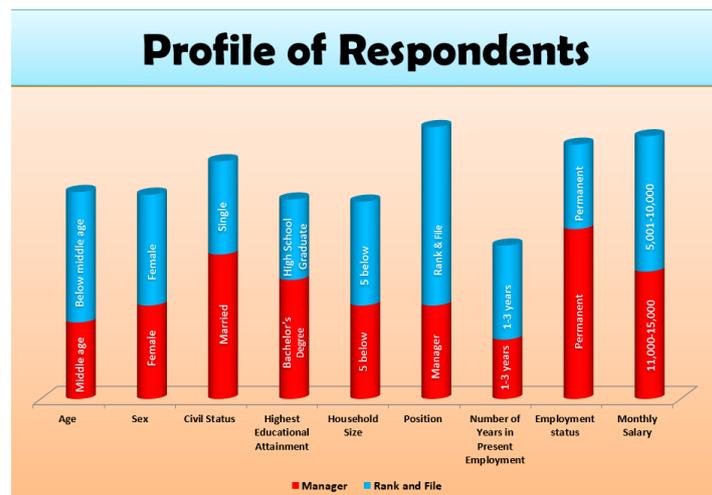


Figure 1: Profile of the Respondents

### Personal Values of Managers and Rank-and-file Employees of Medium Enterprises in Eastern Visayas

To measure the personal values of both managers and rank-and-file employees, Scott's (1965) Personal Values Scale was used. There were 12 subscales with four to six items per scale. The subscales are the following: intellectualism, kindness, social skills, loyalty, academic achievement, physical development, leadership, honesty, religiousness, self-control, creativity, and independence.

As presented in Table 1, the study revealed that all the 12 values are "dominant" for both the managers and the rank-and-file employees.

For the managers, although all these personal values were "dominant," academic achievement had the highest mean of 4.28 and the lowest mean is creativity with 3.71. This data means that for the managers, academic achievement is very important especially in running a business. This result is justified by their personal data as a majority of them were bachelor's degree holders.

For the rank-and-file employees, all these values were also "dominant" but the personal value that received the highest mean was intellectualism with 4.32, and the lowest is creativity with a mean of 3.79. This data means that intellectualism is important for rank-and-file employees. Creativity is the least prioritized for both the managers and the rank-and-file employees.

| Personal Values | Manager |                | Rank-and-File |                |
|-----------------|---------|----------------|---------------|----------------|
|                 | Mean    | Interpretation | Mean          | Interpretation |
| Intellectualism | 4.11    | Dominant       | 4.32          | Dominant       |
| Kindness        | 4.00    | Dominant       | 4.29          | Dominant       |
| Social skills   | 4.08    | Dominant       | 4.24          | Dominant       |

|                      |      |          |      |          |
|----------------------|------|----------|------|----------|
| Loyalty              | 3.81 | Dominant | 4.03 | Dominant |
| Academic achievement | 4.28 | Dominant | 4.11 | Dominant |
| Physical development | 4.06 | Dominant | 4.11 | Dominant |
| Leadership           | 4.11 | Dominant | 4.15 | Dominant |
| Honesty              | 3.91 | Dominant | 4.14 | Dominant |
| Religiousness        | 3.94 | Dominant | 4.21 | Dominant |
| Self-control         | 3.75 | Dominant | 3.96 | Dominant |
| Creativity           | 3.71 | Dominant | 3.79 | Dominant |
| Independence         | 3.92 | Dominant | 4.05 | Dominant |

Table 1: Personal Values of Managers and Rank-and-file Employees of Medium Enterprises in Eastern Visayas

### Level of Organizational Commitment of Managers and Rank-and-File Employees of Medium Enterprises in Eastern Visayas

The data on the Level of Organizational Commitment of Managers and Rank-and-file employees of medium enterprises in Eastern Visayas data revealed that the managers have an average commitment as reflected in the grand mean of 3.47 while the rank-and-file employees have a high commitment to their present work with a grand mean of 3.58. This data is presented in Table 2.

