



The relationship of morality, ethics and justice to quality of worklife

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Abstract

One of the most exciting recent developments in the social sciences has been the rapid formulation and acceptance of evolutionary psychology. Evolutionary psychology (EP) theory informs us that the human mind has certainly evolved and innate mechanisms have been shaped by our ancient social history. Consequently, specifically-evolved mental mechanisms exist that assist the human mind in dealing with complex social phenomena, such as cooperation. Evolutionary psychology theorists posit that for human beings to maximise the benefits of cooperation there need to be efficient ways for individuals to determine whether other members of the social group are operating equitably. Central to successful human cooperation, therefore, we find, amongst others, crucial concepts such as *fairness, trust, autonomy, reciprocity, democracy* and *social recognition*.

Because the associated mental mechanisms have evolved over millennia they are largely hardwired into the human brain, are relatively slow to evolve, and have not been able to keep pace with the vast and rapid social change brought about through modernity and industrialism. We are left struggling, therefore, with psychological stressors that exist because of the resultant mismatches.

This research study considers moral ethics within the workplace as an important component of quality of worklife (QWL), and suggests a new view be taken through the lenses provided by evolutionary psychology theory. This is done specifically with respect to the ethics of a social environment (the business community) that is often quite alienating to our socially evolved minds. This study was conducted with reference to business ethics specifically and it highlights the incongruent landscape lying between that and personal moral ethics. Through the application of social critical theory, it challenges the orthodoxy concerning the relationships between personal liberty, justice and the neo-liberal market economy. It also illuminates the reasons why it is important for business ethics and personal ethics to be brought closer together, and it suggests redefining QWL as a way of bringing about this paradigmatic shift.

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Declaration

I certify that the work presented in this thesis is to the best of my knowledge and belief, original, except as acknowledged in the text and that the material has not been submitted, either in whole or in part, for a degree at this or any other university.

I also certify that to the best of my knowledge any help received in preparing this thesis, and all sources used have been acknowledged in this thesis.

Southern Cross University's Ethics Committee granted ethics approval for the research described in this thesis and the approval number is ECN-06-31.

Signed

Date

Pieter J Kriel

12 December 2006

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Dedication

This research effort is dedicated to the workers of the world, both past and present, whose collective effort is responsible for the advancement of humanity, often at their own expense, both economically and psychologically. Similarly, to the father I never had the opportunity to know and understand due to circumstances beyond our control – may you rest in peace.

1 Introduction

This chapter provides an introductory overview of the research study. Key elements of the study are briefly discussed in order to equip the reader with a mental framework to assist in understanding the overall context within which the study has been undertaken. A brief description of the core concepts is provided, followed by the justification for the research study. Consequent research questions and hypotheses are then provided as well as some critical definitions and delimitations. Finally, the chapter concludes with a brief summary. Chapter two, which follows, covers the literature research and provides more details on many of the key concepts and ultimately the detailed unfolding of the research question and proposition.

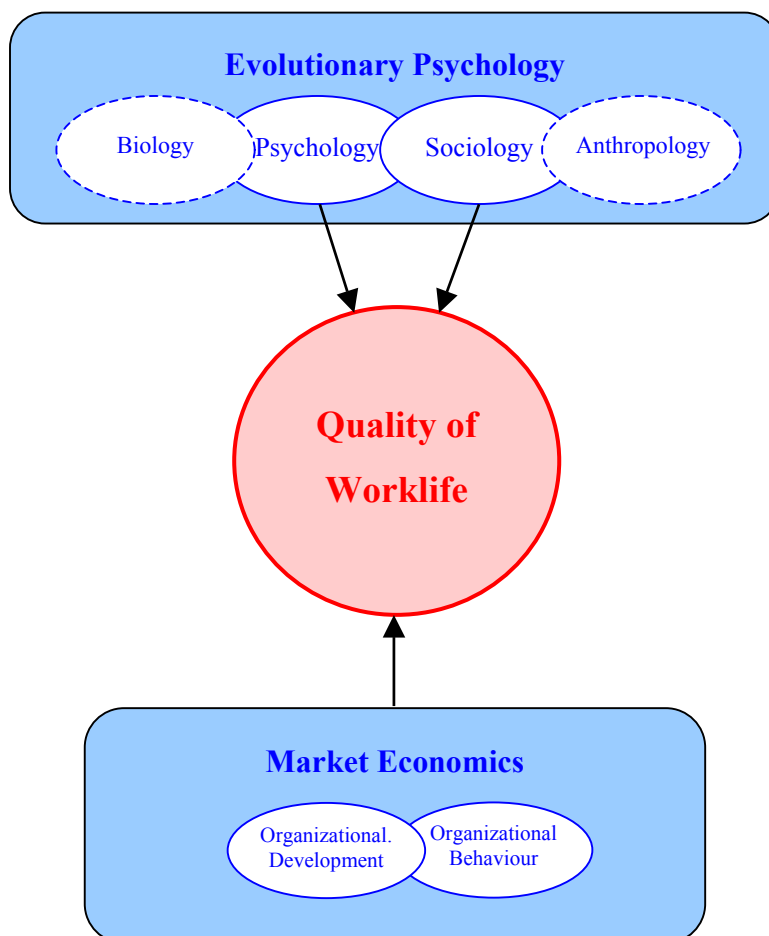
1.1 Background to the research

1.1.1 Introduction

This social critical theory research study explicates some of the important links that exist between quality of worklife (QWL), market economics and evolutionary psychology (EP). Figure 1-1, on the following page, provides a broad conceptual view of these links as further explored in chapter two. QWL receives significant mediated and direct input from the fields of evolutionary psychology and market economics. As reflected in Figure 1-1, evolutionary psychology as a multi-disciplinary approach draws heavily from biology, anthropology, psychology and sociology, although this study draws its information mainly from the latter two disciplines. Diametrically opposed to EP, the field of economics also exerts considerable influence on QWL, largely by way of the disciplines of organizational development and organizational behaviour.

This study shows that, in order for employees to be able to obtain healthy levels of quality of worklife, they need to experience a sense of organizational justice that is in harmony with their wider personal morality. The study also argues that ethics provide a link between workplace justice and personal morality, and the requisite congruency between personal and workplace ethics is predicated by EP theory. Laland and Brown (2002) stated that EP theory indicates the presence of an innate sense of justice within the human psyche that has not changed significantly over the past 10 000 years. It is therefore reasonable that our innate sense of justice be considered a benchmark against which justice systems and theories should be viewed.

Chapter two of this study critically examines the literature, mainly in relation to issues of quality of worklife, workplace justice and evolutionary psychology. To a significant degree, issues with respect to economics, business ethics and social justice are also covered, since they also pertain to the central issue of ethics and justice within the workplace. Ultimately, from the arguments made in chapter two, an instrument to measure quality of worklife that incorporates elements of justice was developed in an attempt to confirm the validity of the research proposal as stated in section 1.2.2.

Figure 1-1: Conceptual framework

Source: developed for this study.

1.1.2 The evolution of management

Central to the determination of quality of worklife is the discipline of modern management. Although management as a discipline owes much to the principles of economic theory that have accumulated over recent decades, it also has elements closely related to sociology. From the literature examined in chapter two we find that quality of worklife as a concept evolved out of a rich historical tradition involving the idea of making organizations more humanistic. It builds upon older ideas on satisfying basic human needs involving the fairly recent concept of job satisfaction that is closely linked with them. Furthermore, according to Mele (2003), ethics play a central role in achieving quality of worklife. There is also no escape from the important role management plays in this regard, and he suggested that management has evolved through three distinct phases of development that is next briefly described.

The first phase was that of Mary Parker Follett, Chester Barnard and Elton Mayo, whose work was defined by their ideas on human relations. This was closely followed by Abraham Maslow's insight into the satisfaction of needs that still constitutes a significant portion of management philosophy. Maslow was the first modern scholar to have a significant impact with respect to issues of self-actualisation in the workplace. McKenna (1999) provided an excellent historical overview of modern management, that showed those who followed, like McGregor, Likert, Argyris and Herzberg, who, while expanding

on Maslow's ideas, offered no further paradigmatic advancement with respect to needs satisfaction concepts. The validity and importance of these needs have recently also been confirmed by Staub (2004), who examined needs with respect to altruism and aggression.

The second management phase, according to Mele (2003), involved the concept of organizational culture, often defined as *the way we do things around here*. Scholars typically view organizational culture as a way of understanding and framing organizational behaviour. This phase was influenced by ideas from behavioural scientists, such as BF Skinner and JB Watson. The behaviourist school of thought led directly to the concepts of cultural determinism and relativism that are still evident in much of contemporary management. Cultural relativism holds that behaviour is culturally determined and is the line of reasoning that many anthropologists like George Mead also followed. They believed that behaviour relates to the culture that an individual is exposed to and is therefore externally determined. The implication is that individuals might espouse fundamentally different moral values depending on their immediate social environment. As discussed further in Chapter two, this view is an incomplete one, and in order to obtain a more holistic understanding, the influence of natural or innate propensities of individuals has to be taken into consideration as well.

The third, and most recent, emergent stage of humanistic management was considered by Mele to be tied to human psychology as was also the case in phase one. However, here he suggests not only taking into account human needs and motivations, but also ethical considerations surrounding the need for self-actualisation. Given this extra emphasis, there appears to be solid ground for emphasising the importance of personal ethics within the workplace, in order to facilitate the self-actualisation that encompasses also the final stage of Maslow's hierarchy of needs. This richer definition is considered by some contemporary scholars to be a more apt description of quality of worklife, since it takes us beyond the more traditional, poorer concept of job satisfaction.

As mentioned in the beginning of this section, ethics play a vital role in determining quality of worklife. Leading directly from ethics there are clear links to matters of justice and the next section summarises some important aspects of justice in the workplace.

1.1.3 Workplace justice

Organizational justice as a researched concept is relatively new, research having only started in earnest around 1987 (Cropanzano 2001). Issues of morality and also ethics are central to justice systems, according to most contemporary social justice theories (Hosmer 1991). For example, Hosmer showed that there are certain basic principles needed for a system to be considered just. These principles require the processes and outcomes of rulemaking or ethics to be consistent, universal, made known, accepted and enforced.

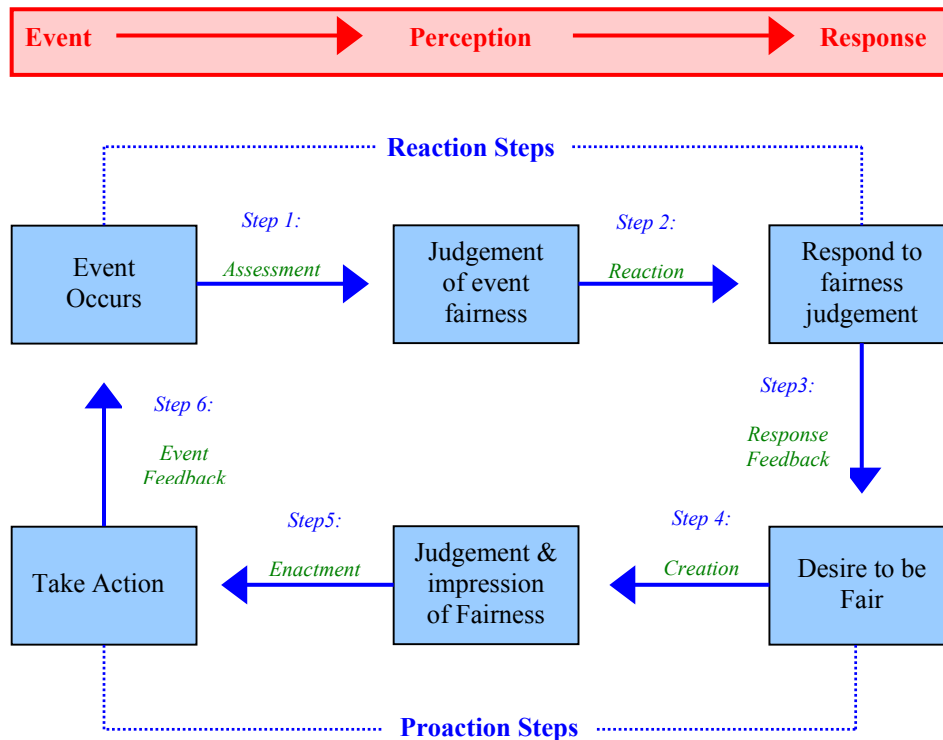
More recently, Cropanzano (2001) described organizational justice as:

... psychological enquiry that focuses on perceptions of fairness in the workplace (p. 4).

The field therefore shows a clear and established philosophical link between justice and fairness. Interestingly, Cropanzano (2001) went to great lengths to describe recent advances in organizational justice. Figure 1-2 on the next page depicts a general model of the justice process as it is experienced in the workplace, according to Greenberg and

Wiethoff (Cropanzano 2001), who found it useful to distinguish between reaction and proaction, as that notion underlies the view taken over the last 25 years with respect to approaches to workplace justice. Briefly, reaction processes relate to environmental conditions, such as organizational culture and climate; whereas, in contrast, proactive processes deal with the ways that fair conditions can be created.

Figure 1-2: Generic justice process



Source: Cropanzano (2001, p. 274).

Central to the whole issue of workplace justice is the role played by the typical business manager. Carroll (1987) warned that the business landscape is littered with amoral and immoral managers, and suggested that most are in fact amoral. This is not surprising, given that the widely followed business model popularised by Milton Friedman is amoral by definition. The world is seldom black and white, so likewise we can expect to find that few managers are entirely moral or immoral and that it is mostly a matter of degree, a continuum of management morality, ranging from the two extremes of predominantly moral and completely immoral occupying the edges, with a large middle ground consisting of the amoral as shown in Figure 1-3 on the next page.

Figure 1-3: Business management morality

Source: developed for this study.

Henk van Luik, founder and former president of the European Business Ethics Network stated critically, that businesses are not interested in ethics generally and mainly concerned with profits (cited in Zsolnai 2002). With the increase in scale of human industrial endeavour over the last 200 years, many unforeseen issues, such as global warming and environmental degradation, have come into prominence and become part of wide public concern. In addition, corporations now form such an integral part of society that they can no longer be considered separate from it.

Emile Durkheim predicted that the market economy model, as adopted in the West, would be inherently unstable unless more broadly based on social mores, a view also shared by Veblen (Tilman 2002). Soon after this prediction, bureaucracy became quite widespread throughout large organizations and its influence forestalled much of Durkheim's prediction. However, this now appears to have been a temporary respite, and cracks are beginning to show that seem to support Durkheim's original thesis (Hendry 2001). In support, Tom Burke (Rushton 2002) also indicated that there is much anxiety amongst the general public generated by globalisation; in particular, he suggested this is so because there appears to be no accompanying globalisation of responsibility. There certainly are many examples of large corporations who used globalisation to their advantage in these ways, as firms become less likely to be held accountable (Visser 2000).

International incidents such as that of Union Carbide at Bhopal, India, spring readily to mind. On the Australian domestic front we find examples like the James Hardie company, who moved their headquarters offshore in order to avoid costly lawsuits from innocent asbestos victims. It is clear therefore that corporations are prepared to operate globally in order to minimise labour costs and enjoy lower legal requirements for corporate responsibility.

However, the Brundtland Commission in 1997 reported that human survival might well be dependent on developing a healthy global ethic. Not all firms operate on a global basis, but Pitelis (2002) argued this notion of a healthy ethic also applies to smaller local organizations. Pitelis also made the connection to current economic theory and suggested that the present model actually encourages firms to degrade the environment. In his view, neo-classical economics has an impoverished view of human action and alternatives ought to be developed. In support, John Boatright (cited in Zsolnai 2002) also stated that economic theory currently contributes little to the study of business ethics. Jane Collier of the Judge Institute took an even dimmer view of the situation and accused corporations of actively evading regulatory systems, shaping inequality and democracy to suit their economic purposes (cited in Zsolnai 2002). Most ethics scholars appear to agree that human moral action needs to be encouraged within corporations and that organizations do

have moral obligations that extend to both the environment as well as their employees. Further support came from Coburn who has shown a direct connection between the global spread of neo-liberalism and the decline in social cohesion and health of individuals (Turner 2003). Turner showed us that in terms of social capital, Coburn established a direct connection between the global growth of neo-liberalism and the erosion of the individual's psychological well-being.

Given the intimate link between psychological well-being and the quality of an individual's life, the above clearly points to a connection between a healthy global business ethic and quality of worklife which leads us next to issues of psychology.

1.1.4 Evolutionary psychology

The study of human behaviour is at the centre of psychological research. While the concept of evolution has been around for more than 150 years, the application of evolutionary theory to human behaviour has had a troubled past (Laland & Brown 2002), with accusations of genetic determinism often being made that have resulted in many scholars deterred from operating within the field; significantly, as they also point out, in spite of this obstacle, advances in this field have nevertheless been substantial during the last decade. Evolutionary psychology (EP) is the study of how our minds have evolved and of the traces left by that evolution. In this study, the emphasis is on this evolutionary legacy and specifically on their implications with respect to ethics and justice in the workplace.

As mentioned in section 1.1.2, the field of psychology has been dominated until recently by behavioural psychology. Behavioural psychologists hold that human behaviour is firmly rooted in culture and that therefore its responses are conditioned by the prevailing culture, implying that humans can be made to change their behaviour by introducing a change in the cultural environment. In contrast, evolutionary psychologists hold that a substantial proportion of behaviour is driven by instinctual propensities subject only to slow evolutionary change, and hence not entirely amenable to rapid cultural influence.

Moreover, the nature of morality makes it difficult to conceive of a justice system without a significant moral component (Krebbes 1998). EP has also established that this moral component is universally found across all cultures. Specifically, justice scholars such as Greenberg have found that, although values and norms may vary across cultures, the fundamental concepts of morality, fairness and justice exist within all cultures studied (Greenberg 2001). These findings suggest that the human brain is to some extent hard-wired with a moral tendency towards fairness and justice. Moreover, because the human mind evolves only slowly, this tendency is sometimes at odds with the rapidly changing demands made by our current social environments that differ so dramatically from those of our prehistoric past. As a result of this mismatch, the contemporary and largely amoral work environment is often experienced by individuals as psychologically alienating.

In situations where there is a direct conflict between personal morals and business practices, this can result in high levels of psychological stress. Given the degree to which organizational life extends into personal lives, the role morals and ethics play in determining psychological well-being within the workplace appears to be significant; so we can conclude that important links exist between satisfying the need for social justice and quality of worklife.

1.2 Research problem and proposition

1.2.1 Research problem

Why is ethics, morality and justice important to quality of worklife ?

1.2.2 Research proposition

Ethics involve morality and justice that are innate human traits thus requiring an alignment between business ethics and personal ethics in order to promote and achieve healthy levels of quality of worklife.

This study argues that work, in spite of being essentially an economic activity, is fundamentally a social activity and therefore social theory remains central to work issues involving personal well-being.

1.3 Justification for the research

The initial literature review revealed several justifications for undertaking this study that are covered in the following sections.

1.3.1 Exploring emotional issues

Recent interest in the field of emotion within organizations has highlighted the fact that we know less than we should about work environments that are likely to produce negative and positive moods and emotions at work (Huy 2004, Luthans 2002). Additionally, Griseri (2002) has noted strong connections between emotions and business ethics that demand further exploration. Teehan (2003) advised that the importance of emotions for moral reasoning has gained significant support recently and he contended that the glue of human sociality is emotion, not reason. Reduced emotional functioning leads to psychopathy, and there is evidence of psychopathic behaviour amongst senior business people (O'Malley 2005). Furthermore, Fichman (2003) suggested that trust and betrayal have strong emotional components. In this regard, justice is recognised as a highly emotive issue present in all cultures, and there appears to be no evidence to suggest that humans feel any differently about fairness and justice in the workplace.

1.3.2 Enhancing psychological well-being

Quality of worklife is mostly neglected by management scholars and this research endeavours to correct this. The psychological wellbeing of individuals in their workplace should be of concern to the makers of policies such as occupational health and safety as well as lawmakers concerned with issues such as equality. However, we are cautioned that although important social issues such as equality in the workplace might be legislated, they are not necessarily practised or even practicable (Nicholson 2000). Understanding the underlying psychological issues will go a long way towards avoiding unworkable and psychologically stressful regulations or policies. When important issues have their roots in instinctive human nature, EP can provide insight and guidance as to the validity and successful introduction of such issues into the workplace, thus avoiding them going against instinctive propensities. EP cautions us that fairness and justice have their roots in human instinct, and should be given emphasis if we are to improve psychological well-being in the workplace.

1.3.3 Reducing the knowledge gap

Not surprisingly, a significant gap in the literature exists due to the lack of practical application of evolutionary psychology (EP) to business life (Nicholson 2002; Pierce 1999). Of more concern is the fact that moral ethics within the organizational context is underexplored (Mele 2003; Key 1999). Other knowledge gaps also exist and one of particular relevance to this study concerns different stakeholder values and this is next briefly described.

1.3.4 Illuminating competing values

The problematic issue of looking into the competing requirements of various constituencies, such as shareholders versus workers, has also not seen sufficient research (Rousseau 1997). Both communities are regularly depicted as stakeholders as if they were on equal terms, but often their needs are in conflict and treated unequally as there normally exists significant inequality in political power between these two groups. This makes cooperation in the true sense of the word unlikely to be practised widely. Recent decades have seen even more emphasis on enhancing shareholder value (Gibson, Ivancevich & Donnelly 2000), with worker issues taking a back seat. Recently in Australia there has been some effort at updating the concept of the stakeholder (Turnbull 2003) to explicitly include the interests of community members and workers and this study lends further support to that idea.

1.3.5 Re-evaluating socialism

Despite ground-breaking work, the Tavistock socio-technical movement of the 1950s has seen disappointingly little recognition. Following the fall of the Berlin Wall, it is perhaps time to give ideas born out of the socio-technical movement another chance, by directing more attention towards QWL enhancement through the application of more humanistic management similar to the Durheimian idea as highlighted by Turner (2003).

The present view on socialism was affected no doubt by the prevailing tension of that period between capitalism and communism that is still sometimes viewed in too dualistic a fashion. In its obsession to discredit communism, the West also unfortunately made it difficult to advance some valid elements of socialism such as worker's rights. One of these rights relates specifically to democracy; Cheney (1995) certainly views democracy as being part of a humane workplace, a view also supported by Wooten and White (1999). Just as democracy in the wider social context is important for general quality of life, so it can be appreciated that workplace democracy is also important for quality of worklife.

1.3.6 Renewing social contracts

Emile Durkheim predicted that social contracts based mainly on economic relationships are unstable and in danger of collapse. It can therefore be argued that the West is urgently in need of an alternative economic model that incorporates social mores. For instance, according to Fukuyama (1996), trust is closely related to this issue, and EP provides a theoretical basis for a model that includes issues such as trust.

As Edwards (2002) pointed out, Australia had its *Australian Settlement* model that was based on social values; this model was largely displaced by economic rationalism, leading to a severe decline in public trust. A view now seems to be forming that a return to a more

socially inclusive policy is needed (ACCIRT 1999). This study endeavours to provide further evidence of the validity of an approach designed to enhance elements of social capital such as trust and cooperation that is also central to quality of worklife as further argued in chapter two.

1.3.7 Refining the definition of quality of worklife

As chapter two shows, divergences of views and personal interests has led directly to the lack of an agreed definition of what QWL is, and this study aims to refine the definition of QWL with evolutionary psychology as a more robust theoretical underpinning. The intention to bring some unity to the area and make QWL more mainstream as Danna and Griffin (1999) asserted is desirable. Moreover, in line with evolutionary psychology, this study adds a new and important emphasis to the definition of QWL, namely workplace justice, an element that has largely been missing from human resource management (Hart 1993).

1.3.8 Development of an Australian QWL index

There is currently no validated QWL index in Australia. Considine and Callus (2002) developed a QWL index, but has struggled to validate or popularise it. The Australian Quality of Life survey, administered regularly by Deakin University, has been validated but has very limited QWL content as its emphasis is on life in general terms.

The Australian Bureau of Statistics also has no job satisfaction or QWL survey. A national index would provide not only an educational function, but also direction as to where intervention might be required in order to improve workers' well-being.

1.4 Methodology overview

This study uses as its central approach a hybrid paradigm consisting of Social Critical Theory (SCT) and Evolutionary Psychology Theory (EP). Consequently, instead of relying on extensive ethnographic data, this study uses survey generated or quantitative data, analysed by means of advanced statistical methods incorporating confirmatory factor analysis (CFA) through the use of structural equation modelling (SEM).