The affective commitment or the emotional attachment of the managers to their organization or the work they are in now have an average commitment with a mean of 3.31. The rank-and-file employees, on the other hand, have a high affective commitment with the mean score of 3.57. This could mean that managers of medium enterprises in Eastern Visayas do not have a very strong cohesive commitment or attachment to their present organization. This could further mean that the managers with the majority of them being graduates of bachelor's degrees, do not want to be attached to their present organization. For the rank-and-file employees, they have a high commitment, and they feel that this is their organization, this is family for them.

In continuance commitment which according to Meyer and Allen (1991) is an individual's willingness to remain in the organization based upon an acute recognition of the costs associated with leaving the organization. For the managers, they have high continuance commitment with a mean of 3.58, and the same is also true for the rank-and-file employees which mean score is 3.54. This result could mean that both the managers and the rank-and-file employees of medium enterprises in Eastern Visayas would want to remain in their present organization because they feel that it would give them greater potential benefits than if they would look for work someplace else.

For normative commitment which focuses on the individual's sense of obligation to remain in the organization. Both the managers and the rank-and-file employees have a high normative commitment to their organization with a mean of 3.54 and 3.63, respectively. This means that both the managers and the rank-and-file employees of the medium enterprises in Eastern Visayas feel that they have a moral obligation to stay with their present organization.

| Organizational Commitment | Manager     |                           | Rank-and-File |                        |
|---------------------------|-------------|---------------------------|---------------|------------------------|
|                           | Mean        | Interpretation            | Mean          | Interpretation         |
| Affective Commitment      | 3.31        | Average Commitment        | 3.57          | High Commitment        |
| Continuance Commitment    | 3.58        | High Commitment           | 3.54          | High Commitment        |
| Normative Commitment      | 3.54        | High Commitment           | 3.63          | High Commitment        |
| <b>Grand Mean</b>         | <b>3.47</b> | <b>Average Commitment</b> | <b>3.58</b>   | <b>High Commitment</b> |

Table 2: Level of Organizational Commitment of Managers and Rank-and-File Employees of Medium Enterprises in Eastern Visayas

### Ethical Climate of Medium Enterprises in Eastern Visayas as Perceived by Managers and Rank-and-file Employees

The perceptions of the managers and the rank-and-file employees on the ethical climate of the medium enterprises in Eastern Visayas showed that both the managers and rank-and-file employees perceived that their organization was highly ethical with a grand mean of 3.83 and 3.89, respectively. This data is presented in Table 3.

For the managers, all the domains in their organization except one were perceived to be practicing ethical standards as all these were scored "highly ethical." Observance of the "rules and procedures," and "law and professional codes" had the highest mean of 4.04 while "obedience to authority" with a mean of 3.49. "Obedience to authority" was only perceived by the managers to be "ethical" with a mean of 3.49. This means that for the managers the implementation of the rules and procedures, and laws and professional codes are properly observed in the medium enterprises in Eastern Visayas.

On the perception of the rank-and-file employees, all these domains were being observed with the highly ethical standard. The "laws and professional codes" had the highest mean of 4.17, while "obedience to authority" had the lowest mean of 3.63. This means that for the rank-and-file employees, the medium enterprises in Eastern Visayas are observing ethical standards particularly on the implementation of laws and professional codes. It is worth noting, however that obedience to authority received the lowest mean both for the managers and the rank-and-file employees.

| Domains                    | Managers    |                       | Rank-and-File |                       |
|----------------------------|-------------|-----------------------|---------------|-----------------------|
|                            | Mean        | Interpretation        | Mean          | Interpretation        |
| Ethical environment        | 3.54        | Highly Ethical        | 3.67          | Highly Ethical        |
| Employee-focused           | 3.85        | Highly Ethical        | 3.89          | Highly Ethical        |
| Community-focused          | 3.97        | Highly Ethical        | 4.00          | Highly Ethical        |
| Obedience to authority     | 3.49        | Ethical               | 3.63          | Highly Ethical        |
| Code implementation        | 3.70        | Highly Ethical        | 3.70          | Highly Ethical        |
| Self-interest              | 3.83        | Highly Ethical        | 3.88          | Highly Ethical        |
| Efficiency                 | 3.94        | Highly Ethical        | 3.96          | Highly Ethical        |
| Rules and procedures       | 4.04        | Highly Ethical        | 4.03          | Highly Ethical        |
| Personal ethics            | 3.93        | Highly Ethical        | 4.01          | Highly Ethical        |
| Law and professional codes | 4.04        | Highly Ethical        | 4.17          | Highly Ethical        |
| <b>Grand Mean</b>          | <b>3.83</b> | <b>Highly Ethical</b> | <b>3.89</b>   | <b>Highly Ethical</b> |

Table 3: Ethical Climate of Medium Enterprises in Eastern Visayas as Perceived by Managers and Rank-and-file Employees

### The relationship between the Ethical Climate and the Respondents' Profile, Personal Values and Organization Commitment

**Relationship of the Ethical Climate and the Profile of the Respondents.** For the managers, the variables like age, sex, household size, number of years in present employment, monthly salary, civil status, and highest degree earned, were found to be not significantly related to ethical climate while their position being manager or supervisor was found to be significant. For the rank-and-file employees, age, number of years in present employment, sex and civil status were found to be not significant while household size, monthly salary, highest degree earned and employment status were found to be significantly related to ethical climate. This data is presented in Table 4.

| Profile                               | Managers                |         |                 | Rank-and-File           |         |                 |
|---------------------------------------|-------------------------|---------|-----------------|-------------------------|---------|-----------------|
|                                       | Correlation Coefficient | p-value | Interpretation  | Correlation Coefficient | p-value | Interpretation  |
| Age                                   | 0.18                    | 0.20    | Not Significant | -0.01                   | 0.41    | Not Significant |
| Sex                                   | 0.22                    | 0.14    | Not Significant | -0.00                   | 0.44    | Not Significant |
| Civil Status                          | 0.16                    | 0.23    | Not Significant | 0.04                    | 0.28    | Not Significant |
| Highest Educational Attainment        | -0.22                   | 0.16    | Not Significant | -0.14                   | 0.02    | Significant     |
| Household Size                        | 0.03                    | 0.43    | Not Significant | 0.16                    | 0.01    | Significant     |
| Position                              | -0.60                   | 0.00    | Significant     | -                       | -       | -               |
| Number of Years in Present Employment | 0.35                    | 0.05    | Not Significant | -0.07                   | 0.17    | Not Significant |
| Employment Status                     | 0.17                    | 0.22    | Not Significant | -0.12                   | 0.04    | Significant     |
| Monthly Salary                        | -0.25                   | 0.13    | Not Significant | -0.13                   | 0.03    | Significant     |

$\alpha = 0.05$  level of significance

Table 4: Relationship of the Ethical Climate and the Personal Profile of the Respondents

**Relationship of the Ethical Climate and the Personal Values of the Respondents.** As presented in Table 5, for the managers, physical development, honesty, religiousness, self-control, creativity, and independence were found to be significantly related to ethical climate while intellectualism, kindness, social skills, loyalty, academic achievement, and leadership were found to be not significant. On the part of the rank-and-file employees, all the 12 variables were found to be significantly related to ethical climate.