According to Alvesson (2000), the three main tasks of SCT are:

- investigate the local forms of the phenomenon
- critique the phenomenon
- provide a transformative redefinition.

The more general area under investigation is that of moral ethics, while the local form, that this study is primarily concerned with, is that of business ethics.

Critique of business ethics is achieved mainly through a comprehensive and critical literature review, while transformative redefinition is sought by linking business ethics to EP and QWL. In particular, QWL provides a practical vehicle for change; through the development of a refined QWL measurement instrument, a practical tool is provided for managers of organizational change that will allow the capture of vital information on the

organization's current moral state, as viewed from the individual worker's perspective. Results can be used to evaluate the level of worker's perception of their needs satisfaction and self-actualisation as pertaining to the workplace. Action can then be taken appropriately as indicated by the lower scoring QWL elements. The survey instrument taps into the following five theoretical constructs:

- trust
- democracy
- cooperation
- justice
- self-actualisation.

A nationally deployed survey was used to gather data and in order to maximise the response, the survey was both anonymous and based on a user-friendly internet web page. The survey instrument was developed specifically for this study, to include elements of moral ethics using the theoretical framework of evolutionary psychology.

1.5 Outline of the thesis

Chapter one provides a brief summary of the overall thesis.

Chapter two covers the literature research in detail.

Chapter three explains the methodology followed.

Chapter four covers the data analysis and subsequent findings.

Chapter five provides a comprehensive reference list.

Appendixes A to P provide supplementary data.

1.6 Key definitions and language

An obstacle that appears in many literature research efforts is lack of clarity in language (Chulef et al. 2001), often making valid conclusions difficult or impossible. The problem is mostly due to a lack of a common descriptive vocabulary across disciplines, and is particularly applicable to this study, given its multi-disciplinary approach. Moreover, this research study is being conducted with the practicing manager in mind, and so the language adopted is intended to clarify issues, rather than confuse or obscure them, a common outcome of the use of esoteric or outdated terminology (Denison 1996). The use of jargon is therefore deliberately minimised and the use of plain contemporary English maximised, as recommended by Voronov and Coleman (2003) as well as Keleman and Bandal (2002).

1.6.1 Morals

In this study, morals are not considered equivalent to ethics, despite this being the approach often adopted by many contemporary scholars. This study considers that view as misleading and often results in false debate. In this study, moral behaviour is defined as individual action that is considered *good* or at the very least *neutral* with respect to the *common good*. This definition is compatible with Bowie and Dunfee's (2002) definition that stated that individuals hold moral beliefs concerning social rights and wrongs. This definition also does not preclude group behaviour from being judged in moral terms (Trigg 2005; Soares 2003).

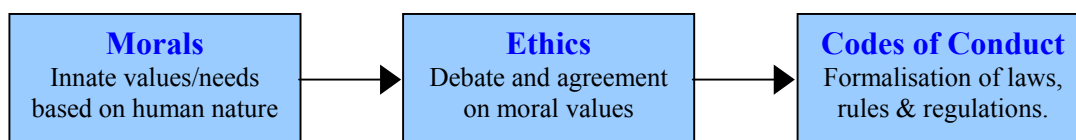
1.6.2 Ethics

Ethics is a system or framework of agreed-upon rules for a community to live by; that may or may not be based upon moral considerations. When discussing business ethics, one cannot avoid discussing capitalism, and it is relevant to consider the moral philosophy of the father of capitalism, Adam Smith:

Social ethics comes out of the moral or cultural concepts that help define society.
(cited in Behrman 1988, p. 7).

In this sense, ethics are seen as agreed-upon social rules, and morals are taken to be aspects of individual values underlying those rules. The definition is consistent with the definition found in Macquarie (Delridge et al 2003) and also the view adopted for this study in which ethics are underpinned by moral values. Following the above, Figure 1-4 below depicts the general view that lies under the approach taken in this study.

Figure 1-4: Relationship between morals and ethics



Source: developed for this study.

1.6.3 Workplace justice

Workplace justice is defined as the study and measurement of perceived fairness at work (Cropanzano 2001). Traditionally there have been two dominant concepts of organizational justice, procedural and distributive justice, considered almost universally as the two dominant measures of fairness within the workplace. More recently, interactional justice has emerged as a third element (Wooten and White 1999).

Briefly, procedural justice involves the fairness of procedures used to implement policies and reach operational decisions. Distributive justice deals with fair outcomes, and interactional justice involves the fairness of the treatment that comes from the various power bases that exists within the organizational hierarchy.

1.6.4 Cooperation

Reciprocity together with mutualism, make up the main components of social cooperation. The concept of reciprocity is that individuals will perform good deeds for each other without the expectation of having the favour returned immediately. Similarly, mutualism involves more than two individuals, for instance large teams working towards a common goal. For this study, mutualism and reciprocity are treated under the single banner of reciprocity. EP has shown that there are definite social advantages in such a system, as long as the level of cheating remains relatively low. There are therefore strong links between reciprocity and the psychological constructs of equity, honesty, fairness and trust.

1.6.5 QWL and job satisfaction

Within this study, the terms job satisfaction and quality of worklife are often used interchangeably and generally treated as synonymous. However, a recent view also supported by this study, is that QWL is more complex and has evolved out of the older concept of job satisfaction, towards incorporation of self-actualisation. Job satisfaction research is mostly done in the job descriptive index tradition that defines job satisfaction as:

... the feelings a worker has about his job
(Price 1997, p. 483).

Quality of worklife is generally considered to be more in line with Weiss's post 1996 definition:

Fulfilment of the requirements of an individual by his work environment.
(Price 1997, p. 480).

This provides a more holistic approach to QWL and is consistent with Maslow's needs theory.

1.7 Delimitations and key assumptions

As with many research efforts, there are often limits imposed by various factors outside of the researcher's sphere of influence. The fields touched upon in this study are potentially far-reaching, and it would require unreasonable effort and time to expand on all issues in the depth required to comprehensively explore all their links. There were some assumptions and compromises made, resulting in reasonable containment of the scope of the work:

- The study is not longitudinal, but cross-sectional.
- Gender issues are not examined.
- The nature versus nurture debate remains a contentious issue, and the assumption made here is that both play an important role; neither is viewed as dominant nor was any further argument attempted in this regard.
- The roles of personal belief systems such as religion or socio-political orientation are also not considered.
- This study concerns itself with the post-industrial stage of self-actualisation —i.e. modernity as defined by Anthony Giddens.
- The issues surrounding legislation are dealt with only superficially and
- Statistical sampling was less than ideal in terms of statistical randomness and size.

1.8 Summary

This chapter provided the basic framework for this study. Further, a brief outline of a social critical theory research study that uses evolutionary psychology as a theoretical underpinning for integrating personal and business ethics, in order to enhance QWL was delineated.

Issues surrounding the justification for the study were briefly noted, based largely on the premise that the established economic model used in the West is not very conducive towards high levels of job satisfaction. The links between quality of worklife, business

ethics, personal ethics and a sense of justice were also highlighted. It was suggested that EP theory provides convincing support for the idea of an inherent human instinct regarding justice that cannot be discarded in order to make the workplace a more human environment thereby enhancing quality of worklife.

The research proposal was introduced, the methodology to be followed was briefly described and an outline of the overall study report provided. Importantly, some key definitions and delimitations were also discussed to assist the reader in framing the study correctly.

The next chapter focuses more sharply on the research issues within both parent and derived disciplines, as revealed by a comprehensive literature review. From this review the specific hypotheses underpinning the research proposal is derived and outlined.

2 Research issues

2.1 Overview

Chapter one provided a brief outline of the overall study. Chapter two takes a detailed look at insights gained from the extant literature on those issues that have direct bearing on the various elements of justice and ethics within the workplace, particularly as they pertain to quality of worklife (QWL). Importantly, these insights highlight the fact that job satisfaction and QWL research have generally not explicitly adopted a theoretical underpinning such as human evolution. The literature review therefore covers ample ground to ensure a solid perspective on the evolutionary or instinctive role that morality, ethics, and justice play in QWL. The result is a necessarily wide scan of the literature, with a deliberate emphasis on morality and ethics, as they are fundamental to the concept of justice.

For the purposes of this study, distinctions between the applicable disciplines are made as follows:

Parent Disciplines:

- Psychology
- Sociology (including ethics and morality)
- Anthropology (including culture)
- Economics.

Applied Disciplines:

- Organizational Development and Behaviour
- Evolutionary Economics
- Business Ethics.

The literature review is compartmentalised into three basic disciplines as shown in Figure 1-1. However, it must be noted that the classification is not meant to be rigid, as there is disagreement amongst scholars as to how best to classify particular disciplines. Moreover, this overlapping approach is typical in social critical theory (SCT) as well as evolutionary psychology (EP) and the classifications therefore should be mainly regarded as convenient guidelines and not viewed as absolute demarcations.

In this chapter, sections 2.2.1 to 2.2.3 provide background for the various approaches taken in presenting and disseminating the information obtained from the literature research. Although not crucial, the elements covered in this section are considered important for providing clarity.

Section 2.3 covers the parent disciplines and section 2.4 the applied disciplines. Consistent with the focus of this study, section 2.3.2.2 provides a historical overview of ethical and moral issues relating to both the individual and general society, with section 2.4.3 covering business ethics in particular.

Section 2.5 provides the theoretical framework for the study as it relates to the organizational setting.

Section 2.6 covers the research question, research proposal and hypotheses. Finally, section 2.7 concludes with a brief summary of this chapter.

2.2 Introduction to research issues

2.2.1 Scope of the literature review

The bulk of the literature review can be considered as covering three broad but somewhat distinct areas:

- Business Ethics
- Quality of Worklife
- Evolutionary Psychology.

Business ethics has been very topical over the last ten years, with numerous articles and books published. Particular attention has been paid to ensure the inclusion of information on business ethics within the Australian context. Justice in the workplace was well portrayed by Cropanzano (2001) who provided excellent coverage of the issues by way of essays contributed by various experts within this relatively new field of organizational studies.

There are currently two comprehensive reviews available on the wide range of recent literature that pertains to workplace well-being. Loscocco and Roschelle (1991) specifically reviewed literature on quality of worklife, with a high degree of focus on modern organizations. Danna and Griffin (1999), on the other hand, reviewed the literature more broadly, with respect to health and well-being within general life domains. The two reviews overlapped surprisingly little, which is indicative of the wide-ranging foci possible on quality of life issues.

With respect to EP, a comprehensive treatment is to be found in *The Handbook of Evolutionary Psychology* by Crawford and Krebs (1998). This volume contains many contributions from EP scholars such as David Buss, Steven Pinker, Geoffrey Miller, Martin Daly and Margot Wilson. A distinctive feature is the treatment of both theoretical approaches and practical applications of EP. Information from the handbook is supplemented by research from the wider community of distinctive EP scholars, such as Barkow, Cosmides, Tooby, Jones, Robin and Dunbar. In support of these works, a rich and detailed historical perspective on EP was provided by Laland and Brown (2002).

2.2.2 Multi-disciplinary approach

According to many EP scholars, the lack of an inter-disciplinary approach has been a major obstacle in the areas of social research. Danna and Griffin (1999) showed, for instance, that some researchers view mental and emotional issues somewhat separately from psychological issues. The view taken in this study was that issues of emotion and mental processes fall within the psychological arena and are therefore treated more holistically under this single umbrella, instead of as two distinctly separate issues.

Similarly, spillover theory (Sirgy et al. 2001) is an unusual example of an approach that embraces to some extent the concept of inter-disciplinary research. However, when the

scope is widened by taking a multi-disciplinary approach, care is needed in taking both a micro and macro view of the research issues, without jeopardising practical application of new findings due to excessive fragmentation or over-complication, each of which is potentially immobilising.

2.2.3 Humanistic issues

Organizations are social communities and examining issues of well-being within the workplace is not a new idea (Cheney 1995), with job satisfaction certainly one of the most widely explored topics, with over 10 000 publications currently available (Maher 2002). Yet, it remains one of the least understood organizational phenomena (Rowden 2002). Recent research by Towers Perrin (Reported in WORKLIFE 2003) indicated that there is still a massive gap between employees' current and ideal work experience. The report suggested that there is still plenty of room for improvement in QWL from the individual worker's perspective.

This study was unashamedly biased towards the needs of the individual, with little emphasis on wider organizational or economic needs that have been the subject of much past research. Organizational behaviourists often site humanistic ideals as part of their work but this ideal has met with limited practical success (Wooten & White 1999). This issue is explored further in section 2.4.1.

From a humanistic perspective, there have been some key concepts in shaping management thinking over the last 100 years (McKenna 1999). The short descriptions that follow summarise some of the more pertinent ones as they apply to this study.

2.2.3.1 Maslow's needs satisfaction theory

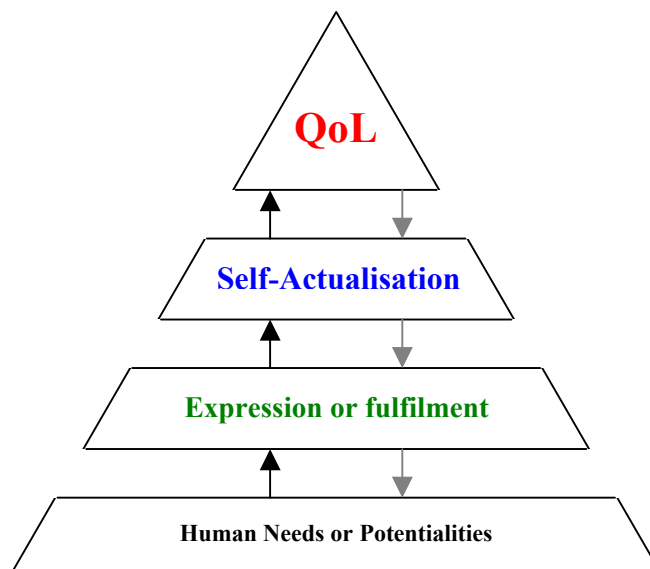
Human needs theory has a rich history, with much contribution from psychologists and behavioural scientists over many decades. In spite of much overlap between the work of the various contributors, Abraham Maslow's work from the 1950s remains the most widely recognised (Staub 2004). Maslow followed a behavioural approach in the formulation of his theory regarding the hierarchy of needs, findings later supported by the work of Aldefer. The basic hierarchy of needs was recently re-confirmed by Chulef et al. (2001), although other studies showed problems (Maher 2002). Further support for Maslow and Aldefer's hierarchy of needs was also provided by Deci et al.'s (1989) studies that used self-determination theory as their focus. Moreover, Deci and Ryan (2000) reiterated that these needs are both universal and essential for psychological health. In spite of much criticism of the exact validity of the hierarchical nature of these needs, the fundamental concept has enjoyed wide acceptance as a general theory of employee motivation.

Simply stated, Maslow's hierarchy of needs encompasses the following:

- basic physiological needs
- safety needs
- belonging
- self esteem
- self-actualisation.

From this it becomes relatively easy to construct models such as that in Figure 2-1 below that applies to quality of life.

Figure 2-1: Quality of life model



Source: developed for this study.

This model contains a flow of evolutionary development that is consistent with Maslow's needs theory. There is a loose hierarchy of needs, with progress to each ascending level dependent on the previous level being largely satisfied. Interestingly, this model appears to be complementary to Kohlberg's moral development model that is discussed in more detail in section 2.3.2.2. It is worth noting that both models are not unidirectional and individuals can and do sometimes slip back to lower levels depending on their circumstances. It is useful to keep this basic model in mind while examining the concept of QWL, as it serves as a useful guide when navigating the complex maze of related issues.

2.2.3.2 The socio-technical perspective

In keeping with the humanistic theme, the literature also reveals that during the 1950s there emerged from Europe a socio-technical movement that appeared to be somewhat ahead of the US. However, Eric Trist, who was a key player in that movement, referred to work performed by Maslow, whose effort was mainly US-based. We also find further US links developed between Eric Trist and Russell Ackoff, who was also a firm believer in the open systems approach and who became a major proponent in the US for workplace democracy (Ackoff 1994).

In the UK, the Tavistock Institute remained the centre of activity for socio-technical adherents such as Eric Trist, Fred Emery and Ken Bamforth, who were at that time almost all psychiatrists (Adler & Docherty 1998). Their approach was distinctly humanistic, but also were more practically oriented involving small groups of workers. Notably, the focus was markedly aimed towards shopfloor workers as opposed to management. Much of their work was germane to the concept of QWL, and involved participative decision-

making, a weak form of democracy, through extensive application of action research. Their underlying philosophy was that work is a factor fundamental to human development, and not merely a means of earning a living. In other words, it goes beyond Maslow's lowest level needs, reaching towards the concept of self-actualisation.

Although socio-technical practice did not grow much beyond the efforts of the Tavistock Institute, according to Adler and Docherty (1998) socio-technical ideas have remained in evidence and have even evolved into useful management practices in various Scandinavian countries. The Tavistock group was perhaps too far ahead of its time, as its work found little favour with industry in spite of its interventions producing significant positive results. Within both the US and the UK, the socio-technical concept found little support amongst scholars and politicians (Miller & Rose 1995) and so influential efforts of the movement were relatively short-lived. This humanistic movement was perhaps the first to coin the term quality of worklife at a conference in 1972, where their stated goal was to humanise work (Miller & Rose 1995). We find, then, in the socio-technical movement, the first significant attempt at introducing the concept of QWL that relies on promoting the humanisation of work leading towards self-actualisation.

2.2.3.3 Psychological well-being

Since QWL involves the individual worker and how (s)he feels about work, there is a clear link to the field of psychology. Recently there has been much focus on the psychological aspects of organizational life, and this has resulted in some important refinement of insights into how individuals view themselves within an organizational context. Currently, the two dominant theories of self that come into play are identity theory and social identity theory (Hitlin 2003).

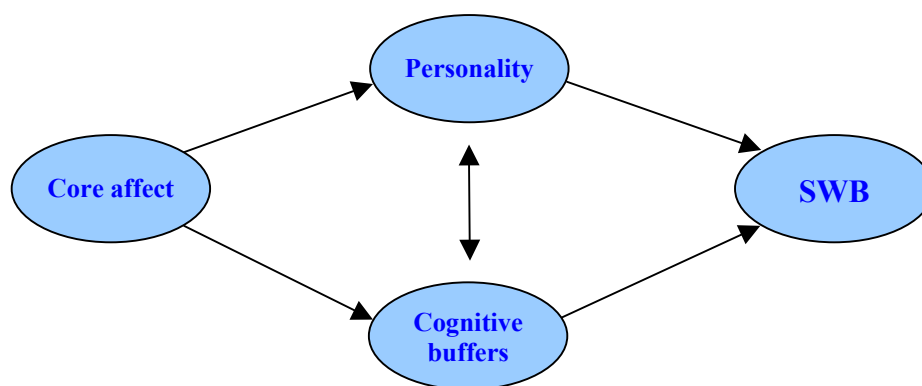
Identity theory sets out to explain an individual's role-related behaviours, whereas social identity theory tries to explain group processes and inter-group relations (Hogg et al. 1995). Having recognised similarities between the two theories, Hitlin attempted to draw definite links between them, using values as a bridge. He referred to this as personal identity and this is explored further in section 2.3.1.3. We learn that one of the reasons for Hitlin taking this route was that the march of modernity has resulted in individuals having to draw increasingly on the self for moral direction. This view was also in harmony with Giddens's theories on democracy within post modernity that are further explored in section 2.3.2.1. These two ideas from Hitlin and Giddens are important concepts in the theoretical model developed for this study, whereby values and democracy play crucial roles in the interaction between the individual and the organization. The theoretical model depicted in Figure 2-13 and described in section 2.5 explains more fully the significance of these two elements.

2.2.3.4 Subjective well-being

Subjective well-being (SWB) has a relative short history, beginning in 1960 with a quality of life study by Gurin, Veroff and Feld (cited in Davern 2004). Davern also reminded us that the most comprehensive studies were performed only in the 1970s by Andrew and Withey and Campbell as well as Converse and Rodgers. The measure used by both studies has also been found to be stable and valid across western cultures (Cummins 1995). SWB is often also referred to as happiness, although the term satisfaction is sometimes used. It is generally recognised that SWB consists of cognitive evaluations as well as affective or emotional reactions. Importantly, Davern reminded us that satisfaction in the cognitive

sense is a function of the discrepancy between what one needs and what one has, and this issue is revisited in later sections. Davern also highlighted that affect is related to cognition, in that it represents the feelings following cognitive evaluation, i.e. value judgement (Davern 2004). Although much debate still surrounds SWB theory, these two components forms the basis of SWB as pioneered by Andrews and Withey. Interestingly, Davern demonstrated that personality, which was once thought to be a key factor in SWB, actually accounts for less than 11% of its variance. Davern also determined that the bulk of SWB variance is contributed by core affect, described as being object-free and free-floating, commonly referred to simply as feeling. Figure 2-2 below shows Davern's simplified model of SWB.

Figure 2-2: An affective model of SWB incorporating cognitive buffers



Source: Davern (2004, p. 200).

Subjective well-being (SWB) asks individuals how they feel about certain aspects of their lives. At the same time the measure is potentially a means of determining how well the environment or culture supports their well-being (Diener & Suh 2000). Suh reminded us that having an internally consistent self-identity is a crucial part of mental health (Suh 2000). She warned that the self and not the situation or environment should be the anchor of personal behaviour. Diener and Suh (2000) also warned that the environment or life domain moderates SWB. As organisational culture is representative of the work environment, we find therefore that the fit between organizational culture and self is significantly linked to SWB.

SWB is often dismissed as an unreliable measure (Stutzer and Frey 2003). However, Stutzer and Frey pointed out that there have been significant developments in improving the reliability of SWB measures, such as the introduction of experience sampling methods, in order to eliminate bias introduced by variable factors such as mood. In support, Diener and Biswas-Diener (2002) remarked that the traditional SWB measures currently have a high degree of validity. Diener and Suh also reminded us that, not only is SWB an important democratic imperative, it also takes people's values into account, which affords it a privileged place at the debating table. Importantly, they also recognised that SWB measures how much of people's lives are in accordance with evolutionary imperatives and the fulfilment of human needs. This makes for a compelling case in giving SWB serious consideration within the context of work such as using it as a basis for QWL measurement.

The last three decades have seen much research in the area of SWB, with three very interesting findings. The first has been the discovery that SWB does not exhibit a linear relationship to elements such as income. The second finding was that personality traits have much less influence than originally thought. Davern (2004), through an interesting study using Australian well-being data, demonstrated that personality traits contribute relatively little to SWB. The third was that cultural relativism does not have as definitive a role as previously thought, and in fact, has only a marginal role to play, especially within national boundaries, as defined by Hofstede (1994).

Furthermore, within the workplace there is a fundamental issue with SWB, in that organizations are predominantly collectivist, while the wider society is individualist. The two outlooks are often at odds with each other, and this leads to stress, mainly due to incompatible values (Triandis 2000). In individualist settings, SWB is evidenced mainly by the emotions, while in collectivist settings, observable behaviour becomes the dominant aspect. Triandis reminds us that collectivism is characterised by tightness of regulation, and individualism by its looseness. Such opposing characteristics result in an inevitable environmental misfit, as far as nations like the US and Australia are concerned, and he suggested this as a good reason not to keep the levels of analysis separate. In other words, not only do we need to look at culture, but we also need to consider climate at the same time and this is done in section 2.4.1.1. In addition, it has been found that people in collectivist (tight) societies experience high levels of anxiety. Triandis proposed that these findings therefore predict lowered levels of SWB in the contemporary workplace, which, due to its structure, is mostly non-democratic, has a high power distance and is often hostile to self-determination.

Similarly, Oishi (2000) highlighted the fact that SWB is strongly coupled to self-determination theory as developed by Deci and Ryan (2000), as it deals with needs satisfaction of the highest order, namely that of autonomy, competence and relatedness. Moreover, he pointed out that related and intrinsic goals such as personal growth, enhancement of others and communities contribute significantly to a sense of well-being. This is similar to what was proposed by Ryff and Keyes with their spillover model on SWB (Kafka & Kozma 2001), and Oishi suggested this is supportive of the congruence concept, that when there is congruence between personal values and the environment, an individual will experience improved levels of SWB.

Given the above evidence, it is concluded that SWB has a well-established basis for the measurement of well-being within a particular cultural setting, the workplace, and this formed the basis of the QWL instrument developed in this study. The development of the instrument followed a bottom-up approach based on Warner Wilson's concept of basic and universal needs, to which Maslow's needs theory is related (Diener et al. 1999).

2.2.4 Summary

In this section an overview of the research literature was provided in order to set the scene for the main body of the search; more importantly, it gave an insight into the realm of psychological issues in the workplace. The individual remains at the heart of the issues studied in this project. The scene has therefore deliberately been set for a view of the individual worker as central to issues of quality of worklife, while firmly remaining within the social context of the workplace. The following sections widen the scope, providing an in-depth look into the highly complex phenomenon that is quality of worklife.

2.3 Parent disciplines

2.3.1 Psychology

In this section the first of the parent disciplines, evolutionary psychology (EP), is examined.

2.3.1.1 Evolutionary psychology

Evolutionary psychology has links dating back to the 19th century. For example, Sigmund Freud was heavily influenced by Darwin's work on evolution (Laland & Brown (2002)). However, this line of thought declined in general popularity during the early part of the 20th century, mostly due to a reaction against the eugenics movement (Siegert & Ward 2002). Its recent re-emergence was due to sociobiology, which gained prominence when EO Wilson published his controversial book *Sociobiology: The new synthesis* in 1975. Since then, sociobiology has been under severe attack by prominent scholars like Richard Lewontin and Stephen J Gould who labeled sociobiology as simple and reductionist. This sustained attack has led to the spawning of behavioral ecology as a means of avoiding the accusations of genetic determinism that have been central to the main body of criticism leveled against sociobiology in general (Laland & Brown 2002). This diversion from the central theme of sociobiology led to a paucity of effective scientific research and debate that has undergone some revival of interest only over the last ten years. In particular, the mathematician, Martin Nowak, has done much to establish a credible scientific basis for significant aspects of EP (Nowak 2000).

The general consensus now is that EP is largely the fusion of two existing scientific fields namely, evolutionary biology and cognitive psychology (Evans & Zarate 1999). A closer look, however, reveals that there are significant elements and ideas from other fields as reflected in Figure 1-1. In particular, the two disciplines of sociology and anthropology contribute importantly to the melting pot that EP has become. EP has seen some notable success in the areas of sexual selection (Buss & Schmitt 1993) and language (Pinker 2002). It is not unreasonable therefore to expect EP to precipitate similar advances in other social fields such as the study of work communities.

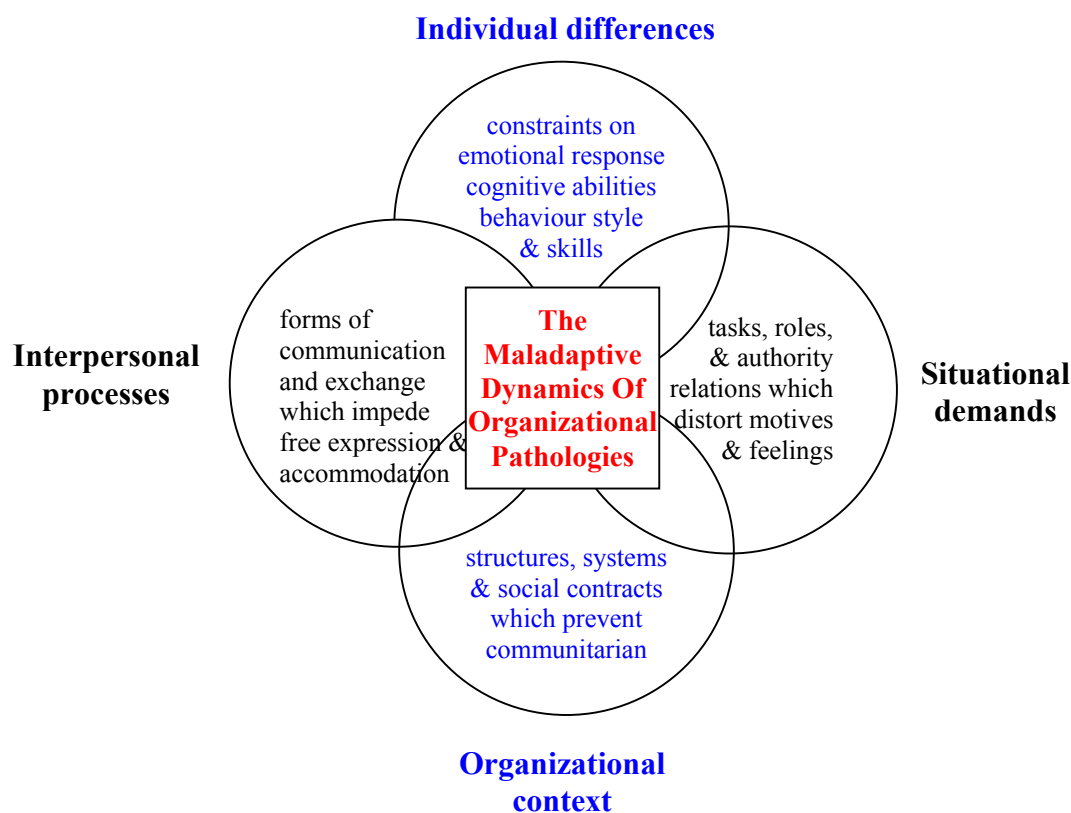
The scholarly case for EP has been advanced by others (Laland & Brown 2002; Buss 1999; Pinker 1999; Barkow et al. 1992) and it is not the intention of this study to expand on their efforts. Within the bounds of this study, EP is accepted as a valid scientific framework capable of making a contribution, through the synthesis of pertinent disciplines, such as cognitive psychology, evolutionary biology, sociology and anthropology. In this vein, the next section explores the work done by Nicholson (1998) as he is one of only a handful of scholars to have applied EP to the workplace.

2.3.1.1.1 Nicholson's pathologies model

In utilising EP theory, Nicholson (1998) developed a useful model that goes some way towards explaining pathological behaviour in the context of business. Nicholson's premise is that organizational behaviour problems are often due to the mismatch and incomplete compromises between psychological and economic imperatives; that is, the mismatch between corporate and personal values. Even in Australia, the unacceptability of this discrepancy is becoming more recognised by those close to business (Lagan 2000).

Nicholson's four-factor model is depicted graphically in Figure 2-3 below.

Figure 2-3: Model of organizational pathologies



Source: Nicholson (1998, p. 19).

Nicholson highlighted and discussed seven common pathological symptoms:

- shame and distress
- alienation and anomie
- deviance and injustice
- discrimination and tribalism
- conflict and stagnation
- poor decisions and judgment errors
- aggression and abuse.

According to the EP model, pathologies occur because the modern environment is not meeting basic psychological needs rooted in our evolutionary past. This is commonly referred to as the environmental mismatch theory, as formulated by Bailey (Janicki & Krebbs 1998). Earlier work by psychotherapists Glantz and Pearce (1989) provided supporting evidence for this theory, with later observations by scholars Ryan and Deci (2001) lending further validation. In support of this study's approach, Crawford and Krebbs (1998) suggested exploring evolutionary psychology hypotheses that involve stress and malfunction.

According to mismatch theory pathologies would be expected to exist within the modern workplace. Bernard and Glanz (cited in Janicki & Krebbs 1987, p. 203) suggested the workplace be designed to contain psychological features, cognizant of the environment of our hunter-gatherer ancestors, in order to minimize stress. Similarly, Nicholson suggested that breaches of social contract are one of the most important issues in this respect; the psychological contract includes issues of trust, security and justice. Furthermore, EP literature showed that moral ethics and justice acts like social glue and is a consequence of a series of adaptations throughout our long evolutionary past. These are elements without which any society, even down to small communities such as the workplace, experiences serious problems. This suggested it be viewed as an essential part of organizational life and therefore be considered for inclusion in any definition of QWL as this study has done.

2.3.1.1.2 *Summarising EP*

The EP perspective examines the nature of the underlying psychological mechanisms that make up human nature and this is often referred to as the environment of evolutionary adaptedness (EEA). Bowlby (1969) was one of the first to assert that modern humans have had little time to adapt, compared with their ancestors from the Holocene period (Laland & Brown 2002). Using the EEA approach by we can begin to understand those things to which we are unlikely to have adapted. Issues causing psychological pathology are thereby revealed (Nicholson 1998; Cosmides & Tooby 1989).

Significantly, EP leads back to innate traits or instincts, a concept that has been rejected by many behavioural psychologists, who still dispute its validity in spite of compelling evidence to the contrary. EP does not subscribe to genetic determinism, but instead embraces the concept of modularity. Modularity, as a concept, operates on the principle of propensities; for example, Pinker (1999) provided a comprehensive treatment of the language instinct and its modular nature. Furthermore, due to commonly recurring problems and the slowness of adaptation, there exist many such human universals (Lennick & Kiel 2005; Siegert & Ward 2002; Brown 1991). Importantly, EP has challenged cultural determinism and it is now generally accepted that both innate traits or propensities and environmental or cultural factors play significant roles in the formation of behaviour. The role of culture and its transmission is further explored in section 2.3.4.1.

2.3.1.2 Behaviourism

Behaviourism, the study of only those behaviour patterns that can be observed and measured, had its modern beginnings with John Watson's work in 1913. This was followed by ideas from Pavlov that became widely accepted, and the concept of instincts largely disappeared from the scholarly scene (Laland & Brown 2002).

Similarly, behaviour within the animal world had been much studied by radical and influential psychologists such as BF Skinner (de Waal 2001). In transferring his ideas to man, Skinner used the machine metaphor of man in order to avoid the role of inner mental mechanisms (Grieves 2000). As late as 1987, Skinner was still calling psychology unscientific and insisted that behaviour is within the mind, which equals physiology, and nothing else was needed to explain motivation and behaviour (Skinner 1987). Unfortunately, this approach has contributed significantly to the separation of nature or instinct from behavioural research and has become central to the framework of behaviourist school of ideas. Essentially, the behaviourist school came to believe that behaviour was determined only by the environment with motivation characterized by

external factors (Ryan & Deci 2000). Counter to this narrow line of thought, De Waal (1999b), through his work in primatology, made a convincing argument that culture and nature are in fact inseparable, thereby urging us to rethink and challenge many of the behavioural school's findings, in particular, their dualistic views that resulted in unsound ideas such as the blank slate and cultural determinism (Laland & Brown 2003). However, it has only been over the last two decades that cultural determinism has come to be successfully challenged (Jones 1999). Many of its impoverished views still influence contemporary thought and have yet to be displaced by a more balanced picture (Crawford 1998). Like de Waal, evolutionary psychologists believe that there is no validity in maintaining the dualistic view. This provides yet more impetus towards factoring instinctive behaviour into any examination of societal life, a view also championed by Barkow (Janicki & Krebs 1998).

The general roles of culture and genes with respect to behaviour are explored in more detail in sections 2.3.4.1 and 2.3.4.2, with organizational culture and climate examined in section 2.4.1.1. Given the issues with behaviourism, cognitive psychology is considered by many scholars as a more appropriate alternative to the behavioural psychology view. For completeness the next section therefore takes a closer look at this field.

2.3.1.3 Cognitive psychology

With many scientists rejecting the somewhat narrow view of behaviourism, the science of cognitive psychology has seen much growth during recent years (Hodgkinson 2003). Some cognitive scientists recognise the limitations of behaviourism and concentrate on explaining behaviour by means of mental models, cognitive maps and schemata, the focus of which is on examining mediators of behaviour. Similarly, Ashkanasy and O'Connor (1997) pointed out that most researchers have now come to accept for instance that values and needs are the key determinants of behaviour. Hodgkinson also pointed out that much of the recent work in cognitive psychology was in the field of industrial work and organizational behaviour. As a result, it is now a much richer field, with contributions from disciplines such as behavioural decision research and social psychology.

Another common debate concerns the mind/brain dualism perspective. In rejecting EP, many scholars view the mind and the brain as separate entities, with the mind being regarded as something metaphysical and scientifically indefinable. According to Laland and Brown (2002), recent neurological research now points to the mind and the brain being one entity; however, they cautioned that many contemporary social scientists who remain committed to the metaphysical, still do not accept this view that often tends to obscure important and practical issues. The evidence however, supports eliminating the metaphysical making practical advances easier and is the approach taken by this study.

In 1983 Jerry Fodor popularised the notion of the mind as being modular in his book *The modularity of mind*. Stephen Pinker (1994) utilised this concept in explaining the acquisition of language, and later extended this to include other aspects of mind (Pinker 1997). However, Fodor (cited in Okaska 2003) in his book, *The mind does not work that way* argued that the concept of modularity cannot be applied to an evolutionary model of intelligence. However, Okaska supported Pinker's approach and he appears to have successfully defended the modularity concept of the mind and its adaptationist origins. Many cognitive psychologists currently accept the notion of innate faculties, such as the

language instinct (Laland & Brown 2002), which opened the door once again to thinking about behaviour in terms of evolutionary and instinctive mechanisms.

Cognitive psychology generally focuses on the individual. However, individuals exist with reference to other individuals or the wider society. In moving from the individual-self to the societal-self there are two other theories of mind worth exploring, social identity theory and personal identity theory. Although sharing similarities, they have seen very little cross-referencing (Hogg et al. 1995), which was partly due to their different roots, sociology and psychology. Hitlin (2003) explored linkages between the two to some extent, and pointed out that, in spite of these two dominant theories of self that link the individual to the social world, very little has been said about personal identity theory which deals more explicitly with the sense of self.

Baumeister (cited in Hitlin 2003) believed that personal identity came to the fore recently because society now makes possible a clear distinction between private and public self. This is particularly notable within current economic theory that specifically excludes personal moral ethics. Hitlin indicated this separation came about mostly due to the lessening of the influence of religion and other social or institutional influences. His argument was very similar to that put forward by Anthony Giddens (1995), and explored in more detail in section 2.3.2. Hitlin defined personal identity, incorporating ideas from John Hewitt that included concepts of continuity, integration, identification and differentiation, all constructed by the person in relation to the self, but subject to social patterning through the concept of values.

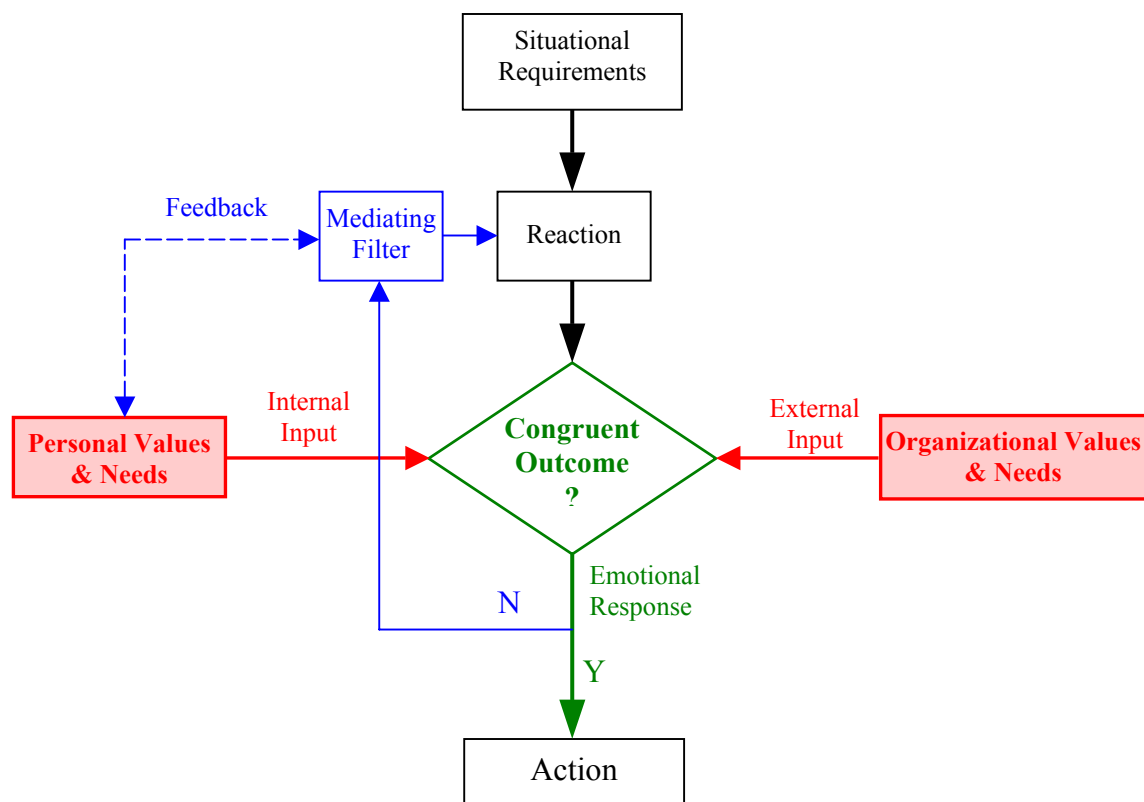
Unfortunately values have seen relatively little research (Rohan 2000). Reid and Deaux (cited in Hitlin 2003) provided strong evidence that the value system of an individual cannot be kept separate from the immediate environment, and aligning the value systems of the person with that of the social environment is therefore crucial if psychological stress is to be avoided or minimised. Bailey's mismatch theory (Janicki & Krebbs 1998) predicts the development of psychological pathology or stress within the person, given a gap between the two value systems, a view also supported by Cosmides and Tooby (1989). In order to minimise stress this leads to mediated behaviour by means of mechanisms such as pathology, cognitive dissonance or adaptation. Adaptation being too slow a process to have an immediate effect (Laland & Brown 2002), the result is invariably aberrant behaviour for those kinds of stress that have their roots based in instinct because this cannot change within a lifetime. This scenario also formed the theoretical basis for Nicholson's model that was explored in section 2.3.1.1.1. The next section takes a more detailed look at cognitive dissonance as it is often at the heart of psychological stress, which is relevant as stress impacts negatively on SWB.

2.3.1.4 Cognitive dissonance

Behaviour also concerns itself with understanding how people behave within a work environment and is often the domain of industrial psychology. An important and often overlooked psychological issue in regard to behaviour is that of cognitive dissonance. In essence, cognitive dissonance is a coping mechanism that reduces stress. It is a mental state of mind entered into when an individual is faced with a discrepant situation over which the individual has little to no control (Kriel 1994) and cognitive dissonance is also considered a major reason for a lack of moral behaviour (Luban 2006).

Figure 2-4 below is a double loop behavioural model based on the concept of cognitive dissonance.

Figure 2-4: Simplified behavioural model



Source: developed for this study.

Cognitive dissonance as a negative psychological state has received little attention since 1957 when Festinger first proposed his model (cited in Elliot and Devine 1994). However, Elliot and Devine showed that Festinger's original theory remains valid and importantly, it is typically characterised by subsequent reductional behaviour. This view was also supported by Burke (1991) who developed a similar but simplified model based on identity disruption theory. In addition, Davern (2004) has shown that cognitive dissonance is linked to Michalos' multiple discrepancy theory that focused on discrepancies in personal needs, leading to stress and reduced well-being. Lennick and Kiel (2005) appeared to be pointing to the same problem when they warned that in order to avoid constant stress, workers needed to operate within a company that shared their personal values, a view also promoted by Huy (2004) and Ashkanasy and O'Connor (1997). Lastly, it was also found that the cognitive dissonance model reflected Lazarus and Folkman's 1984 transactional model of stress (cited in O'Driscoll & Cooper 2002) that involved the following:

- primary appraisal
- secondary appraisal
- implementation of a coping response
- evaluation of effectiveness of response.

Although cognitive dissonance helps in reducing stress, when it comes to fundamental needs and values that are highly discrepant, the attempt at reduction becomes less effective and that leads to levels of residual stress in the average person. Conversely, people with psychopathic tendencies will experience little or no psychological stress and behave in a manner that is essentially congruent with the prescribed value system and this mechanism illuminated the origins of Nicholson's organizational pathologies. Moral ethics clearly falls into this problem area, as the gap between moral business ethics and personal moral ethics is currently quite substantial (Von der Embse & Desai 2004, McShane & Travaglione 2003) and as expected, failure to close the gap leads to an increase in psychological stress (Hogg et al. 1995). In addition, Ambrose and Schmincke (2001) suggested that evidence points to the fact that we must close this gap as organizations move from the traditional structured forms to those that are more organic. The argument for closing the gap was also advanced by Shultz and Brender-Llan (2004) following their findings into researching personal moral philosophies with regard to human resource practices.

The area where organizational pathologies can be expected to originate is in the decision-making box or diamond shaped box as shown in Figure 2-4 on the previous page. The trigger is when there is a perceived difference between the two value inputs. In minor instances, the individual is able to cope, through mechanisms such as cognitive dissonance, and manage the mismatch (Stone & Cooper 2000; Hogg et al. 1995). In major instances, when there is an unbridgeable gap between the personal and organizational values and needs, behavioural pathologies surface.

The model in Figure 2-4 also described the origins of stress in the workplace as proposed by Vermunt and Steensma (2001) who made a strong argument for linking stress in the workplace to injustice. Amongst other concepts, they also supported the behavioural model presented in Figure 2-4 in which comparing the current environment to a reference makes for a justice judgement. In the case of a major discrepancy they held that stress is the inevitable result. In fact, Vermunt and Steensma's ideas are conceptually captured by Figure 2-4, even though they have not described it in the same way or positively linked it to cognitive dissonance. They did however, relate it to congruence theories and referred to it as *person environment fit*. They also argued that people will do almost anything to maintain a belief that they live in a just world. Significantly, they presented evidence that justice is a significant moderator of stress. Importantly, they also warned that studies have found that few moderators exist for concerns of justice. This would indicate that justice stands in its own right as an important issue and one that should not easily be dismissed. Individual behaviour seldom stands alone and is best framed within a social context and it is to wider sociology that we therefore now turn our attention.

2.3.2 Sociology

Man is social by nature and therefore sociology deserves a central role in examining and understanding both small and large communities including organisations. Giddens reminded us that sociology is a general discipline that concerns itself mostly with contemporary society, that is, with modernity. He also commented that sociology has become mostly empirical and its recent decline was largely due to a lack of theory development and the resultant plethora of differing viewpoints. Moreover, support for sociology has seen a sharp decline in recent years, most noticeably in the United States (Kelly 2003). Universities in the US have been closing down or reducing funds to

sociology departments, resulting in a reduction of over 50% of their students between 1970 and 1990 (Giddens 1995). This is unfortunate in the face of sociology's positive role in helping to understand human interaction as underscored by Giddens's support for sociology as a means of exploring issues facing contemporary society.

Giddens's main concern was with modernity, and he provided a model of post-modernity that is being taken seriously by some of the world's leading thinkers. In the next section some of the more pertinent issues surrounding modernity are explored.

2.3.2.1 Modernity

Although the exact beginning of what is commonly referred to as modernity is in dispute, many equate its start with the industrial revolution and also the definition adopted here (Giddens 1991).

One of the main hopes for the industrial revolution was the freeing of man from the dictates of the seasons or nature, but ironically, it actually served to dehumanise man (Ackoff 1994). Furthermore, according to Thorpe (2001) Max Weber's view, briefly, was that modernity is characterised by bureaucracy, legalism, capitalism and secularism that create two contradictory tendencies, increased external control versus increased personal choice. The result was that individuals in their search for moral guidance have tended to turn towards science, a move that Weber viewed as futile, given that institutions such as universities, following the American model, are becoming increasingly capitalistic and bureaucratic; in the view of some, less humanistic. Weber suggested that man can at least still live with integrity, so long as he has an internal moral guide. Weber saw this as coming from encouraging and helping individuals take personal responsibility for the fundamental roots of their actions. Thorpe for example showed us that Weber proposed that scientists become passionate about acting with integrity, as an antidote to bureaucracy and modernity.

Karl Polanyi, following Weber's lead, also strived for a more holistic view of man that unites the rational and emotional (Thorpe 2001). This was a move away from the man as a machine view that contrasts sharply with the behavioural psychologists' point of view. A key to Polanyi's approach was the idea of tacit knowledge that he calls *indwelling*, akin to *reflecting on*, or *reflexivity*. Four core ideas come from Polanyi—trust, acceptance of authority, faith in others and objectivity—which flow through to what Polanyi describes as personal knowledge, gained through striving for universalism. According to Thorpe this is similar to the Kantian imperative to universalise moral maxims. Crucially, Polanyi still recognized that rigorous social control is also required, in conjunction with individual trust, in order to overcome disenchantment with modern science or industry.