| Personal Values      | Managers                |         |                 | Rank-and-File           |         |                |
|----------------------|-------------------------|---------|-----------------|-------------------------|---------|----------------|
|                      | Correlation Coefficient | p-value | Interpretation  | Correlation Coefficient | p-value | Interpretation |
| Intellectualism      | 0.29                    | 0.09    | Not Significant | 0.28                    | 0.00    | Significant    |
| Kindness             | 0.12                    | 0.29    | Not Significant | 0.30                    | 0.00    | Significant    |
| Social Skills        | 0.22                    | 0.15    | Not Significant | 0.33                    | 0.00    | Significant    |
| Loyalty              | -0.11                   | 0.31    | Not Significant | 0.43                    | 0.00    | Significant    |
| Academic Achievement | 0.16                    | 0.23    | Not Significant | 0.33                    | 0.00    | Significant    |
| Physical Development | 0.49                    | 0.01    | Significant     | 0.31                    | 0.00    | Significant    |
| Leadership           | 0.24                    | 0.14    | Not Significant | 0.46                    | 0.00    | Significant    |
| Honesty              | 0.37                    | 0.04    | Significant     | 0.40                    | 0.00    | Significant    |
| Religiousness        | 0.49                    | 0.01    | Significant     | 0.32                    | 0.00    | Significant    |
| Self-control         | 0.45                    | 0.02    | Significant     | 0.33                    | 0.00    | Significant    |
| Creativity           | 0.60                    | 0.00    | Significant     | 0.40                    | 0.00    | Significant    |
| Independence         | 0.53                    | 0.00    | Significant     | 0.53                    | 0.00    | Significant    |

Table 5: Relationship of the Ethical Climate and the Personal Values of the Respondents

**Relationship of the Ethical Climate and the Organizational Commitment of the Respondents.** The data presented in Table 6 shows that for both the managers and the rank-and-file employees all the three components of organizational commitment, namely, affective commitment, continuance commitment, and normative commitment were found to be significantly related to ethical climate.

| Variables              | Managers                |         |                | Rank-and-File           |         |                |
|------------------------|-------------------------|---------|----------------|-------------------------|---------|----------------|
|                        | Correlation Coefficient | p-value | Interpretation | Correlation Coefficient | p-value | Interpretation |
| Affective Commitment   | 0.51                    | 0.00    | Significant    | 0.54                    | 0.00    | Significant    |
| Continuance Commitment | 0.75                    | 0.00    | Significant    | 0.64                    | 0.00    | Significant    |
| Normative Commitment   | 0.76                    | 0.00    | Significant    | 0.64                    | 0.00    | Significant    |

Table 6: Relationship of the Ethical Climate and the Organizational Commitment of the Respondents

### The difference in the Ethical Climate of Medium Enterprises as Perceived by the Managers and the Rank-and-file Employees

The result of the t-test showed that the perceptions of the managers and the rank-and-file employees towards ethical climate were not significantly different as evidenced by the t-value of 0.59 and p-value of 0.55 which is higher than 0.05 margin of error. This means that the way managers and rank-and-file employees demonstrate respect for key principles is the same. This data is presented in Table 7.

|  | t-value | p-value | Interpretation            |
|--|---------|---------|---------------------------|
| Ethical Climate as Perceived by the Managers and the Rank-and-File Employees | 0.59    | 0.55    | No Significant Difference |

Table 7: Difference in the Ethical Climate of Medium Enterprises as Perceived by the Managers and the Rank-and-file Employees

### Conclusions

In light of the findings of this study, the following conclusions were drawn:

1. Medium enterprises in Eastern Visayas were managed by middle aged individuals, mostly females, married, bachelor's degree holders, with small household size, a novice in their present employment and receiving an average amount of monthly salary. The rank-and-file employees, on the other hand, were below middle age, dominated by female, single, a majority were high school graduates, with small household size, a novice with 1-3 years in present employment, permanent and having a low monthly salary.
2. On the personal values of both managers and rank-and-file employees of medium enterprises in Eastern Visayas, all the 12 moral ideals were found to be "dominant."
3. The level of organizational commitment of managers was found to be average while the rank-and-file employees had a high commitment to their present work.
4. The perceptions of both the managers and the rank-and-file employees on the ethical climate of the medium enterprises in Eastern Visayas were found to be highly ethical.
5. The profile of the managers has no significant relationship on the perceived ethical climate of medium enterprises in Eastern Visayas. Their position as manager or supervisor was the only indicator which was found to be significantly related to ethical climate. For the rank-and-file employees, only the monthly salary, highest degree earned and employment status were found to be significantly related to ethical climate.