Thorpe proceeded to inform us that a perspective on science is also central to Giddens's theory of modernity, with many of his views not unlike those of Weber and Polanyi. However, in his approach, Giddens conveniently ignored the social constitution of scientific systems. Others, such as Mouzelis (2001), pointed out that this has significant practical implications for affecting successful social change. According to Mouzelis, Giddens was concerned with the problem of humanising capitalism, taking the view that Giddens has failed to adopt a holistic approach incorporating both politics and economics.

Similarly to Weber, Mouzelis reminded us that, in embracing modernity, we have created situations whereby individuals no longer have recourse to traditional truths or collective ideologies in making decisions. The result is that individuals have to reflect for themselves on what is moral or not—what Mouzelis and Giddens called *life politics*—in order to fill the *empty spaces* left. Without common moral ground this approach has the potential for major disagreements. Giddens's solution to this problem he called *The Third Way*, an attempt to marry old style social democracy with neo-liberalism. Leigh (2003) suggested that The Third Way, as a political ideology, turned out to be too tenuous, promising much but delivered very little in terms of practical answers.

However, Giddens recognised that modernity has created mechanisms that suppress self-actualisation (Giddens 1991). Of particular interest is Giddens's later concept of dialogic democracy, or the democratisation of democracy as Mouzelis described it. The idea is that, throughout society, direct democratic representation be implemented in order to overcome the empty spaces created by modernity. Giddens viewed this as central to self-actualisation (Mouzelis 2001) and obligatory for creating an effective post-modernity. Mouzelis proceeded to expand this to what he calls cultural emancipation, in order to counter the unequal distribution of power and influence currently found in society. Self-actualisation is therefore inextricably linked to dialogic democracy according to Mouzelis, a view that appears to be consistent with that of Giddens. In support of this, Inglehart and Klingemann (2000) found evidence that supported the hypothesis that subjective well-being is highly correlated to democracy. They cautioned, however, that further analysis showed it is not in itself highly deterministic of happiness, and it has to go hand-in-hand with healthy overall social development.

Mouzelis expanded on this theme, by using more examples that ultimately pointed to increased direct democratic representation. Interestingly, he also turned his attention to the work situation and a few of his points are worth noting; specifically, he warned us that such reforms do have increased economic costs associated with them. What remained unsaid was that this poses a major obstacle to workplace reform and one that cannot simply be ignored, given the dominance of profit focussed neo-liberal economics within the West and in particular the US. This issue is revisited and explored further in section 2.4.2.

Mouzelis confirmed the positive aspects of Giddens's Third Way and offered remedies for some of its negatives. He also offered a positive note, indicating that even though the task at hand may seem extremely difficult at best, and impossible at worst, it is worth remembering that emerging nation-states in Europe faced significant fragmentation during the 20th century, overcoming considerable odds to create unified economic and political arenas. This is a fact worth remembering when discussing ethical decision-making and the lack of a single or simplified system. It follows therefore that we now turn our attention to the related subjects of morality and ethics.

2.3.2.2 Morality and ethics

The terms ethics and morality are often used interchangeably, which causes confusion and disagreement (Freeman 1999; Behrman 1988). Grace and Cohen (1998) certainly felt that there is little reason to try and distinguish between the two concepts. Waldkirch (2000) however, suggested that this lack of distinction is in fact partly to blame for the lack of *good citizenship* behaviour of many organizations due to the ambiguity and avoidance of

responsibility that it allows. Furthermore, as Trigg (2005) reminded us, morality is neither a subjective whim nor a passing fad; it has to involve what is good and bad for humans in its own right. Glover (2001) also suggested that in light of there being no universal moral law, morality be rooted in human needs and values.

Richard Stivers (1996) provided a concise treatment of contemporary morality and in essence he stated that social morality has largely disappeared, displaced by technical morality. Stivers appeared to be indicating that Nietzsche's prediction of a disappearing morality has indeed taken place, a view similarly supported by Putnum's study (cited in Markse 1996). Markse also considered technology to be driving a wedge between individual and collective interests. Stivers appeared to be describing the same phenomena as he defined technical morality as morality shaped by rules flowing out of the demands imposed by modern market activity. This is strikingly similar to the concept of political justice as proposed by John Rawls, in which he attempted to uncouple justice from morality (Rawls 2003). In so doing, Rawls, similar to other technical morality philosophers, strives to rid justice of its metaphysical roots that they view as too problematic, and in Giddens's case even considered incompatible with his dialogical democracy. Giddens it would appear, therefore, also adopted the technical morality stance. In contrast, this study supported a view that reached back to a definition of morality that reflects social and communitarian values similar to that proposed by Francis Fukuyama (2000).

With respect to morals, Meredith Asquith (2002) provided a comprehensive definition, based on the work of Zygmunt Bauman. Asquith also reminded us that although the meaning of morality remains contested, there are at least some common themes that most people are able to agree on. These themes stressed that morality involves personal responsibility and that it is a personal and inalienable human possession. Asquith sums it up well when she stated:

This view of morality proposes that morality, moral responsibility and taking personal responsibility for making moral judgments is the underlying foundation of ethics, and that ethics without personally constituted morality are paper cut-out ethics without substance (p. 87).

Asquith supported Bauman's view of moral ethics, in that it is often characterised by individual emotion or feeling which he describes as *the unflagging agony for other* or *moral pain* as Asquith put it. This highlighted the emotional component of morality that Teehan (2003) also posits is missing from Kant's more rational definition of ethics. However, in order to better understand issues surrounding morality, one has to appreciate the origins and nature of morality and it is to this important issue we now turn.

2.3.2.2.1 *The origins of morals and ethics*

The evolutionary basis for morality has been well established by anthropologists Shweder, Turiel and Munch (cited in Wilson 1994) as well as by evolutionary psychologists Krebbs (1998) and Lawrence (2004). Krebbs also reminded us that EP does not replace earlier models of morality development, but instead draws together various elements to provide a more coherent and complete explanation of the origins and nature of morality. Also, much of what Kohlberg and Rawls told us about the morality of rights, duties, contracts and principles remain largely valid (Krebbs 1998). Especially relevant was the fact that morality came about largely as a result of cooperation, and scholars generally agree that so

long as cooperation is required within a social context, moral guidance through the development and use of rules or ethics will remain necessary.

Kohlberg's 1981 model of moral development remains one of the most influential theories regarding morality. The major stages of his model are outlined in Table 2-1 below.

Table 2-1: **Kohlberg's moral development stages**

Postconventional Level	
<i>Stage 6</i>	Universal ethical principle orientation
<i>Stage 5</i>	Social contract legalistic orientation
Conventional Level	
<i>Stage 4</i>	Law and order orientation
<i>Stage 3</i>	"Good boy-Nice girl" orientation
Preconventional level	
<i>Stage 2</i>	Instrumental relativist orientation
<i>Stage 1</i>	Punishment and obedience orientation

Source: adapted from Cropanzano (2001, p. 239).

Kohlberg's model is hierarchical and defines a path of sophisticated moral development and reasoning. When applied to organisations we find most are somewhere between stages 4 and 5, and it is often argued that post-modernism requires them to evolve to stage 6 (Ambrose & Schmincke 2001). This is where there is disagreement with neo-liberal market economists who believe there is no place for morals in the market, an issue that is examined more closely in section 2.4.3. Before examining the contemporary issues of ethics and morality, it is instructive to first look at the origins of ethics that is the theme of the next three sections.

2.3.2.2.2 *Major ethics systems*

Modern ethics has a long history, with many of its roots in ancient Greek philosophy and Table 2-2 on the next page summarises the major ethics systems currently in place within the West.

A common libertarian objection against many systems of ethics is the inevitable use of rules. Libertarian critics of rule-based systems typically claim they are unworkable because rules cannot be written to cover all of life's possibilities. There is some face value in this statement, but that does not mean that the notion of rule-based ethics has therefore to be abandoned, a point that even the staunchest of such critics has to concede, since a world without rules is simply a world of anarchy. This point was strengthened by the views of Mouzelis (2001) and is also clearly supported by the fact that societies all over the world have been operating reasonably successfully using rule-based ethics. This issue underscored the wide gulf that sometimes exists between philosophers and the average lay-person. Historically, philosophers have provided us with philosophical guidance on how to live ethically, but common sense has helped workers operate practically and quite

successfully in the real world. The next few sections take a closer look at the ethics systems that dominate western society.

Table 2-2: Dominant ethics systems

	Ethical Belief System	Problems
Eternal Law (Natural, Theological)	Modern Standards are given in an Eternal Law, which is revealed in Scripture or apparent in nature and then interpreted by religious leaders or humanist philosophers: the belief is that everyone should act in accordance with the interpretation	There are multiple interpretations of the law but no one method to choose among them beyond human rationality: and human rationality needs an absolute principle or value as the basis for choice
Utilitarian Law (Bentham, Mill)	Moral standards are applied to the outcome of an action or decision: the principle is that everyone should act to generate the greatest benefits for the greatest number of people	Immoral acts can be justified if they provide substantial benefits for the majority, even at an unbearable cost to or harm to a minority; an additional principle or value is needed to balance the cost/benefit equation
Universalist Theory (Kant)	Moral standards are applied to the intent of an action or decision: the principle is that everyone should act to ensure that others, given similar circumstances, would reach similar decisions.	People who are prone to self-deception or self-importance can justify immoral acts, and there is no scale to judge between “wills”; an additional value is needed to the refine the categorical imperative concept.
Distributive Justice (John Rawls)	Moral standards are based on the primacy of a single value, which is justice. Everyone should act to ensure a more equitable distribution of benefits, for this promotes individual self-respect, which is essential for cooperation.	The primacy of the value of justice is dependent upon acceptance of the proposition that an equitable distribution of benefits ensure social cooperation
Personal Liberty (Hayek, Nozick)	Moral standards are based upon the primacy of a single value, which is liberty. Everyone should act to ensure that greater freedom of choice, for this promotes market exchange that is essential for social productivity.	The primacy of the value of liberty is dependent upon acceptance of the proposition that a market system of exchange ensures social productivity.

Source: Adapted from Hosmer (1991, p. 118).

2.3.2.2.3 *Natural Law*

Natural law is most commonly associated with the early Greek era and Aristotle in particular is considered a key figure in its development. Although many scholars consider natural law as old and irrelevant, there appears to be a significant school of thought that is returning to the Aristotelian roots of morality. Classical Aristotelian morality is based on natural law that requires shaping our morals based on our communitarian nature that is universal because of a shared humanity. Significantly, Aristotle recognised the links between justice, economics and politics. From these links he clearly was aware of the problem that economics are often viewed as an end in itself, whereas he firmly believed it should instead be the means to an end (Bodeus 1999) with happiness as the ultimate goal.

The neo-Aristotelian approach recognises that individual rights have a role to play, but not to the exclusion of community interests. Alasdair MacIntyre, in particular, made a strong case for a return to the roots of modern philosophy (Leahy 2002), and his view was certainly supported by findings emerging from EP. Similarly, Adam Smith formulated his economic theories with natural law as its moral underpinning (Young 1992). MacIntyre's views are explored further in section 2.3.5.5. Natural law as can be seen above is often considered the oldest ethical system still in use to a significant extent in the West. Having now looked at one of the earliest roots of modern ethics the next section looks at two more modern systems that also still influence much of western moral philosophy.

2.3.2.2.4 *Utilitarianism and Kantianism*

Ethical systems are by definition value systems. Given that personal and social values are central to this study, it helps in understanding the more recent philosophical origin of the current ethical value systems.

Utilitarianism, as formulated by John Stuart Mill, has certainly been with us for a long time and it still has some practical value in framing ethical issues. Mill's view centred on doing the right thing, in terms of the most pleasurable outcome for the most people. This formulation has its own problems, of judging the amount of pleasure each possible combinational outcome has to offer; however, this flaw has not proven to be entirely fatal. Mill also went on to state that rules are necessary to prevent harm from being done to others. This definition still has validity in spite of the difficulty in specifying what constitutes harm. In fact, much of our present day legislation is based around this single premise. However, as Trigg (2005) warned us, utilitarianism accepts that deceit and unfairness can be beneficial under some circumstances, often typified by unscrupulous behaviour. Moreover, there is evidence within EP that humans are particularly adept at calculating complex social measures such as harm without the use of objective rational measures. The basis for this is the ancient notion of common sense, and heuristic decision-making (Pinker 1999), which is similar to the concept of sense making that Lamertz (2002) showed is fundamental to the social construction of fairness.

The second major influential ethics system is Kantianism, perhaps better known as universalism. Kant started with the simple idea that it is wrong to do something that others do not do, cannot do or will not do (Hosmer 1991). This gave us the familiar categorical imperative. *Would you have everyone in the world when faced with similar circumstances, act in the same way?* Hosmer pointed out that the main problem with universalism is that there are no priorities and degrees that leave it open to interpretation. However, in contrast to utilitarianism, Kantianism requires that individuals be treated as ends, and not means to an end, which counts somewhat in its favour. Significantly, Kant also stated that through alignment of personal and organizational morals, constancy of character and integrity becomes possible (McKenna & Tsahurida 2001). This study therefore falls into the Kantian camp as it also proposes the alignment of these value systems.

The above summary is obviously a simplification of the situation, but it has provided us with a reasonable view of where we as a society currently stand on matters of ethics. On the one hand, the bulk of society is clearly Kantian, whereas most businesses belong to a narrow and rationalistic form of the utilitarian or cost-benefit group (Wright 2003), in which managers are cast as rational actors motivated solely by the interests of the owners

(Armstrong & Francis 2004). Ethics form the basis of social justice systems and some relevant aspects of which are explored next.

2.3.2.2.5 *Distributive justice*

Cropanzano (2001) reminded us that justice is an important aspect of daily social life. In particular, distributive justice, as a moral imperative, has historically played a major role in society.

Within the Australian context Leahy (2002) provided a brief historical perspective on social justice and reminded us that in the early 1900s Australia rejected economic liberalism, instead adopting what was then termed The Australian Settlement, a policy that had at its core the notion of social justice and a point revisited later in section 2.3.5.3.6 when happiness research is examined. However, during recent decades, globalisation has largely eroded that policy, to the point at which economic liberalism is very much the order of the day. Importantly, this new policy of economic rationalism demanded the removal of all but the most basic protection of working conditions. According to Leahy, this is one of the major reasons for the widening wealth gap. Moreover, he also informed us that this rationalist economic ideology, inspired by Frederick von Hayek, ignored distributive and social justice.

The problems with Hayek's economic and Rawls's justice positions as exposed by Leahy had previously been highlighted (Kriel 2005) and the case made for a return to communitarian values. MacIntyre held a decidedly Aristotelian view of community and justice (Leahy 2002) and MacIntyre argued that liberal modernity has moved justice away from the communitarian view towards that of individual rights. According to Leahy the result of this was the fact that moral debate has become pseudo debate. Significantly, MacIntyre held the view that true justice can only be served by returning to its ancient social roots as captured by community life. More specifically, Leahy suggested that a theory, based on Taylor's critique of MacIntyre's theory, is one that holds great promise of a social theory capable of coping with modernity without requiring the rejection of morality, as would be the case with both Hayek and Rawls's theories. The resultant social justice theory was an attempt to satisfy both the older communitarian concept of common good, as well as the new idea of individual freedom that characterizes modernity. Such a system would maintain its moral base by retaining the concept of common good and personal morality.

In examining communitarian value systems, it is instructive to look briefly at the great experiment that communism represents as communism is often held as evidence against socialism (Minogue 1992; Green 1991; Buchanan 1990). The common ideological trap among such proponents is their position that equates socialism with communism. Much of what Green and Minogue proposed is not substantiated and therefore reveals itself as dogma, driven by the incredibly powerful anti-Marxist sentiments of the previous decades. Moreover, they mistakenly took the demise of Russian socialism as signalling the failure and end of *all* socialism. Not only is Chinese socialism alive and well, so is Scandinavian socialism, although it is currently under threat from neo-liberal capitalism (Ryner 1999) because of globalisation that is examined in section 2.3.5.3.4. Even Western economies like the US, UK and Australia cannot claim to be devoid of socialism, given their current welfare programs. It becomes more useful then, not to equate socialism with communism, but to define it in terms of its communitarian origins and ideals—those ideas and concepts

that are conducive to a healthy society, in other words, the public good. This contrasts sharply with individualism, which has been the driving force behind neo-liberal market economics as proposed by Hayek.

Finally, Leahy provided a solid argument for returning to the fundamental roots of social justice as prescribed by our ancient history. Moreover, Leahy also argued for the inclusion of individual freedom. The result however, is a move away from the largely amoral theory of economic liberalism and a return to Adam Smith's original model that was deeply rooted in moral philosophy (Young 1992). Leahy therefore appeared to promote a theory that, while it uses the best aspects of freedom and liberty, still maintains, in contrast to Hayek and Rawls, a level of moral and common good to protect against the ills of unfettered neo-liberalism.

Much of the previous discussion is reflected by the important historical roots of ethics. Ethics and morality are however dynamic and in order to provide a more complete view of ethics, the next section explores relevant issues that are emerging and shaping current debate.

2.3.2.2.6 Emerging social issues

The previous sections provided an overall view on sociology with particular emphasis on ethics. This section focuses on four important emerging social issues with respect to the morals and ethics.

First, EP theory is emerging as an important theory for explaining matters of morality. Historically, there have been three distinct schools of thought on moral development; psychoanalytical, social learning and cognitive developmental. Kohlberg's cognitive developmental model has remained the most dominant theory over the last few decades. However, according to Krebs, all three models provide valuable insights to the whole. Additionally, EP provides a comprehensive explanation of how morality evolved, which ties these concepts together. Significantly, the EP view also encourages the idea that humans are inherently good.

Second, since the 1970s there has been a growing view that ethics be grounded in human character (Grace & Cohen 1998; Snow & Bloom 1996). This is often referred to as virtue ethics, and Sargent (2004) made a case for its development that should include the business context. However, serious questions remain on the validity of this approach. In particular, the fact that it is based on the notion of character instead of moral behaviour (Harman 2003) exposes it to significant criticism. Similarly, Trigg (2005) warned us that honesty cannot be entrusted to character alone and has to be checked by more public means such as rules.

Third, there is a current view that business rules restricting business activities must be reduced. However, EP indicates that social group size plays an important role in ethics. This is particularly true in terms of cooperation and reciprocity. With relatively small group sizes our ancestors had no problem with keeping score and ensuring high levels of honesty. Modern-day society consists not only of small groups, but also numerous large groups. This preponderance of large groups makes it increasingly easier for individuals to break the rules without detection, thus benefiting themselves at the expense of the wider community. Behrman (1988) cautioned us that within any community there must be some

basic requirements by which everyone abides. One such requirement indispensable for the healthy maintenance of society is honesty, but it is insufficient in its own right. Other rules or ethics underwriting this basic honesty requirement are therefore required in larger societal groups, in order to ensure the detection of dishonest members. Lagan (2000) also reminded us that although honesty might still be valued by many, in most, if not all corporations, profits still occupy a higher priority. It would seem therefore that rules are here to stay.

Fourth, the shortcomings of the western political justice system are many and varied as Kirby (1998) had shown. For instance, in some countries like New Zealand, there are no longer Departments of Justice, but Departments of Courts and Law. This, to some extent, directly reflects and acknowledges the current western philosophy of moving away from the wider concept of justice and an admission, by that society at least, that justice is now thought to be served through law alone. This is similar to Stiver's technical morality as previously described. As Rawls readily admitted, the task of reconciling social and political justice is daunting. The task may well be impossible, therefore requiring us to turn our attention back towards morals, instead of away, since they seem to underpin our very innate sense of justice.

2.3.2.3 Summary

The extant literature provided us with a comprehensive view of the evolution of morals, ethics, and justice. It was of particular interest to note that, recently, MacIntyre, Taylor and Leahy have made strong arguments for a return to the basic roots of communitarian justice. Modern life consists of many forms of community, not least of all which is the work environment. The work environment is however dominated by a liberal economic imperative that is largely devoid of morals and justice; this is discussed further within section 2.3.5. These scholars were arguing for a move away from the dominant economic theory towards a more community-based model grounded in Aristotelian concepts, while retaining the notion of individual freedom. They pointed out that this may not be an easy task, but then expecting a simple, easy solution to what is no doubt a very complex issue, is at best naïve and, at worst, destructive from a social integrity point of view. These ideas find significant support in the field of evolutionary psychology and hence deserve to be given serious consideration. The central view advanced here is that the key to successful change lies with the idea of aligning business community values with those shaped by our ancient history.

2.3.3 Biology

When thinking about evolution, most scholars will inevitably think about biology, and this is no different for the proponents of EP. Darwin's controversial *The Origin of Species* was first published in 1859. Much of *The Origin of Species* remained controversial for more than 100 years after its publication, and it is only with recent advances in biological science that it has become more generally, albeit somewhat reluctantly, accepted as a valid theoretical construct.

Pierce and White (1999) noted that many individual traits are indeed genetically encoded and transmitted largely unchanged from generation to generation. Interestingly, Laland and Brown (2002) put the period of any change in traits at between 1000 and 2500 years, lending credence to the concept of evolutionary lag.

Pierce and White drew effectively on non-human primate research to explain social behaviour within the context of resource availability. Their research convincingly explained some aspects of emergent social structure in terms of evolutionary biology observed in an organizational setting. However, understanding group behaviour is sometimes better attempted by looking at the fourth parent discipline that deals specifically with group dynamics, namely anthropology.

2.3.4 Anthropology

Anthropology is the one field that has embraced a holistic approach to research (Laland & Brown 2001) and, not surprisingly, since anthropology is closely related to evolution, EP scholars have drawn much support for their work from this field. Much of the success of EP is due to the support and ideas from other disciplines, but perhaps surprising to some is the fact that organizational behaviour (OB) has its origins in anthropology (Bate 1997). Anthropology has much to inform us about organizational culture and, according to Bate, places the individual back on centre stage; he, however, rightly points out that anthropology's preferred method of ethnography, is time consuming and difficult, given today's fast paced, result and profit-driven business environment, which perhaps explains why it has such a difficult time in being accepted by the corporate environment of today. This view was supported by Luthans's (2002) observation that managers are now more interested in consuming easily digestible offerings, such as Covey's *Seven Habits of Highly Effective People* and Johnson's *Who Moved My Cheese?* for their staple OB diet. Or as Bunker et al. (2004) put it:

Clients are eager for the new and different, for any magic that will make change easier (p. 404).

As noted above, anthropology also concerns itself with culture and the next section explores some aspects of culture and its social transmission.

2.3.4.1 Culture and memetics

Anthropologists are ardent students of culture, and therefore it would be natural to turn to them for answers regarding cultural issues. We find for instance that Janicki and Krebs (1998) provided a comprehensive overview of the EP model with regard to culture. During the last 60 years there has been a fierce debate about culture and genes, with the cultural concept having majority support. However, following recent advances in the field, many scholars now accept that both culture and genes play important roles in shaping human behaviour.

The debate is however by no means over, and has also shifted in the face of recent insights; for instance, Richard Dawkins is a fierce proponent of his particular view that culture and genes operate completely independently of each other. In 1976 Dawkins proposed a cultural model based on units of selection he called *memes*; subscribers to the meme model often refer to memes as the virus of the mind in order to explain their transmission. It is not clear as to the value this analogy provides, since one of the fundamental differences between genes and memes is that one exists materially and the other exists merely on the abstract level. Both might contain information, but the transmission of that information is fundamentally different and the whole notion appears somewhat Lamarckian. In 1803 the accomplished French scholar, Jean-Baptiste Lamarck, proposed that newly acquired traits are subject to direct inheritance between single

generations, a theory that later became widely discredited, especially by Auguste Weisman. Perhaps it is more accurate to consider memes as mere facets of intelligence in which case the argument simply returns to that of intelligence and it no longer contributes directly to the culture debate. In the end though, the idea of memes has found little favour amongst scholars, with no confirmatory studies done—perhaps indicative of its Lamarckian flavour (Laland & Brown 2000).

Furthermore, the evidence is now largely in favour of behaviour preceding culture (Lawrence 2004). In other words, culture is viewed as the result, and behaviour as its cause. This is one area where the EP approach differs fundamentally from the traditional behavioural school. The EP view is that culture is specific to the environment, which explains cultural differences; however, the underlying psychological mechanisms remain more or less constant, as well as universal. This opens the door towards universality—a view that has been mostly rejected by behaviourists, who have traditionally believed that behaviour is purely culturally determined.

2.3.4.2 Gene and culture co-evolution

There is yet another view on culture and genes, as put forward by WH Durham in 1991, whose model of co-evolution differs from that of Dawkins, in that he believes that genes and culture act in complementary ways. Durham defined culture as shared ideas, values and beliefs in the minds of humans. Like Dawkins, he also defined the unit of transmission as the meme, which is transmitted socially; the main difference between the two models is that Durham's model explicitly allows for genes and culture to influence each other. This is similar to Boyd and Richardson's dual inheritance model (Janicki & Krebs 1998).

However, Barkow reviewed such co-evolutionary models and concluded that culture is not the cause of anything, but simply a set of information or series of abstractions whose meaning is shared. Central to Barkow's argument was his other statement that genes are not exclusively responsible for behavioural traits, and that we should look instead to mental structures that form the mediating agent between genes and environment (Janicki & Krebs 1998). In this model, basic goals, plans and codes are universal, and behaviour is contingent upon the environment, with the universals playing a guiding role.

The parent disciplines thus far have been all within the field of natural sciences. In the next section, the last and somewhat opposing parent discipline, economics, is examined with a view to provide the remaining information for completing the view on QWL.

2.3.5 Economics

There can be very little argument that economics, and in particular capitalism, has played a pivotal role in the shaping of modern life. The industrial revolution introduced the economic model into modern society, after which the separation of organizational and community life was no longer possible. Since then industry has had a major influence on community life, and the inclusion and examination of the non-economic has become vital, according to Polyani, and is what lies behind the more recent concept of embeddedness as argued by Swedberg (cited in Kriel 1999). Even in Australia there is some realisation that the debate about values with respect to rational economics and society has to be given a new lease on life (Edwards 2002).

2.3.5.1 The rise of industrial capitalism

For most people, Henry Ford's company certainly remains a recognisable example, although perhaps not the first, of the capitalist oriented organizations that are so prevalent today. Ford was one of the first to take on board Taylor's scientific management as a means of economical production with minimal regard for the human aspect of job design. It has to be acknowledged however, that Ford did recognise some of the negative psychological aspects inherent in the monotonous work. By way of amelioration, he did pay above average wages and provided improved housing for his workers, as a measure to attract and keep his workers willing (Fukuyama 1996). So even here, at the very beginnings of the modern organization we already find some acknowledgement that individual feelings within the wider context cannot simply be ignored and they have a definite role to play.

After the fall of European communism, there has been no widespread alternative to the capitalist economic model still in place in most parts of the world, and the West seems reluctant to examine its own economic institutions (Kelly & Oliver 2003; Bassiry & Jones 1993). However, most Scandinavian countries did introduce some important changes into their own economic systems (Miller & Rose 1995), particularly due to their realisation that the typical laissez-faire model used in the West leads to very high externalisation costs. Externalisation occurs as corporations inflict costs onto the wider society for which they are not being held accountable (Broberg 1996) and since 1980 organizations have significantly increased their externalisation (Visser 2000). Moreover, the solution cannot be found economically and has to be solved politically (Preuss 1999).

Some variants of capitalism have also started to emerge, as is evident in Vietnam and China. However, these models appear to be even more exploitative of human resources than that of the West and with the increase in globalisation, its ill effects are also being transplanted into the developed societies due to the effects of direct competition. Issues of globalisation are discussed further in section 2.3.5.3.4.

2.3.5.2 Unstable economic model

Everything which is a source of solidarity is moral, everything which forces man to take account of other men is moral, everything which forces him to regulate his conduct through something other than the striving of his own ego is moral ... morality is as solid as these ties are numerous and strong. Durkheim, *The Division of Labor in Society* (1893, p. 398).

Emile Durkheim argued more than a hundred years ago that social structures based purely on economic relationships are unstable and destined to fail (Hendry 2001). However, the emergence of massive bureaucracies, which Durkheim did not foresee, held off this predicted failure, but Hendry suggested there are now signs that it has started to emerge. This view was also supported by Fukuyama (2000), and Hendry suggested Durkheim's prediction is the single most important issue facing society and relevant research is called for.

Hendry made the following specific points:

- Morals are not static and they do evolve,
- Self-interest is destructive of society,
- Business dominates contemporary society,
- Morality is of social concern and not just an individual phenomenon,
- Economic life has been actively suppressing morality,
- Morality is now indistinguishable from self-interest,
- Compassion, loyalty and care are at odds with the economic imperative and
- Economic growth has become an end in itself—it no longer serves society.

Some of the main issues are explored further when discussing problems in business ethics in section 2.4.3.7.

2.3.5.3 Issues with modern economics

According to Harvard scholar James Wilson (1997), capitalism has been the economic victor throughout the world. However, capitalism is not without its problems as even Wilson readily admits and the next few sections take a closer look at some of the pertinent issues.

2.3.5.3.1 *Moral corruption*

The main problem with our economic model, according to Pitelis (2002), is that it is a corruption of the original model that Adam Smith proposed, a view shared by Kelly & Oliver (2003) and Behrman (1988). In considering Adam Smith's original work, we find that he understood the role moral ethics play in fulfilling deep-seated human needs (Billante & Saunders 2002; Krier 1999; Dingley 1997; McKenna 1996). In addition, Adam Smith had in mind the principle of Pareto optimality, that is, *any economic activity is useful if it leaves at least one person better off and no person worse off*, which is being ignored by modern economists and is an issue we will return to in section 2.3.5.3.6 when we consider happiness research.

By removing the content of social mores from Adam Smith's model, corruption of the model was firmly set in place. The inevitable result was that businesses started developing and embracing an impoverished view of human action that is mostly hostile to virtuous ethical behaviour (Pitelis 2002), something that Smith predicted would happen (Alvey 1998). Bassiry and Jones (1993) also reminded us that Adam Smith was aware of the inherent shortcomings within capitalism, but that modern day economists and politicians have conveniently ignored or forgotten these negative issues.

Significantly, Zsolnai (2002) pointed out that neoclassical or liberal economics contributes little to the advancement of business ethics. His view is in line with the definition of contemporary economics being devoid of explicit morality (Hamlin, Gierch & Norton 1996). This goes a long way towards supporting Pitelis's view that economics, having been stripped of morality, has lost its human status (Folger & Starlicki 2001).

2.3.5.3.2 *Historical influences in Australia*

In trying to understand the rationale behind the current Australian economic model, it is useful to look at recent influential proponents of the free market model, such as Frederik von Hayek. The dogma advanced by Hayek and adopted in Australia has previously been exposed (Kriel 2005) and it was shown that Hayek was vehemently anti-communist and obsessed with undermining authoritarianism, resulting in his fiercely libertarian approach to life in general and economics in particular. This orthodox position was also shared by another influential Austrian intellectual, Anthony de Jasay (Kasper, 2004). Moreover, this influence also extended to Milton Friedman, considered by many as the father of modern day capitalism.

Hayek's theoretical position, which was based on Lamarckian principles of behaviour, is therefore highly questionable, if not untenable. This is the typical mistake modern economists make when they subscribe to what is known as the *time-scale fallacy* (Markoczy & Goldberg 1998). Furthermore, Hayek stated that an amoral approach towards a market model, that is driven purely by individual freedoms and survival of the fittest, was the only option for his Open Society. Perversely, Hayek also believed that morals have been shaped by human history (Gregg & Kasper 1999) and should serve as a hedge against social engineering, but ultimately, promotion of his economic theory, which goes against human instinct by demanding rapid moral change, is in fact nothing short of social engineering itself, an accusation currently levelled at economists (Visser 2000; Neville 1997).

As with all ideologies, careful examination of the facts is required, while keeping in mind that ideologies are far from being proven theory (Kelly & Oliver 2003), a view also firmly held and confirmed by Lindy Edwards as she exposed the shortcomings of economic rationalism in Australia (Edwards 2002). We need to constantly remind ourselves that unexplained or unproven ideology often masquerades as objectivity or theory, otherwise we will end up with mere prejudices, as Karl Popper warned (cited in Shearmur 1995). Free Market economic theory is by no means proven (Neville 1997) and it is in fact dishonest, or at the very best, misleading, to refer to it as theory in the first instance. Similarly, Layard reminded us that current economic practice remains problematical, a view backed up by findings from others (Hill 2006; Frank et al., 1993; Rhoads 1985), who showed a significant decrease in moral behaviour of economic students as they progressed through their student training. Lagan (2000) reported similar findings in that the majority of MBA students were willing to report falsely economic performance figures of their organisations.

2.3.5.3.3 *Economic hegemony*

From a practical point of view, the barriers towards more ethical behaviour presented by our current rationalistic economic model are quite substantial. The points Fukuyama (1996) made indicate that the concept of Adam Smith's *ethereal hand* in its current form is severely flawed, given that humans often act in ways that are not economically rational. He proposed that this is because humans have a higher need for what he called *social recognition*. Social recognition in this sense is an aspect of the more general search for equity, what Hegel called the desire of all human beings to be free moral beings and to be recognised as such by other human beings (Fukuyama 1996). The narrow interpretation of Adam Smith's economic theory by modern economists appears to be critically flawed in this sense. However, the influence of those believing in the invisible hand of the market is

pervasive, with powerful effects found amongst policy makers, and in order to progress beyond the current model, significant political intervention strengthened by legal measures may well be the only way forward. The issue of legal intervention is explored further in section 2.4.3.7.4.

In maintaining its hegemony, capitalism, according to post-modernist thought, has induced in society a kind of stasis for the purpose of maintaining itself (How 2003). This is very much like Marcuse's performance principle, in which he argues that in order to extract surplus value or profits, capitalism relies on the generation of surplus repression in order to facilitate exploitation (O'Donnell 2003). This view was also supported by Australian economist, Richard Denniss, when he pointed out that economists assist politicians to frame debate in a way that excludes other viewpoints (Denniss 2004). Influential figures, like economist Ross Garnaut of ANU, exemplify this position in advocating growth as the only way forward (Garnaut 2002). Garnaut appeared to be unable to appreciate the fallacy of growth (Eckersley 1999), or perhaps he simply ignored it for the sake of his own convenience. Just how economist rationalism has come to achieve its hegemonic state within the Australian government was explained by Edwards (2002), who pointed the finger squarely at federal government bureaucrats who operate under the false impression that rational economics is value-free and scientific. Jones (2002) also attempted to explain the rise of economic ideology in Australia, and provided a view from a slightly different, but related viewpoint. Jones certainly had no doubt regarding the dogmatism and lack of robust theory inherent in modern economics, to the degree where he suggested that capitalism is currently more of an evil than a necessity.

In addition to these viewpoints on central or macro economics, How (2003) also suggested that the happy consumer is unlikely to want change, and therefore becomes somewhat complicit in maintaining the status quo. How is not alone in his view, with support forthcoming from others (Arrigo 2003; Voronov & Coleman 2003). In addition, Arrigo in particular reminded us of the role that rules and regulations play in maintaining this hold on human labour. He went further by stating that workers must sell their labour to survive, and that they have little choice, given the lack of real alternatives, a view also supported by Zimbardo (2006), Miller (cited in Hsieh 2005) and Hart (1993) which goes back to a prediction made by Thomas Jefferson when he warned against industrial enslavement (Hoopes 2003; Behrman 1988).

Another important element of economic hegemony is that of trade globalisation and the next section provides some insight into its role.

2.3.5.3.4 Globalisation

Another barrier towards more ethical behaviour within the field of economics is presented by neo-liberal economics' intense efforts at globalising trade. The amoral values espoused by economists is counter to healthy ethical behaviour and this section takes a look at the role of globalisation in maintaining economic hegemony.

Bieler and Morton (2004) provided a lucid and concise treatment of globalisation and its role in promoting economic hegemony. The important realisation that followed from their discussion was that globalisation has a significant role in cementing in place economic hegemony by means of the construction of legal and constitutional devices, to remove or severely limit public scrutiny or participation in shaping accountability. We are therefore,

as de Toqueville warned over 160 years ago, moving ever so much closer to soft despotism (Gregg 2000), with democracy being seriously undermined and the powerbases of national institutions such as state governments markedly skewed towards the ruling elite (Davidson 2005; Hibbs 2004). Given the above evidence, it is the view of this author that economic interests have manipulated democracy to serve their own interests. A view supported by Dahl (1994) and Singer (2002) who highlighted that we are continuing to move away from being able to deploy humanistic and democratic policies.

The issues also operate on an international basis and as Peter Singer pointed out, the World Trade Organization (WTO) rightly stands accused and has been found guilty of the following:

- placing economic considerations before others such as the environment human rights and animal welfare
- eroding national sovereignty
- operating undemocratically
- promoting inequality.

WTO policies appeared to be in direct conflict with those of the International Labour Organization (ILO) that pointed out that, with globalisation we have experienced an increase in inequalities, a reduction of freedom of association and collective bargaining (ILO 2000). This lent some support to Singer's report that the poorest 40% has become poorer, while the richest 40% has become richer. Also, with neo-liberalism as its driving force, more policy makers are adopting the TINA mantra—There Is No Alternative (Visser 2000; Oswald 1997), which underscored the reduction in freedom of choice. Australian economist Ross Garnaut, an ardent proponent of the WTO, also subscribes to the mantra of *we have no other choice* (Garnaut 2002), which not surprisingly, is also the line followed by the Business Council of Australia. However, their *rising tide* hypothesis is belied by the facts, but this appears not to have influenced their views in any way, once again pointing to underlying dogma, unsupported by facts, rather than substantiated theory.

While proponents of the WTO are obviously defensive of its practices, such defences remain purely rhetorical, with no real practical remedy for correcting the negatives that their false ideology creates (Singer 2002). Globalisation has therefore fully embraced the utilitarian business philosophy of *profit above all else* and, unless this process is challenged, it represents a significant obstacle to the entertainment of improved humanistic policies and therefore higher levels of QWL.

Coupled with globalisation, there is also the issue of Corporate Social Responsibility (CSR) and stakeholder theory that links ethics and economics. Therefore, the next section takes a closer look at this contemporary issue.

2.3.5.3.5 *Corporate social responsibility*

In defining the purpose of a company, in 1990, Charles Handy, with the aid of The Royal Society for Arts, Manufacturers and Commerce, proposed that companies should not only make a profit, but should also adopt a role fulfilling social responsibility. Doig (1991) however recognised that legally companies are still only obligated to consider shareholders' interests. In some US states there have been movements towards social responsibility with the passing of the Sarbanes-Oxley Act. However, here in Australia, the

law still lags far behind and has yet to catch up (Lagan 2000). More disappointingly however, are the results the St James Centre has been receiving on their annual CSR index survey. The 2004 survey saw a response rate of less than 11 percent (Longstaff 2005), which indicates that corporate Australia is not yet taking CSR seriously, a view that is in sharp contrast to those of the Business Council of Australia, The Institute of Chartered Accountants in Australia, and the Australian Institute of Company Directors, who thought that Australian Companies are already sufficiently responsible (BCA 2005; CA 2005; CD 2005).

While Post (2003) reminded us that a legal case for CSR has been made by Boatright and others, Matten and Crane (2003) discussed the issue from a more theoretical perspective and suggested that, for CSR to work, it has to be coupled to the idea of corporate citizenship, similar to the ideas of Warren and White discussed in section 2.4.3.4. Matten and Crane supported Carroll's 1979 model of CSR that comprises four areas:

- the economic responsibility to be profitable
- legal responsibility to abide by the laws of society
- ethical responsibility to do what is right, just and fair
- philanthropic responsibility to contribute to social, educational recreational and cultural activities.

While the first two items can be said to be practised reasonably well, the same cannot be said of the remaining two. Of particular concern is the responsibility surrounding ethical issues; lack of morality within business ethics, as discussed in sections 2.3.5.3.1 and 2.4.3 that indicates an automatic preclusion to the fulfilment of this CSR element that has been a major barrier in moving beyond mere rhetoric.

Recently, there has been much debate regarding CSR, but as with the preceding decade's debate on business ethics, there has been little or no movement beyond discussion, towards practical implementation. The Economist even condemned CSR as the greatest fad of the 1990s (The Economist 2004). During the 1990s, Dunfee and Donaldson attempted to popularise the notion of social contract theory within business, but it did not take hold. However, the concept of CSR can be seen to be an extension of their original concept, and provides a direct link to notions of social capital.

Foka (2003) indicated that a global survey showed 68% of CEOs agreed that CSR is a vital ingredient of profitability. However, the correlation with practical implementation has yet to be demonstrated, indicating that the issue has not yet moved beyond rhetoric. Similarly, as The Economist pointed out, fewer than 5% of leaders attending the 2004 World Economic Forum meeting in Davos considered CSR as important and NGOs view CSR activities mainly as public relations exercises. Moreover, it is difficult to see that anything will come of CSR until the twin issues of morality and ethics in business are resolved first. The talk of corporate social responsibility or corporate citizenship is therefore premature, and even irresponsible, as it detracts from the more important core problem of first introducing moral and ethical responsibility into the business arena.

In Australia the problem appears to be much the same as within other nations such as the US. Law expert Rick Sarre reminding us that the law in Australia has traditionally been ineffective in assigning responsibility to corporate bodies (Sarre & Doig 2000). Sarre and Doig were however convinced that the adoption of CSR is imminent and suggest a direct

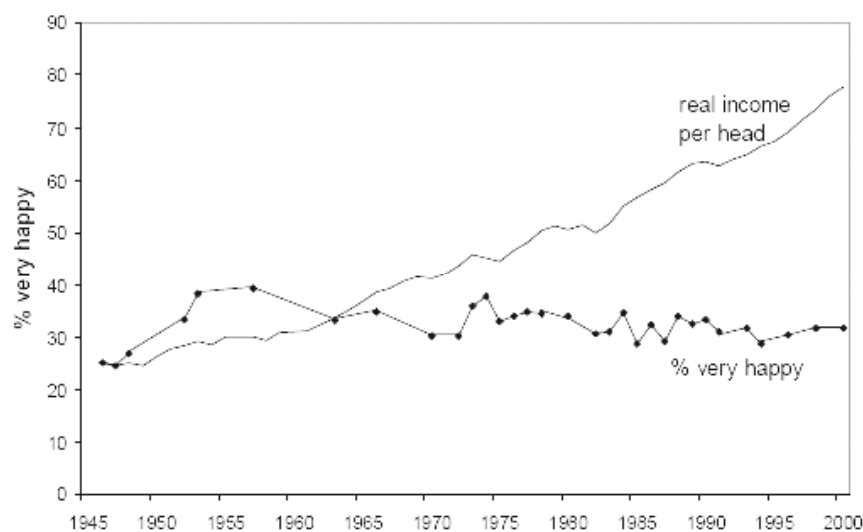
appeal to senior executives on the implementation of proactive management systems. Sarre and Doig perhaps underestimated the widespread pursuit of profit maximisation that precludes this from happening generally, and given the lack of a compelling motive, it is unlikely corporations will start to behave differently of their own accord. Similarly, Foka (2003) also warns that companies consider CSR too broad and too difficult, whereas they want something that can be easily accomplished on a Monday morning. David Owen (2003) perhaps summed it up best when referring to *drowning in a sea of CSR rhetoric*, with both the political and economic climate not at all conducive to the practical implementation of CSR.

It has been argued by some that corporations have many responsibilities outside of merely making a profit and that they cannot operate in a moral vacuum. Similarly, it can be said that if one accepts that corporations become a means to an end, one of those ends is to provide the means for people to lead happy lives. The next section takes a detailed look at the issue of happiness research from an economics point of view.

2.3.5.3.6 *Happiness research*

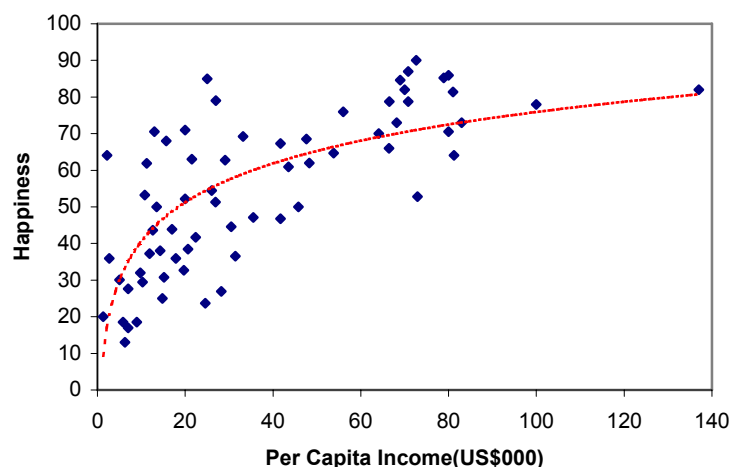
In 1974, the economist Richard Easterlin made a ground-breaking contribution by linking psychology with economics, which other economists mainly ignored (Frey & Stutzer 2002). Almost 30 years later, in a somewhat narrow utilitarian way, economists have at least started to conduct some limited research in what they term *happiness research*. The approach is typically utilitarian, in that economists consider themselves only interested in producing the most happiness for the greatest number of people. This in itself can be considered, in a narrow sense, a commendable activity. However, the objective results have been disappointing, as Figure 2-5 on the next page shows. Similar findings have also been obtained for Europe and the UK by Oswald (1997) that would indicate the phenomenon is by no means restricted to the US.

This was probably not the result that economists were hoping for, given their tenacious belief in economic growth. In the search for more favourable results, economists next turned their attention to other subjective methods. However, the methodology used to conduct the research still has little theoretical basis, is vague and, most likely, severely flawed (Dockery 2003). Dockery explained that the microeconomic theory behind their approach still holds that more money translates into more happiness. In contrast, psychology and other disciplines of social science provides no credible evidence for this simplistic concept, and the truth, it would seem, is substantially more complex than the economists would have us believe.

Figure 2-5: Income and happiness in the USA

Source: Layard (2003, p. 15).

Even though economists have for a long time been aware of the reduction in marginal utility of increased income, as shown by Figure 2-6, they still appear to be thinking only along the lines of the *more money equals more happiness* model. It would seem that a non-linear relationship does not sit well with their linear (rational) worldview, and so they avoid facing up to the alternative implications. However, a few, like Amartya Sen, suggested that this obstinate refusal to admit to contrary scientific findings, is to be found in their obsessive concern with linear statistics relating to GDP, life expectancy, number of TV sets per household and other household consumer items which form the mainstay of economic measurement (Clarke, Islam & Paech 2003; Layard 2003a; Frey & Stutzer 2002). Not surprisingly, this same obsession is also to be found within Australia, with the Australian Statistician, Dennis Trewin, refusing to acknowledge the utility of subjective measures, dismissing them as insufficiently scientific (Trewin 2001). Peter Saunders, from the Social Policy Research Centre, offered an alternative view and suggests that it is because subjective measures are considered by economists as being too difficult to make (Saunders 2004). Either way, these are insufficient reasons for ignoring the facts given their social implications. Furthermore, Layard suggested that the field of economics is still dominated by the faulty atmosphere created by the behaviourist school of thought that pervaded the intellectual climate of the 1930s. The literature certainly appears to support this assertion, with fewer than a handful of economists looking for direction and input stemming from contemporary psychological research in order to broaden and improve their models.

Figure 2-6: Data with logarithmic trend line

Source: Bates (2004, p. 12).

Internationally, Layard, Frey and Stutzer (2002) seemed to be the only mainstream economists prepared to take recent psychological research seriously and hence to question the validity of current economic ideology. They certainly did acknowledge that SWB measurements challenge basic assumptions of economics (Frey & Stutzer 2003). In Australia, the situation seems no better, with Dockery and Denniss currently the only local economists seriously questioning the prevailing situation. Most, in dismissing the newer views on SWB are staying with the Hayekian dogma of market freedom, which they continue to shore up by using GDP surveys. Given the latest evidence, it has become very difficult to take their outdated views seriously.

Even though happiness is not equivalent to quality of life (QoL) as it is currently measured by Cummings (2002), the two measures overlap significantly and can therefore be used for triangulation. Applying Cummings' finding on QoL measurements, we start to make an interesting observation. Cummings found that the QoL measure resides between two levels that are under homeostatic control. These levels are consistently between 50% and 100%. A first order approach would therefore indicate that as a basic human right and for justice to be served, no-one should be expected to be below the 50% mark in terms of happiness. Using Figure 2-6 this translates to an income of no less than US\$18,125 would be required, which equates closely to A\$460/wk.

Using ABS statistics for 2003 (Trewin 2004), we find close to 10 million Australians (50% of the population) has income below this level. This evidence is provided by survey data, which admittedly is prone to error, especially in the upper and lower deciles. As a cross-check, data from the ATO for the same period shows that out of 8.6 million taxpayers 2.6 million earned less than \$460/wk. This indicates that 30% of taxpayers have income below the 50% happiness level line. Even this lower, and possibly more conservative figure, should be cause for real concern. As Cummings has pointed out, levels outside the homeostatic range are normally associated with extraordinarily stressful situations, and therefore should be investigated and resolved.