6. The personal values of the managers which were found to be significantly related to ethical climate were physical development, honesty, religiousness, self-control, creativity, and independence while all the 12 moral ideals were significantly related to ethical climate for the rank-and-file employees.
7. Organizational commitment of the managers and the rank-and-file employees was found to be significantly related to the ethical climate.
8. The perceptions of the managers and the rank-and-file employees towards ethical climate were not significantly different.

### Recommendations

Based on the conclusions drawn from the study, the following recommendations are herein forwarded:

1. To be an effective manager, one should be equipped with both the theoretical knowledge and the right amount of actual practice. Aside from the fact that these managers of medium enterprises in Eastern Visayas were still a novice in their present work, and are bachelor's degree holders, they should also aim to advance their education. It is suggested that these medium enterprises should encourage their employees holding managerial positions to pursue graduate education on business management or undergo training related to business management.
2. The "dominant" result on the personal values can still be improved to "very dominant" if these employees, both the managers and the rank-and-file employees, will try to revisit the things that they value the most.
3. The medium enterprise can seek help from the Department of Trade and Industry (DTI) to conduct a seminar. Or better yet, universities will conduct extension work to conduct this kind of seminar. This can be done as part of their team building activities.
4. Organizational commitment of managers can be improved if the medium enterprise will invest in their personal and professional development of their employees. The management of these enterprises can also encourage best performing rank-and-file employees to seek for personal and professional advancement. This will surely boost their morale as employees and build a strong attachment to the organization this way, and the ordinary employees will feel that they are part of the organization.

### Author's Profile

Analyn M. Banagbanag earned her Doctor of Management Technology major in Business Management in 2018 at the Eastern Visayas State University. She is a faculty of the College of Business Administration, University of Eastern Philippines.

### Acknowledgment

The author wishes to thank the University of Eastern Philippines for the funding support extended for this research that made its completion possible.

### References

- Allen N. and Meyer, J. The measurement and antecedents of affective, continuance, and normative commitment to the organization. *The Journal of Occupational Psychology*, 63, 1-18. 1990. Available: [onlinelibrary.wiley.com](http://onlinelibrary.wiley.com)
- Cullen, J.B., Parboteeah, K.P., & Victor, B. (2003). The effects of ethical climates on organizational commitment: A two-study analysis. *Journal of Business Ethics*, 46(2), 127-141.
- Holland, J. L. (1996). Exploring a career with a typology: What we have learned and some new directions. *American Psychologist*, 51, 397-406. Available: [psycnet.apa.org](http://psycnet.apa.org).
- Meyer, J.P., & Herscovitch, L. (2001). Commitment in the workplace: Toward a general model. *Human Resource Management Review*, 11, 299-326.
- Scott, W. A. (1965). Personal values scale, in W. A. Scott (ed.). *Values and organisations*. Chicago: Rand McNally College Publishing Company.
- Snape, E., & Redman, T. (2003). An evaluation of a three-component model of occupational commitment: Dimensionality and consequences among United Kingdom human resource management specialists. *Journal of Applied Psychology*, 88(1), 152-159.

- Stephens, R.D., Dawley, D.D., & Stephens, D.B. (2004). Commitment on the board: A model of volunteer director's levels of organizational commitment and self-reported performance. *Journal of Managerial Issues*, 16(4), 483- 504.
- Treviño, L. K., Weaver, G. R., & Reynolds, S. J. (2006). Behavioral ethics in organizations: A review. *Journal of Management*, 32(6), 951-990. Available: <https://pdfs.semanticscholar.org>.
- Victor, B. & Cullen, J. B. (1988). The organizational bases of ethical work climates. *Administrative Quarterly*, 33, 101-125. Available: <https://www.jstor.org>.