A more equitable distribution would see fewer people under the \$460 level and giving rise to *the incoming tide of wealth, raising all boats*. This re-distribution will result in placing

7 million more Australians above the \$460 level, a significant achievement by any measure. Similarly with respect to poverty, Saunders (2004) pointed out that poverty can easily be eliminated in Australia at relatively low cost, but the issue is simply not on the policy agenda. If the goal of economists were truly to maximise the amount of happiness, then it would seem that they are certainly not performing as well as they could. One of the main problems is, however, that economists have failed to build a model that reflects Pareto optimality as originally proposed by Adam Smith. When the focus is exclusively on linear economic measures, Pareto optimality is not taken into consideration (Singer 2002). Economists, it would therefore seem, continue to operate in the dark; but of greater concern is the fact that they continue to ignore what contrary data there is, because it does not fit their mechanistic paradigm.

Figure 2-5 suggests that levels of happiness are far from optimal and according to this metric it would appear that we are subjecting a significant proportion of our population to a stressful and unhealthy existence. The charge of exploitation may well be able to be made on the evidence of this data and in line with Miller's (1996) assertion that slavery continues today albeit in more subtle forms.

From another perspective, the psychological literature explains much of the happiness phenomenon in terms of Maslow's theory of needs. Basic security needs are the most urgent for humans, and this correlates with the steepness of the curve as it extends below the poverty threshold as measured by the Henderson poverty line, which is \$525 per week in Australia for the average family. This theory has found support according to Diener and Biswas-Diener (2001) in Deci and Ryan's self-determination theory. However, above this threshold, a different mechanism starts to dominate—that of comparative income. We find that, initially, there is much comparative gain to be made. However, as one reaches the income midpoint, there are fewer gains to be had and therefore the contribution to happiness is reduced. In addition, it is the view of this study that a third and lesser known stage then presents itself. At this stage, still in line with Maslow's theory, humans start to turn their attention to what economists call post-materialist values and Maslow calls self-actualisation that also agrees with Veenhoven's life-cycle theory. Moving beyond mere description, one might easily argue, in terms of Maslow's needs theory, that money no longer has a significant impact and the limiting factor switches from being economic to structural. As people seek more meaning through participation or self-actualisation, this third stage search is frustrated by structural shortcomings. For instance, the way society is currently structured, allowing only very limited democratic participation, severely limits the opportunity for self-actualisation.

The economic/political structure in the West has not changed significantly since WWII, and this may well explain why life satisfaction in fact started to fall (Layard 2003a). Figure 2-5 provides us with a startling comparison between GDP and happiness post-WWII that should evoke much more thought than it has to date. For, when judged on the basis of happiness, neo-liberal economics has clearly failed given the divide between GDP and happiness as evidenced by the data.

However, as Layard (2003) pointed out, economists still have their heads buried in the sand of the behavioural school ground, and seem unable or reluctant to accept these findings and adjust their theories accordingly, a view also expressed by Stutzer and Frey (2003). The dominant response seems to be that it is not their problem (Denniss 2004), relegating it to the convenient dustbin of externalities (Hamilton 1998).

It was not the purpose of this study to consider this issue any further, as the links to QWL have been sufficiently illustrated, but it is interesting to note that the argument above lends credence to Layard's proposal for high marginal tax rates in order to generate more public good—a proposal for which he has had been extensively criticised. Such taxation does have the potential to introduce negative skew, which the data suggests is required. Layard's argument is bolstered by the finding that high tax rates in Denmark do seem to correlate with reports of increased well-being and Layard would appear to have the data on his side.

There would no doubt be more accurate cost/benefit analysis calculations that could be brought to bear and economists would do well to take a closer look at such avenues and adjust their basic assumptions, which have seen no significant update for many decades. Economists have known since the Second World War that increases in GDP have not resulted in an increase in overall well-being, yet they have not put this knowledge to good use. The next section will take a brief look at overcoming some of the shortcomings highlighted in this section.

2.3.5.4 The way forward

The subject of economics is in itself a complex activity and it was not within this study's scope to examine the shortcomings and solutions in any significant detail. However, Layard (2003c) provides us with some thought-provoking suggestions in terms of moving towards a healthier state of affairs:

- Self-defeating work should be discouraged by suitable taxation,
- Producers matter as much as consumers, they should be incentivated more by professional norms and not by more financial incentives,
- We should not promote the search for status, and we should limit dysfunctional advertising,
- Income should be redistributed towards where it makes most difference,
- Secure work should be promoted by welfare-to-work and reasonable employment protection; secure pensions may require a state earnings-related scheme,
- Security at home and in the community will be reduced if there is too much geographical mobility,
- Mental health should receive much higher priority and
- We should actively promote participatory democracy.

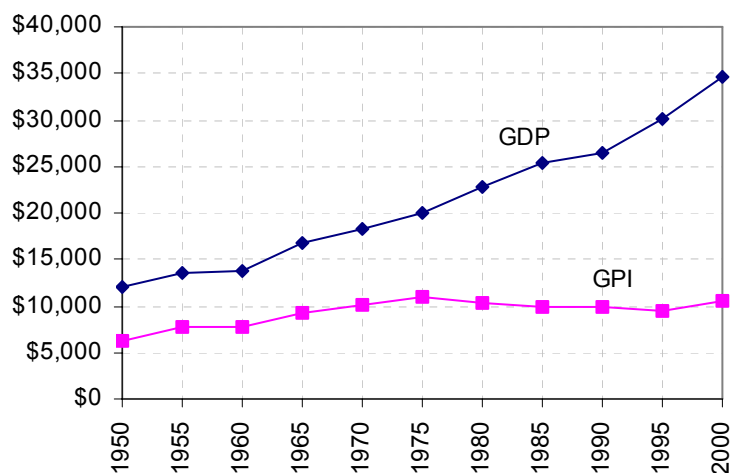
Following from the previous discussion, it can be appreciated that these measures would have a significant impact on QWL should they be implemented.

Frey and Stutzer (2004) also suggested that the evidence is in, and the time right, for economists to accept social responsibility along the lines suggested by the Copenhagen Consensus, and stop avoiding the difficult issues of climate change, communicable diseases, conflicts, education, financial instability, governance, corruption, hunger, malnutrition, sanitation, water, subsidies and trade barriers. A way forward for economists might be to adjust their economic model to be socially responsible and change from a focus on GDP to a different benchmark such as the Genuine Progress Indicator (GPI) as proposed by www.redefiningprogress.org. The GPI indicator takes into consideration many social measures, such as volunteer work, costs of crime, loss of leisure time, costs of

underemployment, environmental degradation that are ignored by policy economists. The main advantage in adopting this model would be one of social responsibility and it would address the imbalance by which, since 1980, organizations have significantly externalised social policy (Visser 2000).

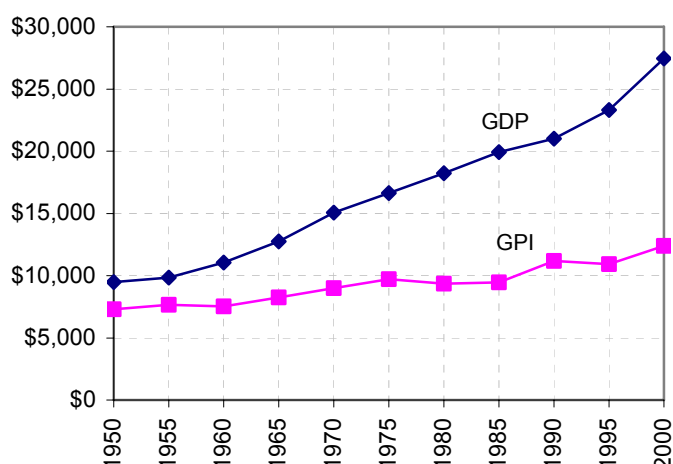
The GPI indicator in Figure 2-7 below exhibits very similar trends to the happiness indicator in Figure 2-5. On face value alone, it can certainly be argued that GPI is a better indicator of economic performance and it could be used instead of GDP. Diener and Biswas-Diener also supported measures such as subjective well-being that take factors other than income into consideration (Diener & Biswas-Diener 2002), in order to improve and strengthen measures of satisfaction and happiness. However, Hamilton (1998) noted that the then current Statistician, Bill McLennan was supportive of using such alternative measures, but the ABS appears to have, since then, done an about-turn (Trewin 2001). This indicates that Australia is not yet ready to embrace the concept of SWB within an economic framework.

Figure 2-7: USA GPI indicator 2004



Source: Cobb et al. (2001, p. 1).

Some hope however, can be found in efforts of The Australia Institute, which has unofficially implemented the GPI measure for Australia, the results of which are shown in Figure 2-8. Compared to the USA, it reveals almost identical indicators that reflect the similar economic and social policies being followed. Figure 2-8 reveals that while GDP has grown by more than 200% between 1950 and 2000, GPI has grown by less than 60%. This sizeable gap should be of concern to those interested in social well-being and social policy.

Figure 2-8: Australian GPI

Source: www.gpionline.net.

Lyndi Edwards from the Australian National University has raised concerns about this and similar issues, with respect to market failures, that have been ignored by both economists and politicians (Edwards 2002). She also observed that the decline in social conditions has been less in Australia than the US and this is borne out independently by the differences in GPI as reflected above. The difference between the US and Australia was put down to the fact that although the Australian Settlement has largely been dismantled, this did not occur overnight, nor has its effects been completely destroyed by rational economic policy. It is the remnant effects that appear to be responsible for the differences in GPI. This in itself may constitute evidence for the validity of the return to an approach like The Australian Settlement.

2.3.5.5 Summary

Work makes up a significant portion of our lives, and organizations are at the forefront of shaping that environment, that is, they are in direct control of QWL. As we have noted, justice is currently not being served in an economic sense, to which organizations contribute a large part. Organizations receive from economists and policymakers their brief in terms of social responsibility and we find modern economists claiming that rational economic theory's only legitimate concern is that of tending to the material dimensions of a policy or concern (Gregg & Harper 1999). It is, as they pointed out, by definition amoral, an important fact that should guide one's expectations regarding the role of rational economics. This indicates, for instance, that if company policy is one of profit maximisation, as directed by the shareholders or board of directors, then that is all one should expect and be concerned about. Social issues are not merely being ignored by economists and organizations, but unless they are explicitly tasked to take it into consideration, they should not be expected to be concerned with social matters that fall outside their economic remit. This line of thought is clearly in step with current practice whereby corporations subscribe to a law and order approach, instead of built-in morals (Fritzsche 2000).

Gregg and Harper (1999) have thrown down the gauntlet to those who control the means of production to accept moral responsibility, by directing producers to consider morality

when formulating policy. This approach should be instilled not only in those who are directly in control, such as company owners, board members and shareholders, but also those who have indirect control such as policymakers, namely, the bureaucrats and politicians. We will return to this issue as it relates to the role of legislation that is covered in section 2.4.3.7.4, as well as the role of virtue ethics that is dealt with in sections 2.4.3.3 and 2.4.3.7.6.

Overall, the prognosis remains somewhat pessimistic, because, as Edwards (2002) pointed out, economists are currently so caught up in their narrow economic paradigm, that they have been unable to consider alternative models and are therefore unable to provide sensible advice to policymakers. As Oswald (1997) demonstrated, given the evidence, economic growth should not be a primary consideration for policymakers and there is a legitimate need for other social considerations.

Finally, it can be said that although economists have done extremely well in bringing us financial prosperity, it is important to remember that they have also demonstrated that they cannot be trusted to do the same in terms of human capital, as the Australian economist Richard Denniss recently reminded us (Denniss 2004). To *the invisible hand* it would appear social/human capital has largely remained invisible. Ironically, economics was branded as the *Dismal Science* 150 years ago when it promoted freedom by opposing slavery. Now we find economists largely silent and unmoved by the policy problems brought about by their narrow-minded ideology and this also bodes ill for QWL. In line with Jones (2002) we can only conclude that the science of economics has indeed become somewhat dismal.

2.4 Applied disciplines

2.4.1 Organizational development and behaviour

Organisational life is often viewed with human resource management (HRM) at its centre. In turn, much of HRM is built on organisational development (OD) principles.

Traditionally issues of job satisfaction and QWL have rested with HRM departments therefore, OD and QWL share much that is in common through the functions of HRM. In conjunction with HRM, the role of OD has however recently seen a significant shift towards that of economic performance (Hart 1993).

In promoting a new approach within OD, den Hertog & Huzzard (2002) asked in whose interest OD was being undertaken. A look at the main body of literature shows us that OD concerns itself primarily with planned organizational change in order to improve organizational effectiveness (McShane & Travaglione 2003; Wright 2003). OD, like sociology, does not stand alone and it shares much with organizational behaviour (OB), which has more of a psychological basis. However, its focus on enhancing the environmental fit of the organization puts it squarely in the realm of economics where it finds most of its philosophical support. We find for instance that recently there has been much emphasis within organizational design on adopting lateral forms of organization to boost efficiency and improve time-to-market response. There is however psychological costs associated with such change. For example, the adoption of lateral structures such as matrix management creates a tension between organizational effectiveness and personal well-being (Murray & Stickney 1984).

While OD has posited many organizational benefits of change, very little research has been done regarding the human costs involved. One of the few studies (Joyce & McGee 1997) that took a closer look, made the notable observation that while the organization reaps many operational benefits, individual workers often suffer. For example, efficient structures such as matrix management where the costs are mainly borne by the individual on a very personal (psychological) level. This finding was in line with an earlier observation by Stuntz (1984) and underscored the mechanistic approach taken by OD practitioners towards human resources as something that needs to be understood in order to be better controlled (Murray & Stickney 1984). OB and OD therefore often make for somewhat uneasy bedfellows.

By definition, much of OB can rightly be considered to be concerned with the psychology underlying behaviour of individuals within the context of the organization. The definition of OB according to McShane and Travaglione (2003) is:

The study of what people think, feel and do around organizations (p. 4).

However, OB and in particular, OD have long been regarded as *pop psychology* (Luthans 2002; Rousseau 1997). This view stems partly from the fact that OD research in general is not performed with nearly the same rigour as is done in the main social science fields. This is most likely because of the close coupling of OD with business economics and its cost minimising approach towards problem solving, resulting in large bodies of unscientific and commodified literature (Hertog & Huzzard 2002). This view is also supported by Bunker, Alban & Lewicki (2004), who explored the widening gap between

OD theory and practice. They suggested that this gap is as a result of moving organizational psychology from its primary location in departments of psychology to those of business schools.

During the 1990s OD theorists appeared to place much more emphasis on the humanistic side of organizations. However, much of this tended to be mostly academic and rhetorical with little real-life application. Taking a closer look we find several authors have attempted to emphasise the broader values of OD (Wooten & White 1999), which:

- provide opportunities for treatment as human beings rather than resources
- provide opportunities for individuals and the organization to develop to their potential
- seek to increase effectiveness of the organization
- creation of exciting and challenging work
- provide opportunities to influence work, the organization, and the environment
- treat each person as a complex set of needs, all of which are important.

Van Eynde et al. (1992) surveyed OD practitioners concerning their core values and found that practitioners felt that there were five clear values related to appropriate OD practice, including the following:

- empowering employees to act
- creating openness in communications
- facilitating ownership of process and outcome
- promotion of a culture of collaboration
- promotion of continuous learning.

Wooten and White (1999) found, however, that a huge gap exists between rhetoric and reality, mainly due to the lack of sound application. Warren Bennis is a good example of a visible and ardent OD proponent who has had to change his stated position since becoming involved in the real commercial world, a situation he found himself in when he became president of a university (Maclagan 2003). The view of a widening gap was also supported by Grievies (2000) who argued that practitioners are mostly forced to defer to the demands of the market place as they attempt to implement change, in spite of their espoused values. This was also found in an earlier study done by Van Eynde et al. (1992). Similarly, Greenberg and Wiethoff (2001) showed that there remains a wide gap between scientific knowledge regarding organisational justice and what practitioners are willing and able to put into place.

As a result of commercial pressures therefore, most often the goal of OD is simply to promote improved efficiency or profitability, with humanistic issues taking a back seat. Hart (1993) even went so far as to label many human resource development activities to be largely immoral. As organizations constantly look for ways to drive up efficiencies or profit margins OD is seen as a strategic exercise in this quest for higher profits. It is now further being recognised that, as technological efficiencies have plateaued, there is perhaps still much to be gained from *human assets* in improving competitive advantage. While the benefits of focusing on OD to improve economic and technical efficiency at the organizational level have been well researched over the last few decades, there has been

much less focus on the negative impact it has on workers' personal (psychological) lives, as was found with the introduction of matrix structures, as discussed in section 2.3.3.

Some claim that OD is often nothing short of social engineering and hence very problematic, a fact underscored by the dismal record of success that it enjoys, in spite of much good intention and concerted effort. According to Grievies and others, more than 70% of OD attempts fail (Grievies 2000; Cameron & Quinn 1999; Waldron 1998). Similarly, reengineering efforts have also had high failure rates (Cooper & Markus 1995). Scholars like Beugre (1998) maintain this failure stems largely from a lack of social justice considerations. Others like Cameron and Quinn (1999) maintain that failure is due to a lack of consideration afforded corporate culture.

While much of OD has been done in good faith and often appears structurally sound from an economic point of view, its lack of success is more due to a lack of a more holistic approach that would otherwise enhance the likelihood of successful implementation. In accepting compromise thus required, perhaps the final economic gains might not be as high as some would like, but some gain is better than nothing, and who knows what further positives lie ahead once more humanistic practices are employed. One such avenue suggested is that of justice theory (Wooten & White 1999). Like Beugre (1998), Wooten and White also strongly suggested that OD needs to be given a more humanistic orientation, and that justice theory may well hold the key to the synthesis of OD theory and practice. Ironically, they propose that OD may realise its full potential this way, but only because of a necessity for organizations to survive—rather than out of virtue.

One issue this section has highlighted is the fact that OD has to be considered within the environment it finds itself in. This brings us to the important matter of organisational culture that is examined next.

2.4.1.1 Organizational culture and climate

As Ashkanasy (2000) showed, organisational climate and culture has a long and diverse history. However, organizational culture and organizational climate, like OD and OB, are also fields bedevilled by differences of opinion amongst theorists operating within their respective schools of thought. Denison (1996) provided a comprehensive overview on the perceived differences and similarities between organizational climate and culture. He suggested that much of the difference can be traced to the paradigm wars during the 1980s, and whether one considers the phenomenon as climate or culture is more an issue of perspective than of fundamental differences. Similarly, McMurray (2003) supported the idea of not making too much of the distinction between culture and climate. The distance between shared assumptions (culture) and shared perceptions (climate) are not significant. Both Denison and McMurray suggested that the concepts are reciprocal and should be treated more as an integrated concept, that is, as two sides of the same coin.

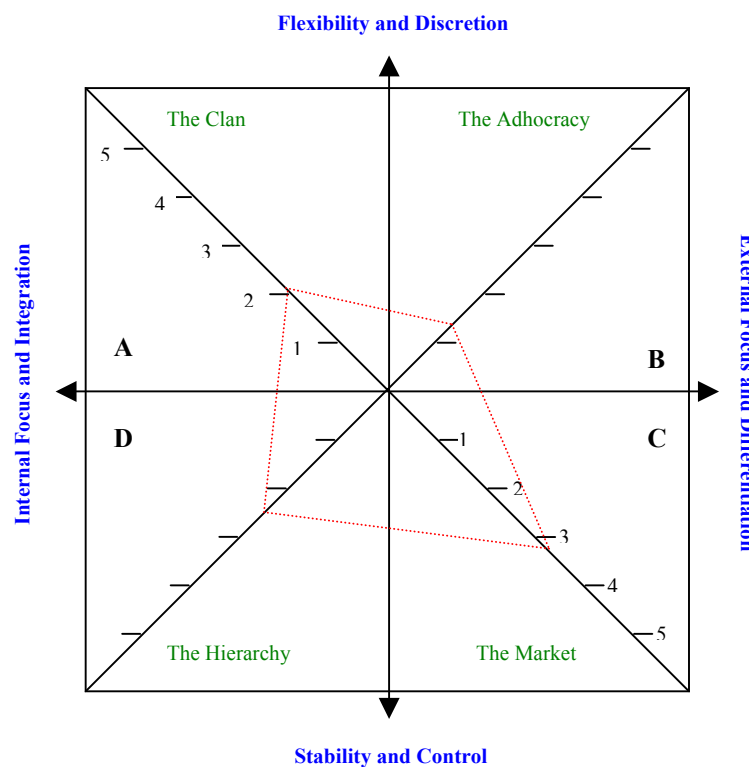
Organizational culture operates on the social level, is slow to change, and the domain of anthropologists involving symbols, meanings, ritual, whereas climate is experienced on an individual level and can be aggregated around common perceptions. As such, it is the domain of social psychologists (Moran & Volkheim 1992). This view was also supported by Mele (2003), as well as Denison (1996) who provided an extensive review of the literature on the origins and nature of organizational culture and climate. It is important to note that organizational culture nurtures climate and directly influences dimensions such as

trust, autonomy, cohesiveness, support, recognition and fairness (Moran & Volkheim). It becomes evident therefore that organizational culture, through values, is a facilitator of workplace justice.

In addition, organizational culture considers the organization as the unit of analysis, whereas climate considers the individual as the unit. This is very much in line with Social Identity Theory, as discussed earlier in section 2.3.1.3, therefore it provides a useful link for understanding phenomena that occur both at the organizational and individual levels. For instance, we find that Hogg et al. (1995) showed that, while social identity is a construct that mediates between the individual and society, it specifically promulgates the supremacy of society over the individual. This has important implications from an organizational standpoint, as it goes against the liberal view that generally places the individual above society. This tension between liberal views of freedom and organisational control is mostly ignored by those of a neo-liberal economic persuasion.

According to Cameron and Quinn (1999) the role of values is central to the issue of organisational culture. Their approach that was based on a competing values framework is one of many different views but one based on empirical evidence and it also remains a useful tool for working with organisational culture. A more detailed description of the four cultures can be found in Appendix A. Briefly, their view was that there are many cultural dimensions, but they can be usefully represented by means of four dominant cultures as depicted in Figure 2-9 below.

Figure 2-9: The competing values framework



Source: Cameron and Quinn (1999, p. 66).

Through the examination of more than 1000 organisations, they have validated their model and it is important to note that they suggest organisations should strive for a balance of the four cultures and avoid a single dominant culture. The central area in the figure enclosed by the dotted line, represents the average culture of the organisations they examined. Unsurprisingly, the skew shown towards market culture appear to be in line with the dominant free-market economy as currently found in the West and examined in section 2.3.5. More importantly, the opposing values represented by the clan and market cultures, supports the theoretical framework developed for this study and is further developed in section 2.5 and depicted in Figure 2-13.

As with OD, we find that organizational culture has recently come to be viewed as the route to competitive or economic advantage (Greives 2000), similar to the field of psychotechnics during the first part of the 20th century (Miller & Rose 1995) in which workers became the object of efficiency and were again viewed simply as a means towards an end (Abdeen 2002). These scholars are not alone in their findings and similar views have been put forth by Detert et al. and Goffee and Jones (both cited in Mele 2003).

Given that corporate culture is shaped by values, Cloke and Goldsmith (2002) made a good case for striving towards shared values through consensus building and democratic processes. This is also similar to the integrative approach followed by Cameron and Quinn (1999) and in particular the clan culture. In addition Cameron and Quinn called for value congruence in order to ensure high performance. Also, as Payne (2002) reminded us, the evidence points squarely to the causal direction leading from culture to well-being, well-being to positive work attitudes and subsequently, attitudes to work performance.

However, Covey (1990) also warned that values in themselves do not necessarily equate to morality. Therefore, having shared values does not automatically result in moral behaviour. The culture must be built on shared values that are moral in themselves for this to be the case. According to Schein, organizational leaders are the creators of organizational culture (cited in Mele 2003). Similarly, Mele suggested that humanistic management is an ethical imperative with organizational culture playing a central role. He also proposes that virtue ethics play a significant role, so long as they follow the Aristotelean ideal. He warned, however, that contemporary virtue ethics diverges sharply from this ideal, and so is problematic in its acceptance and application.

Given the importance of values in shaping organisational culture, it is only logical that organizational leaders, as influential agents who have a strong deterministic effect on corporate values, require virtuous characteristics. The implication here is that screening and training becomes very important in terms of positions of authority and leadership, an issue that is revisited in section 2.4.3.7.7. It is worthwhile to note that it is important to focus not only on organizational leaders, since the mechanism extends down to include first-line managers as well (Kantor & Weisberg 2002). In point of fact all organisational leaders are carriers of organisational culture.

Van Sandt's (2003) study shows a clear link between individual behaviour and corporate culture. The deeper question that remains is why this should be the case. One significant issue is that of economic necessity, because of which modern life is economically driven and the average worker simply cannot afford to be without work, resulting in fear becoming a significant motivational force. A related issue is that individuals find it necessary to compartmentalise their moral systems in order to cope with the discrepancy

between personal and business ethics. This leads to a classic situation of cognitive dissonance, as explored earlier in section 2.3.1.4 that helps explains this discrepancy.

This section has highlighted the strong deterministic effect organisational culture has on organisational climate and it is now possible to better appreciate the links to job satisfaction and quality of worklife that are explored next.

2.4.1.2 Job satisfaction and quality of worklife

As mentioned in section 2.2.3, job satisfaction, although the subject of extensive research, remains poorly understood. According to Price (1997) job satisfaction is generally defined as:

The degree to which employees have a positive affective orientation towards employment by the organization (p. 470).

This approach considers the individual as its unit of analysis, but often only as a means of rating and thereby improving organizational performance. It can therefore be used as an indirect way of measuring organizational culture.

It is generally accepted that job satisfaction is an outcome of QWL. In other words, QWL is much broader and job satisfaction is to some extent subordinate to it (Sirgy et al. 2001). With so much research having been done on job satisfaction, an extensive treatment of the subject was provided by Maher (2002) who found that in spite of the preponderance of literature, job satisfaction theories remain problematic.

Table 2-3 below summarises the most prevalent of job satisfaction models:

Table 2-3: Dominant job satisfaction models

	Theoretical base	Main proposition	Model
Maslow	Needs based	Self-actualisation	Hierarchical
Hertzberg	2-factor theory	Satisfaction + dissatisfaction	Separate Continua
Vroom	Expectancy theory	Cognitive processes	Valence
Hackman & Oldham	Job Characteristics	Environmental	Experiential
Karasek	Job demand control	Environmental	Stress
Sirgy	Needs based	Spill-over	Life satisfaction
Leiden	Job demand control	Environmental	Combinational

Source: developed for this study

According to Maher (2002) Maslow's theory has been extensively criticised, but not fatally so, since most criticisms tended to be based on flawed arguments. Yet, the theory remains relevant, because we still do not know enough about humans' ultimate goal, which is self-actualisation. This topic in itself is very much under active discussion amongst scholars, and hence Maslow's theory remains viable.

According to Maher (2001) Vroom was another scholar who focussed on the cognitive process underlying job satisfaction and considerable attention was paid to his model.

Maher noted that there are doubts regarding its overall validity, in spite of the fact that it correlates well with job satisfaction.

Discrepancy theories also rely on cognitive processes and propose that job satisfaction depends upon comparison of self against some external reference. In other words, job satisfaction is obtained by an individual comparing his situation with a standard that (s)he has formed by observing others. The level of discrepancy, therefore, determines the level of job satisfaction. These models have the problem of being somewhat tautological, but are nevertheless moderately correlated to job satisfaction such as found in the study by Rice et al. (cited in Maher 2002).

In terms of models, job demand-control models are one of the most well known models in job stress literature. Karasek's model looks more at the environment as opposed to cognitive processes according to Fletcher and Jones (cited in Maher 2002). The model depends on measuring how well the worker copes with demands and autonomy associated with the role. This model has been moderately successful in predicting job satisfaction and continues to be studied and used.

The spill over theory model (Sirgy, Efraty, Siegel & Lee 2001) has not been replicated. However, the original study exhibited good validity. The spill-over concept is not new and other researchers such as Danna & Griffin (1995) has provided support for this approach. One drawback of the Sirgy model is that with a total of 105 questions it is somewhat lengthy and this might well explain the lack of replication.

Lastly, the Leiden QWL model was developed by Van Der Doef & Maes (1999) by combining two stress related questionnaires – The Job Content Instrument, The Wellness at Work Interview and the Questionnaire for Organizational Stress. The main aim of the Leiden study was to develop a reliable and psychometrically sound instrument for measuring QWL. The results appear to indicate that this was achieved. At 59 questions it is significantly better than the Sirgy questionnaire. However, like the Sirgy instrument, it has also not been replicated. Moreover, the study breaks no new ground in the job satisfaction area and is mostly a replication of Karasek's job control demand theory.

2.4.1.3 Towards a definition of QWL

Job satisfaction is one of the most widely studied OD issues and Price (1997) provided summaries of six key studies done between 1951 and 1989. According to the authors only three have attempted to define job satisfaction in any meaningful way:

- Quinn and Staines — *affective reaction to the job*
- Lofquist and Davies — *fulfilment of the requirements of an individual by the work environment*
- Smith et al. — *the feelings a worker has towards his job.*

There are other definitions to be found in the wider literature. However, the above three appear to capture the dominant themes. Significantly, most job satisfaction models are oriented towards the organization. One would have thought that, by definition, a more humanistic approach to the issue would instead place the individual at the centre and view the organization more as a supporting structure. One person who certainly took this

approach was Achoff (1994) who proposed that QWL is the best index of workplace development or self-actualisation. This is somewhat at odds with the more traditional rational economic view taken thus far that, instead, puts the organization at centre stage, but it is not completely incompatible with that view. Recognising these approaches is how we can perhaps reach towards the idea of a true QWL concept that displays more balance and treats workers as ends in themselves, as opposed to means towards an organisational end. It would appear that Lofquist and Davies' (1969) definition comes close to the broader concept of QWL. However, based on Weiss' work since 1996 they stopped short of addressing needs and instead focused primarily on facets of the job.

The more recent US based attempt at defining QWL carried out by Sirgy et al. (2001) defined QWL as:

Employee satisfaction with a variety of needs through resources, activities, and outcomes stemming from participation in the workplace (p. 242).

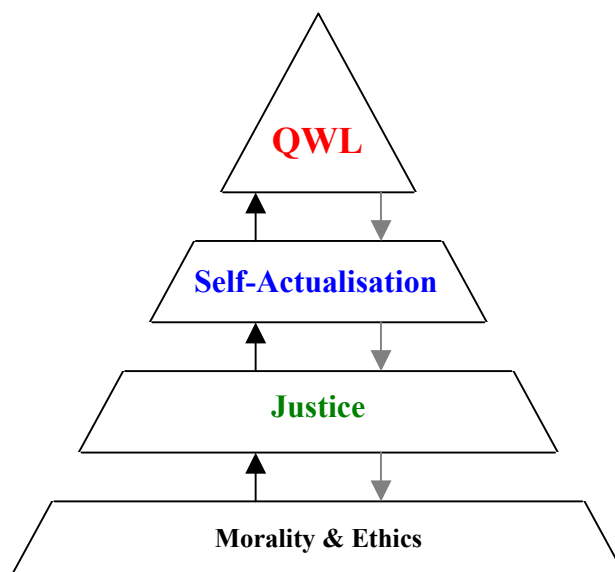
This definition appears to be holistic as it includes aspects of other domains, such as family life, social life and financial life. Moreover, it deals explicitly with subjective well-being. In a very real sense Sirgy et al. (2001) attempted a multi-disciplinary approach consisting of 16 dimensions derived from 80 questions. Results showed relatively poor correlations indicative of some problems. Moreover, the measure currently has no external validity due to limitations in sampling, with the sample base consisting of a small number of students only. More significantly, the measure follows closely in the job satisfaction tradition by measuring job facets, as can be seen from the complete survey in Appendix B.

Here in Australia, the situation is somewhat less than ideal. Some work has been done towards development of an index for QWL (Considine & Callus 2002). However, personal communications have revealed that there is no theoretical base to their instrument. However, a second survey using their instrument was administered to two specific occupational groups (Bearfield 2003) and a basic analysis of data provided. Both studies displayed a more definite focus on the individual as opposed to the organization.

QWL can also be related to learned needs-based theory of motivation such as McClelland's. For example, Medcof and Hausdorf (1995) that attempted to measure needs involving achievement, power and affiliation. What was interesting with their approach was that by combining this with another instrument, they developed a means of measuring fit and satisfaction in one pass, a potentially useful selection mechanism for human resource practitioners.

The theme that emerges from the literature points to job satisfaction being mainly concerned with measuring need related facets. It is therefore useful to regard QWL as based on needs satisfaction focussing more on the individual.

Using the needs-based approach, a general model of QWL incorporating justice might be envisaged. See Figure 2-10 on the next page, as an adaptation of the Quality of Life model dealt with previously in Figure 2-1. This model is consistent with Danna and Griffin's (1999) concept of QWL being hierarchical. It is also consistent with Giddens' (1991) statement that there is a thread between self-actualisation and morals that is essential for authenticity.

Figure 2-10: Simplified QWL model

Source: developed for this study.

In relation to QWL, Achoff (1994) made an interesting point when asking:

Suppose that you are told right now that you will continue to draw your salary in constant dollars for the rest of your life and you need not work any more to receive it, what would you do tomorrow? If the answer is anything but, 'I would come back tomorrow and do exactly what I am doing today', then the QWL needs improvement (p. 74).

All of the above points to a central concept that flows from Maslow's needs theory and that is self-actualisation and the next section takes a closer look at the issues surrounding this concept.

2.4.1.4 Self-actualisation at work

According to Gibson et al. (2000) Maslow defined self actualisation as:

The need to fulfil oneself by maximising the use of abilities, skills and potentials (p. 130).

In spite of this concept's wide usage, there has been little empirical support for the self-actualisation portion of Maslow's theory. However, Maslow himself conceded the concept itself lacked specificity and that it needed to be expanded upon. Aldefer, focussed on the related aspects of personal growth that involve creative or productive contributions. Others, like Herzberg and McClelland, developed their own motivation theories, each with a different perspective, but nevertheless, still maintaining the core needs related concepts such as self-actualisation, growth and achievement.

Maslow and other needs based theorists were of the view that activities at work that assist in self-actualisation include the following:

- training
- promotion
- achievement
- power
- responsibility
- esteem.

These are important issues within any organizational context and it is thought that they collectively QWL factors. A means of advancing and protecting their importance can be found in the nature of workplace democracy.

2.4.1.5 Democracy in the workplace

Section 2.3.2.1 briefly touched upon democracy in the broader sense, while this section further explores the role of democracy in the workplace. Psychological experimentation has shown that workers perform best when led democratically instead of autocratically (Miller & Rose 1995). This is less of a surprise when one realises that justice and fairness lies at the heart of democracy as Gratton (2004) reminded us. There is, however, a major reason why we should turn our attention to democracy in the workplace; the principle of egalitarianism demands that democracy and ethics go hand-in-hand. Hsieh (2005), for instance, pointed out that there is a basic human right against arbitrary interference at work and democracy is a good way to protect this basic right.

Democracy in the workplace has a long history, with Mary Parker Follet, one of the first management scholars to promote this radical concept during the mid 1800s, and John Dewey later during the early 1900s (O'Connor 2000). Amongst others, Dewey put forward the ideas of a worker having a right to *aesthetic livelihood* and *control of his industry*. In these ideas we find the early expressions of self-actualisation and democracy. This was shortly after WW1 and Dewey also pointed out the irony of conducting a war for political democracy, while ignoring economic autocracy and a lack of democratic principles within the workplace. Worker participation is a necessary requirement for democracy, but not sufficient one. An early practical example of workplace democracy can be found in Englishman Robert Owens' efforts during the mid 1800s. However, in spite of operational success, his attempt ultimately failed because of external interference by stockholders. It would seem that some things never change.

Another historical concept running counter to democracy is that of bureaucracy. Max Weber forecast the formation of bureaucracy in large communities in his 1915 work *The Theory of Social and Economic Organization*. Weber pointed out that bureaucracy will tend to over-concentrate power and minimise democratic participation, a consequence that directly undermines the broader concept of democracy; this situation largely remains with us today, especially within large organizations.

The argument against democracy was made during Dewey's time largely by the political psychologist, Harold Lasswell and the journalist Walter Lipman (O'Connor 2000). In essence their argument held that individuals do not have the capacity for making reasonable decisions that involve democracy, and rule by an élite is therefore essential to

ensure efficient, rational and valid decision-making. This attitude may seem quaint and paternalistic by today's standards, but this view had major influence in the 20th century and is still held to a large degree by contemporary decision-makers, a situation that largely remains in spite of efforts in the UK by the Tavistock Institute, and later in the US.

With connections via Australian, Fred Emery, the work of the Tavistock Institute saw some resurgence in the 1970s in Australia through ideas shaped by industrial democracy and employee participation. Unfortunately, these early experiments did not take hold (Buchanan & Callus 1993). Russell Achoff in the US was also a supporter of the socio-technical approach, and he became particularly interested in the role of democracy in the workplace (Achoff 1994). Achoff maintained that it is the responsibility of corporations to provide opportunities for participation and development for workers, and this is best achieved through democratic processes. According to Achoff (1989) the freedom to make choices may well be the most precious freedom people can have.

Workplace democracy continues to enjoy support from post-modernist scholars, like Giddens and Rawls, who have documented the need for individuals to act autonomously in the workplace. Furthermore, Hengsbach argued that democratisation plays an important role in promoting business ethics (cited in Preuss 1999) but it is important to remember that consensus and convention do not necessarily guarantee moral behaviour Gibson (2000).

In terms of workplace democracy, Cheney (1995) asked:

What is democracy, speaking specifically and practically, in terms of work life? (p. 3).

Cheney certainly viewed democracy as being part of a humane workplace, a view also supported by Wooten and White (1999).

Cheney, for instance, mentioned that many researchers have found democracy unlikely in large organizations (over about 3000 workers) and this has become known as Michels' rule of oligarchy. Moreover, bureaucracy is often found to be alienating and isolating (Hummel 1994), which tends to preclude the emergence of self-actualisation. In addition, bureaucracies tend to uphold a culture of dependency, and Adam Smith clearly warned against the dangers of robbing the worker of autonomy (Young 1992).

Achoff (1994) provided some interesting insights into practical means of overcoming some of the problems mentioned above. Briefly, Achoff suggested that democracy in the workplace be obtained by means of representative boards. Workers at all levels are represented directly by means of boards operating at all levels of the organization, a concept that he calls *the circular corporation* and first proposed in the early 1980s. Here, the interests of all social stakeholders are taken into consideration inside economic enterprises, and that this can be done more effectively by means of workplace democracy. Support for such structures was also forthcoming from Lehmer's (2003) study regarding democracy within cooperatives.

Frege (2005) provided an interesting history of industrial democracy and pointed out that the US adopted a stance that flowed mainly from Spencer and Sumner's ideas on Social Darwinism. Ultimately, as with morality, organizational scholars in the US maintained that there is no role for democracy in private enterprise, by arguing that corporations are

private affairs. This argument however appeared somewhat faulty, considering many corporations are publicly listed or funded and as we have seen in section 2.3.6.4, the negative consequences of corporate action are often not privately confined.

Some scholars ask whether a democratic organization can survive or even have a legitimate place in a market economy. Perhaps this is the wrong perspective as it assumes that the market economy is an agreed upon standard to which all else needs to be aligned. Maybe we should rather ask whether our present market economy is a valid ethical concept that fully embraces the ideals of morality in general and democracy in particular.

In summary, early in the 20th century there was a strong argument for capitalism to be subsumed within democracy. However, due to globalisation and to undemocratic organizations such as the WTO and the EU, the exact opposite has taken place. It now appears that the time might be right to make a strong argument for reversing this situation. To this end, Frey and Stutzer (2002) pointed to research that showed a substantial causal relationship between happiness and direct democratic participation, such as that found in Switzerland. Given democracy, the issue of cooperation is never far away and we now turn our attention to this twin issue.

2.4.1.6 Cooperation in the workplace

Evolutionary psychology supports the notion that one particular reason humans have been so successful in evolutionary terms, is in the high degree of cooperation. It is difficult to conceive of organisational behaviour not being concerned with cooperation especially with the increasing prevalence of teams and the drive for efficiency.

Krebbs (1998) believed that justice evolved in order to protect and advance cooperation. He singles out two components of cooperation, reciprocity and mutuality, as its most important components. Mutuality is essentially cooperation between all members of a group in order to achieve goals that would normally lie outside the reach of any individual. This accurately defines teams within the contemporary workplace.

In contrast to mutualism, reciprocity describes the cooperation that is typically found between two individuals. Interestingly, Krebs reminded us that reciprocity, like mutualism, is a universal norm, with emotions like gratitude, affection and guilt having evolved to regulate them. Central to cooperation also is the issue of trust (Markse 1996), an issue that is dealt with in more detail in section 2.4.3.5.

Alexander & Ruderman (1987) maintained that the moral ideal requires that all team members act in beneficent ways in order to create the greatest common good, in line with Kohlberg's fifth stage of moral development. Crucially, this means that the interests of the team and the individual must coincide, which provides another indicator for the alignment of personal and business ethics. Linked with successful teamwork, there is often the issue of successful organisations and the factors that make them so. The next section takes a closer look at some of those within the Australian context.

2.4.1.7 Exceptional workplaces

Hull and Read (2003) provided some interesting insight into Australian workplaces that were rated as exceptional. They looked at what constitutes the nature of excellence within

organizations that performed well above the norm, and they identified 15 key parameters. Of the 15, they considered that the main category concerned quality relationships. Within this category, they identified the key dimensions as:

- trust
- respect
- self-worth
- recognition.

Trust was the element that was identified the most in their interviews, but significantly, other issues included those of having a say, autonomy, psychological safety, fairness, ethics, morality and sharing of information.

Significantly, adequate pay was taken as a given, indicating that there was a definite move beyond Maslow's basic safety needs. This was emphasised by the authors in their finding that the employees actively sought to work for companies with a commitment to the broader community and society, thereby giving their work wider meaning whilst indicating a closer association of their personal values with those of their organisations. Their findings are interpreted as significant support for the QWL model as previously shown in Figure 2-10.

2.4.2 Evolutionary economics

Given the close ties between economics and OD as shown in section 2.4.1, a look at organizational economics is possible through the field of OD that influences so much of organizational life, as discussed in that section. Although it can be correctly asserted that OD has at least some concern for the psychological aspects of organizational life, the main emphasis of applied OD over the last few decades has mostly been driven and shaped by economic and technological demands (Gibson, Ivancevich & Donnely 2000). This view is not inconsistent with organizational life in Australia and New Zealand (McShane & Travaglione 2003). Within this view, OD is more concerned with improving organizational efficiency through change, via alterations in organizational design, and organizational behaviour becomes more of a means to an end as opposed to an end in itself.

The English sociologist, Herbert Spencer, first introduced the concept of evolution to American businesses in 1880, where it was enthusiastically accepted by the new wealth creators (Laland & Brown 2002). Spencer was a firm believer in the concept of the now discredited Lamarckian theory of heritable traits but his slogan *Survival of the fittest* was eagerly adopted by US businesses (Laland & Brown). However, more than 100 years on, evolutionary economics today remains firmly on the scene (Hodgson 2002; Dickens 2000) with economists readily making use of analogies between nature and industrial economics in order to promote their ideas. In so doing, economists shamelessly use the organization as the unit of analysis with little moral consideration to *unfit* processes and resources (people) as shown dramatically by the ENRON disaster (Rhode 2006).

Unfortunately, modern evolutionary economics appears to be little better than Lamarckianism, and hence it remains theoretically troublesome. Even though leading economists admit that evolutionary economics is based on analogy only (Laurent 2001), in practice, however, they mistakenly continue to treat it as theoretically substantiated to

support their ideas. In addition, the persistence of Lamarckianism remains puzzling, but for ideology and dogma as discussed in section 2.3.5.3.4, perhaps Rosenberg was correct with his remark:

To some economists, evolutionary theory looks like a tempting cure for what ails their subject....(cited in cited in Hodgson 2002, p. 260).

Or as Frey and Stutzer (2003) suggested, economics may still have huge potential, but it needs to be guided by more theory and less dogma.

As Rubin and Somanathan (1998) pointed out, the correspondence between evolutionary forces and behaviour in the modern organization is striking. However, very little research has been done in this matter and there are implications for improved understanding of transactional costs. They suggested, for instance, that under normal conditions evolution selects for honesty, and therefore organizations with a high level of honesty should be more successful. However, given the unnatural and amoral nature of some organisations, this is not necessarily the case as shown in section 2.4.3.7.6. It can therefore be expected that honesty or integrity should make a real contribution to QWL. Honesty is obviously closely linked with ethics and consequently the next section takes a closer look at business ethics.

2.4.3 Business ethics

Closely coupled to economics is the issue of business ethics and a significant part of the current ethics debate is whether businesses should be held morally accountable for their behaviour. This debate is indicative of the wide gulf that currently exists between business interests and proponents of moral ethics (Sargent 2004).

According to McKenna (1996), in practice, business ethics is, for the most part, held separate from personal ethics. McShane and Travaglione (2003) also indicated that studies revealed up to 76 % of managers reporting significant differences between personal and organizational values, which was consistent with other international findings. Other scholars like Lagan (2000) from KPMG hold the view that workers cannot separate their personal values from the work environment. Given this situation we often find a tension between business and personal ethics. Furthermore, this separation creates psychological stress, because the two are not aligned. Badaracco and Webb (1995) considered some of the difficulties this creates. Lagan was also convinced that finding some way to harmonise personal and workplace values is central to resolving workplace stress.

Stivers (1996) observed that others have shown that within a closed society, only a belief in something absolute can influence issues such as moralism. The law is one such absolute that can influence organizational ethics, and is an important element in what he defined as technical morality. Technical morality is an attempt at replacing traditional morality with laws, rules and regulations. However, Turnbull (2002) reminded us of a basic law of governance which states that complexity in governance requires matching regulatory complexity. If we accept the view that this law is largely inviolate, it begs the question as to whether the approach can work within the law. Prescriptive legislation is probably not sufficient in its own right, but minimal direction through descriptive law may be required to provide the overall framework for other mechanisms, such as internal self-regulation, to operate effectively. Von der Embse (2004) shared this view with Desai (2004), who

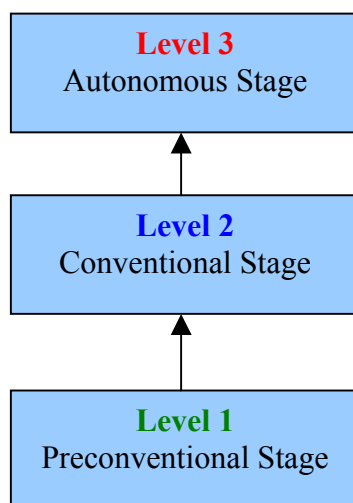
emphasised the fact that self-regulation in the US context has certainly proved to be inadequate. Similar findings were obtained in the UK by Doig and Wilson (1998). Pitelis (2002) is of the view that state intervention is required in the formulation of new rules to change the way business is conducted. There is considerable support for enhancing the law in respect of business ethics and this is dealt with further in section 2.4.3.7.4. The next section however, examines the links between general ethics and economic theory.

2.4.3.1 Ethics and economic theory

Hosmer (1991) suggested that in balancing the competing interests of economic and social performance there are three forms of analysis that help, economic, legal and philosophical. These three forms bear similarities to Carroll's triad of profitability, legality and morality (Carroll 1987). Both authors argued that, for most economists, profits and the law are the main, if not only, criteria under general consideration.

The belief, as the central tenet of modern economic theory, that profit maximisation automatically leads to maximisation of benefit to society, is directly attributable to the works of James McKie (Brookings Institution) and Milton Friedman (University of Chicago) (Hosmer 1991). McKie and Friedman effectively misrepresented Adam Smith's concept of *the invisible hand* by focussing on profitability while ignoring the moral and ethical aspects of Smith's original theory. The widespread acceptance of this approach has resulted in economic hegemony whereby trade organizations fuelled by government policy view profit as their main aim, leaving the larger problem of distributing social benefit to the political process. There is a common belief that acting within the law is all that is required to be considered as acting ethically and by inference, morally (Post 2003). The implication was, that change in corporate ethical behaviour will have to be pre-empted by way of significant changes in the law which in turn depends on political will. The alternative would be wholesale disintegration of the current system, due to its inability to cope with the increasingly dynamic and complex demands of post-modernity. This scenario can also be viewed as evolution vs revolution. Similarly, Otto Neurath presented a perspective that we are like sailors in a boat on the open ocean, unable to put into dry dock, having to reconstruct it while still sailing (cited in Harman 2003; Shearmur 1995).

Many scholars draw parallels between personal and organizational moral development (Greenwood n.d.) and this approach provides for a hierarchical structure with regard to moral development consisting of three basic stages. Kohlberg's model as reflected in Figure 2-11 on the next page (McKenna 1996) forms the basis of this development.

Figure 2-11: Stages of moral development

Source: adapted from McKenna (1999, p. 149).

McKenna commented that most businesses appear to operate at level 2 with a law and order orientation. This means that most organisations tend to rely on external ethical prescriptions, unable or unwilling to autonomously develop their own. This view certainly fits with the current rational economic model that relies heavily on law for its ethical base. Fritzsche (2000), for instance, revealed five main ethical climate constructs:

- caring
- laws and codes
- efficiency
- rules
- independence.

These ethical constructs constitute the empirical reflection of the deeper underlying culture that is explored in section 2.4.1.1. More interestingly though, was the breakdown of respondents against the individual climates as shown in Table 2.4 on the next page where it can be clearly seen that with 58% of organizations the majority of businesses are oriented towards law for their ethical guidance. This contrasts with a low percentage (1.9%) of respondents who identified caring as part of prevailing ethical climate.

Table 2-4: Ethical climate constructs

Climate	Percentage of respondents
Caring	1.9
Laws and Codes	58
Efficiency	2.67
Rules	8.39
Independence	16.8
Company	12.2

Source: adapted from Fritzsche (2000, p. 134).

When it comes to actual measurement, Victor and Cullen's Ethical Climate Questionnaire is the most developed and widely accepted ethical climate instrument (Fritzsche 2000). Victor and Cullen considered ethical climate to be a subset of work climate and developed a matrix to depict the main dimensions of ethical work climate as reflected in Table 2-5 below.

Table 2-5: Ethical climate matrix

Ethical Criteria	Locus of Analysis		
	Individual	Local	Cosmopolitan
Egoism	Self –interest	Company Profit	Efficiency
Benevolence	Friendship	Team Interest	Social Responsibility
Principled	Personal Morality	Rules and Procedures	Laws and Professional Codes

Source: from Fritzsche (2000, p. 126).

The three principled climates of personal morality, rules and procedures and laws and professional codes remained stable across a number of studies. This underlines the fact that the majority of workers subscribe to laws and codes, thus supporting McKenna's view, which is also expressed by Snow and Bloom (1996). They based their observations on the literature at the time that reflected this distinct bias. Snow and Bloom also conducted a small study with MBA students as subjects and the result showed that 75% of them belonged to the technical morality camp; that is, they based their ethical behaviour on rules and law, convention and power. This was in contrast to the remaining 25% who based their ethical behaviour on values, needs and what was deemed to be right. This appeared to support McKenna who stated that very few individuals reach level 3, which consists of the following elements:

- universal ethical principles orientation
- social contract orientation.

Level 3 offers a view of moral development, based upon autonomy as opposed to conformity that is in line with democratic principles of liberty and freedom. The issues surrounding democracy in the workplace are further explored in section 2.4.1.3, however,

having set the general scene with respect to economic theory, we now turn our attention more specifically to business ethics and profits.

2.4.3.2 Business ethics and profits

It should be noted that Adam Smith was not only an economist, but also a moral philosopher of significant stature and he certainly did subscribe to a sound moral base akin to utilitarianism. We find, therefore, that he certainly did not propose that one should do business at the moral expense of greater society, a view most certainly not shared by Hayek (Neville 1997) who was of the opinion that imposing moral social responsibility onto capitalism would destroy it. Henk van Luijk, founder of the European Business Ethics Network, was quite blunt when he stated that the business world is not interested in moral ethics, it is only interested in profit (cited in Zsolnia 2002). A related empirical study on corporate social responsibility by Kinard et al. (2003) confirmed that, profit remains at the top of CEOs' priorities, with societal concerns rating only fifth place.

There is currently scant evidence that moral ethics leads directly to improved profits (Sargent 2004; Mouzelis 2001), in spite of earlier studies that showed some linkage between elements of QWL and improved business performance (Lau & May 1998). It seems ethics has, at best, a neutral effect on profits and, at worst, a negative effect. This point was also alluded to by Barrett (1999). However, regulation or law can force all players to adopt change thereby removing this obstacle (Preuss 1999). Many laws and regulations have in the past contributed in this way, and this approach is often necessary for breaking stalemates, in order to bring about wholesale paradigmatic shifts.

Business being primarily concerned with profit, unless there is a clearly linked profitable outcome, will tend towards rejecting any such ethical imperative. The Ford Pinto case is but one of many examples. Faced with costs of \$47 million to compensate victims as opposed to several hundred million to recall and fix the vehicle, Ford chose not to recall all vehicles, settled via a class-action suit, leaving those excluded from the court settlement in danger of injury without due justice. In Australia there is the current James Hardy asbestos issue, in which James Hardy attempted to avoid legal accountability by shifting their headquarters overseas. According to Post (2003) it would seem that instead of corporations asking:

What would be the right thing to do?

they are instead asking:

What can we legally get away with not doing?

These examples are not surprising as they are in keeping with Stivers' technical morality as detailed in section 2.4.3.8.3. Moreover, in spite of what Stephen Covey (1990) preached, the pie is indeed limited, and typically, when someone wins, it is almost certainly at the expense of someone else which tends to add fuel to the greed cycle. This is the inescapable nature of contemporary business competition whereby fighting for market share is not a harmless expression. These are very much zero sum games with predictable results, as illustrated by Pierce and White (1999), and in the formulation of theory and subsequent policy, these negative issues deserve serious consideration.

Having now explored business ethics as well as organizational culture, it is now possible to look more closely at the interaction between the two.

2.4.3.3 Business ethics and organizational culture

Judging from the literature, many scholars clearly still struggle with the question of what business ethics is, or ought to be. Within this debate there is also much misunderstanding of what roles ethical culture and climate play. Many, like Key (1999), struggled with this concept, and at times appeared to be confused by issues of climate and culture. As previously shown in section 2.4.1.1, McMurray (2003) and Denison (1996) both made the case for treating climate/culture as an integrated concept in order to bring clarity and direction to the discipline.

What was perhaps of more concern is the definition of ethics itself. As stated in section 2.3.2.2 clearly defining both ethics and morality is important and it is suggested that this is where many researchers such as Key have come adrift in their arguments, with consequent failure to move the debate forwards.

Following the excesses of the 1980s and much public outcry, many businesses have adopted a code of conduct that was supposed to guide and improve corporate behaviour. However, too often these codes were ignored (Von der Embse & Desai 2004; Doig & Wilson 1998) and hence have had very little practical impact (Van Sandt 2003; Weaver et al. 1999). A study by KMPG also found that within Australia those firms that did introduce codes of conduct, more than 84 percent did not monitor the operationalisation of the code (Jukes 2005). Moreover, codes of conduct on their own are not enough to ensure ethical behaviour (Tyler 2006; Lagan 2000). Lagan also cautioned that at least in Australia, most company directors consider ethical issues as something that reside outside the company.

Similar to the issue of codes of conduct, there was an interest in social contract theory to bring ethical decision making into the business arena (Dunfee, Smith & Ross 1999). However, this effort also appears to have gained no favour with either the business community or politicians. Many businesses consider the Law as their ethics guide and they adopt the view that as long as an action is not illegal, it can be deemed ethically sound and hence morally acceptable (Lagan 2000; Hosmer 1991).

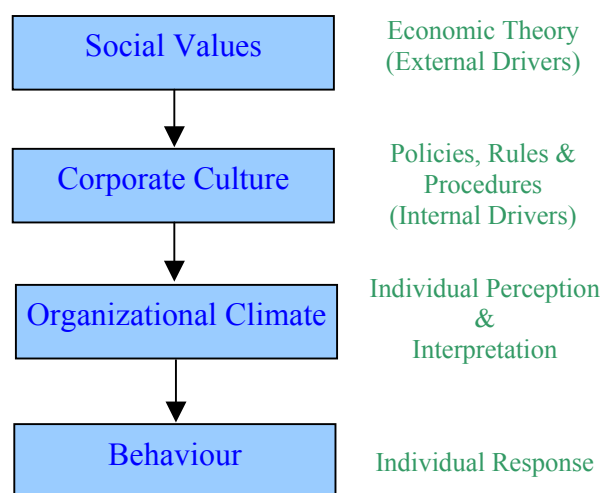
In 1983 the US introduced laws that made it at least not illegal for business managers to consider moral issues that may impact shareholder profits. Interestingly, this substantive change has had virtually no impact on business behaviour (Dunfee 2000), suggesting that voluntary compliance is not sufficient to bring about change. More alarmingly, the last few decades have seen a rollback of government intervention and control in business, due to lobbying for reduced regulation by business interest groups. This would imply that business ethics might well be regressing given its high reliance on laws, the evidence is that it has certainly not advanced since the sudden ethical interest post 1980s (Premeaux 2004; Kinard et al. 2003).

Moreover, The Institute of Business Ethics (Webley 1995) has noted that the small effort put into adoption of codes of conduct thus far, has been mostly in fear of stricter government legislation. This lends support for the idea that legislation can have a positive influence in moving organizations towards moral behaviour. Also, despite much rhetoric,

the majority of business schools in the US still have not embraced the teaching of moral ethics as part of their curricula (Hill 2006). Furthermore, there is evidence that ethics teaching is showing a significant decline since it lost its mandatory status in the early 90s (Kelly 2003). An obvious assumption that one can make is that this is so because there is no real requirement from the customer's point of view, the customer ultimately being corporate America. With places of higher learning adopting a market orientation, they are predictably responding accordingly.

According to Sargent (2004), business ethics is clearly linked to organizational climate, that in turn is driven by organizational culture that has its origin in corporate values (McKenna 1996). Individuals act in ways that are shaped and driven by the organizational culture and consequent climate. The resultant flow of cause and effect is shown in Figure 2-12 below.

Figure 2-12: Business ethics formation and flow



Source: developed for this study.

Behaviour is manifestly a personal or individual action. However, little individual action is devoid of pressure brought to bear through social norms and values. Moreover, attention needs to be directed towards individuals and personal responsibility. Many scholars therefore single out executives as suitable targets and have little doubt that most influence within organizations begins at these higher levels (Kakabadse, Korac-Kakabadse & Kouzmin 2003; Baradacco & Webb 1995; Cohen 1995). There was clear evidence that flow-down will occur as executives actively support those who share their values (Collarelli 2003; Kosgaard, Sapienza & Schweiger 2001). The message is therefore clear that business ethics must begin at the individual level in order to move businesses ethics in a particular direction. This is in fact consistent with the recent legislation enacted within New Zealand and Australia, where senior company officers are being held personally liable for both OHS and W matters (both countries) and more specifically financial matters, as is now the case in New Zealand. Sargent (2004) suggested that there are primarily three issues within the business climate that need to be considered in order to enhance ethics. They are trust, compassion and integrity; these issues are very much part of evolutionary psychology.

Furthermore, Sargent specifically highlighted the problem of justice. Justice will only be seen to be done if organizations follow through with integrity on any existing codes of ethics, that is, transgressions must be dealt with in an open, consistent and fair manner. A similar view was expressed by Doig and Wilson (1998), in terms of internal codes of practice, which they suggested should be developed in a participatory and democratic fashion in order for them to be internalised successfully.

Matters of ethics cannot be viewed in isolation from justice theory and the next section therefore takes a closer look at organizational justice.

2.4.3.4 Justice in the workplace

According to Cropanzano (2001) the field of organizational justice is barely 20 years old and far from settled. Moreover, he pointed out that what is required is some clarification and development of parsimonious theories. Cropanzano (2002) reminded us that organizational justice only started in earnest around 1987 and he defined organizational justice as:

... psychological enquiry that focuses on perceptions of fairness in the workplace (p. 4).

This highlights a clear and established link between justice and fairness. Interestingly, Greenberg and Cropanzano (2001) went to great lengths describing recent advances in organizational justice; however, they may as well have been describing social justice, since very little of their material can be considered as being uniquely applicable solely to the business context.

There are currently two paradigms that dominate justice theory. The first is based on cognitive developmental theory or Kohlberg's model and the second comes out of social psychology and is based on Adams' equity theory (Wendorf, Alexander & Firestone 1999). These reduce to the cognitive or evaluative and affective or emotional components of justice theory as originally developed by MacFarlane and Sweeney during 1992 and later by Pinder in 1998 (cited in Lamertz 2002).

According to Hosmer (1991), a basic problem with contemporary justice is the ethical dilemma due to the conflict that exists between economic and social performance. Hosmer proposed that multiple principles, such as those in Table 2-2, be used to construct our ethical systems. This is similar to the limited ethical pluralism suggested by Levi (1999). Hosmer admitted that it is not easy combining multiple philosophies, but it does work satisfactorily. His view was similar to that of Forsyth (1992) who also admitted to some of the difficulties raised by the application of different moral philosophies. However, more recent support for this view was provided by Batson (2006).

According to Cropanzano (2001), current theory holds that there are three dimensions of workplace justice:

- distributive—outcome-based
- procedural—process-based
- transactional—perceived fairness of treatment.

Notably, there has been a relatively recent movement in the literature, from distributive through to transactional, that appears to be contingent on overall social development leading towards self-actualisation (Maclagan 2003; Wright 2003).

In an economic sense Hayek contended that distributive justice is nonsense (Hayek 1979), and this may well be true from his perspective. But the more recent work performed by Cropanzano and others contradicts Hayek's essentially ideological view. Hayek was also in direct conflict with Adam Smith on this issue (Young 1992). As shown earlier in Section 2.3.6.3.2, Hayek has had a profound influence on economic policy and unfortunately his influence still lingers amongst contemporary economists.

Transactional justice appears to be related to what Wooten and White (1999) call *interactional justice* and it is certainly similar to what Leahy (2002) proposed. Primeaux et al. subscribed to Bies and Moag's (2003) definition of interactional justice as:

.....the quality of interpersonal treatment people receive during the enactment of organizational processes (p. 189).

This definition underscores Bies and Tripp's (1996) warning that interactional injustice is experienced as profound harm to the psyche. Justice is important because it keeps the social system in balance and ensures that benefits of cooperation are shared equitably (Folger and Cropanzano 2001). This transcends procedural and distributive justice by way of fairness theory. Fairness theory suggests integration of procedural and distributive justice that runs counter to the treatment of the two concepts as separate entities (Folger & Cropanzano) but is an approach supported by Wendorf, Alexander and Firestone (1999) as well as Van Den Bos, Lind and Wilke (in Cropanzano 2001), who indicated that the distinction between issues of procedural and distributive justice is mostly ecological rather than fundamental. Fairness theory is a social process that integrates and assists in maintaining a moral society. This is in stark contrast to Rawls' view of what fairness theory should encompass. Rawls deliberately formulated his fairness theory so as to exclude moral principles, which he viewed as too problematic which led him to promoting what is technical morality as per Stivers (1996).

Van den Bos, Linde and Wilke recognised the shortcomings of treating distributive and procedural justice as separate entities and have attempted to unite them by means of what they termed *heuristic fairness theory* (Cropanzano 2001). Their model however, is more easily explained by EP theory and perhaps no separate and special treatment is required. However of note is the link that they established between justice and trust. They have found that justice judgements are made mostly in the event of a lack of trust. Similarly, Fichman showed that fairness and reciprocity is not only linked but also robust across cultures and incentives (Fichman 2003).

A valuable contribution made by Cropanzano was the call for moral discourse (Bies & Tripp 2001) in order to overcome issues such as cultural relativism (Lennick & Kiel 2005). Scholars such as Greenberg (2001) still maintain that justice is not a universal concept and cannot be measured by general means. It appears that Greenberg was confusing social and political justice, two very different subjects, as pointed out by Rawls (2003). Rawls is currently the only contemporary scholar that has made a serious attempt at reconciling social and political justice. It is however, doubtful whether this will be transferred easily to the workplace, as political justice is currently the standard by which business operates

and something they will be reluctant to forego, due to the inevitable increase in transactional costs and its negative impact on the bottom line as discussed previously.

The preceding paragraphs provided an introduction into formative issues with respect to workplace justice. This allows us to take a close look at contemporary problems within this sphere. Although recent, justice in the workplace is not a new idea, and Barrett (1999) discussed only some of the more recent and pertinent issues. He started by reminding us that human resources management (HRM) as a strategic exercise remains largely devoid of moral concerns, according to scholars like TJ Hart (1993). Although Hart's criticism may seem harsh, it appeared that he might not be far off the mark as support for his views were also found in Miller's (1996) work. Both scholars sought to redefine HRM, and Miller in particular voiced concern about the growing gap between people's practical morality compared with that of the workplace. Miller also singled out the casualisation of work as a pertinent example of injustice and placed some value on the concept of fairness, particularly with respect to due process (procedural justice). Barrett seemed to think Miller's ideas will face difficulty due to the problem of defining justice, and argued that justice occupies contested ground, too difficult to pin down pragmatically, and should therefore be abandoned. The argument Barrett made appeared to be somewhat flimsy and it is not at all clear that Miller's ideas are doomed to failure. In this respect, Barrett seemed to be following the line Rawls followed, that caused him to abandon the concept of morality altogether. As Leahy pointed out, Rawls' argument was however also fatally flawed and does not lead to a practical alternative. Barrett also seemed to have trouble accepting the communitarian view favoured by the likes of MacIntyre and Taylor. His main objection was that he saw them as being too metaphysical in their approach, a view he therefore shares with Anthony Giddens. Barrett did admit, though, that there might well be hope, as shown by support from the likes of Townley and Charles Handy. The way therefore seems at least reasonably clear for advancing the communitarian approach.

Barrett (1999) also touched upon more practical obstacles, such as convincing shareholders to sacrifice efficiency for the sake of morality. Here he had a definite point, and remarked that the solution, according to two scholars, Warren and White, is to incorporate the company as a collective citizen. Barrett pointed out that, according to Hutton, this can be accomplished by significant regulatory measures. However, Barrett highlighted the main objection to this approach as the one of escalation, previously dealt with in section 2.4.3.7.4. There are however two possible remedies in this respect which seem to have been missed by Barrett and others. The one is descriptive law, which has already been mentioned. The other is democracy. By having democracy institutionalised within organizations, the need for elaborate rules may well be largely circumvented by effect of the shared values thus created. As briefly mentioned earlier, closely coupled to the issue of justice, is the matter of trust and it is to this important issue that we now turn our attention.

2.4.3.5 The role of trust in the workplace

The levels of general trust within society in the US and the UK suffered to almost identical levels, in that it fell from 56% to 33% between 1960 and 2000 (Layard 2003b; Markse 1996). As Fukuyama (1996) also reported, our smaller communities have greatly suffered in this area and instilling trust in the workplace would be expected to contribute significantly to QWL. Bunker et al. (2004) expressed similar views, in that trust, according to them, is a critical element in improving organizational relationships. Staub (2004) also argued that within a community that actively assists in bringing about the

fulfilment of basic psychological needs, there will be healthy amounts of trust and reciprocity.

McGregor (1967) defined trust as follows:

Trust means ‘I know that you will not-deliberately or accidentally, consciously or unconsciously-take advantage of me.’ It means ‘I can place my situation at the moment, my status and self-esteem in the group, our relationship, my job, my career, even my life in your hands with complete confidence (p. 163).

Almost 30 years after this statement, Fukuyama (1996) provided a somewhat sobering evaluation of low trust in the wider community as well as the workplace. He pointed out that trust remains a vital component in the make-up of social capital. Through high levels of trust, transactional costs are minimised and efficiency maximised. As examples he cited Germany and Japan, which have high levels of trust and where most efficient practices, like Kanban, originated. He warned that in order to move into post-modernity, the rebuilding of trust that has been so severely eroded in most liberal states over the last century is essential. He warned that trust consists of mutual obligation and employers need to keep their end of the bargain and avoid being exploitative in their quest for profits and efficiency. We find therefore a clear link to reciprocity that amounts to the upkeep of the social contract as discussed in 2.4.3.7.3. Similarly, Fichman (2003) reminded us that people do not trust unconditionally as the generation of trust depends on the fulfilment of obligations resulting in a clear link between procedural justice and trust.

As noted earlier, there exists a clear link between trust and justice. In a similar vein, Van Den Bos, Lind and Wilke (2001) indicated that one significant reason people care about justice, is so they can determine whether others are trustworthy or not, in order that they can include or exclude them from intimate social relationships. Trigg (2005) also warned us that trust is the bedrock for democracy. Heriot et al (1997) indicated that trust is an important component of the psychological contract and this is examined more closely in the next section

2.4.3.5.1 The psychological contract

Work by Herriot et al. (1997) has shown a strong link between the concept of psychological contracts and the constructs of equity, fairness, trust and reciprocity. In addition, Cropanzano and Prehar (2001) examined psychological contracts in relation to justice, by delineating the three major components of a contract:

- a promise
- consideration
- acceptance.

An important aspect of psychological contracts is the fact that significant elements are implicit and unformalised. For example, the relationship between hard work (commitment) and job security is almost never included in written work agreements. In principle therefore, psychological contracts are vulnerable to frequent change and exploitation. It is certainly Cropanzano and Prehar’s finding that psychological contracts are in practice very fluid. The relationship between fairness and workplace justice is consequently quite dynamic. Cropanzano and Praher provided several reasons why this dynamism exists, with some being clearly dominant and related to market or economic

pressures. However, they pointed out that for a sense of justice to be perceived, these contracts need to be honoured. Given regular changes due to economic pressures, this is often not the case, leaving workers with a real and valid sense of injustice.

A recent economic change that has had a profound effect in the workplace is that of downsizing or doing more with fewer people. Cropanzano and Prehar reminded us that this has led to a major change in the job security contract. Job security is now not even part of the psychological contract for the majority of workers. Yet there has been nothing to fill the vacuum left by its loss, leaving a clear breach of contract.

This area of justice remains largely unresearched, but Cropanzano and Praher reminded us that the immediate result of breaching the psychological contract has been the reduction in trust. Here in Australia, evidence from a 2500-respondent survey done by Hudson indicated that 63% of workers felt that their employees were not delivering on employment experience as initially promised to them (CCH 2005). A separate survey of managers showed that 80% of managers believed the opposite, which would indicate that there is a perceived and important gap that requires closing. To place these matters into context, the next section takes a brief look at Australian business ethics.

2.4.3.6 Australian business ethics

Grace and Cohen (1998) attempted to provide a comprehensive review of business ethics within an Australian context. They appeared quite sympathetic towards business, and the examples they used were not unbiased in this respect. They appeared to hold the view that individual behaviour within an organizational context should not be held to the same standards as private moral ethics, but that the wider social system is to blame for any organizational problems. Their argument appeared unconvincing and constituted a weak argument for business to opt out of moral responsibility. Similar to those in the US, Australian businesses currently show little interest in embracing morally based ethics.

It is of interest to note that EP provided some credible evidence that blame, shame and punishment are part of our evolved social fabric (de Waal 1999a). The implication is that publicly blaming and punishing individuals is likely to produce a desired result with respect to ethical conformity. Recognition of these principles is already becoming evident within countries like New Zealand, where corporate officers have been legally held personally accountable since 1997. In spite of much doom saying, business in New Zealand has not collapsed as a result of these changes. In fact New Zealand is currently ahead of Australia in the corruption index, which is often viewed as a competitive advantage (Transparency International 2004). In following the US economic model, it is important to ask whether Australia wants to align itself with the US in becoming more corrupt, or align itself instead with Finland and New Zealand in becoming less so. Such legislative steps are a step in the right direction, and consistent with the overall view taken in this study that, in order to move the debate along, the two domains of private and public moral ethics must be reconciled. In spite of a few dissenting views it would appear the majority of scholars are in favour of moving public morals towards a closer alignment with private morals, which is certainly consistent with the humanistic view. In this regard, the next section takes a closer look at some important problems with business ethics.

2.4.3.7 Problems with modern business ethics

While the previous sections explored some of the wider philosophical issues regarding business ethics, the following sections take a closer look at some of their more practical aspects that cover the following:

- lack of moral agency
- the economic imperative
- lack of regulatory balance
- the role of legislation
- control and power issues
- psychopathic behaviour
- lack of training
- confusing language.

2.4.3.7.1 *Lack of moral agency*

Mudrack (2003) asked, somewhat incredulously, why a broad and undeniable construct such as morality should have no applicable role in business. Surprisingly, there is currently still much debate as to whether businesses can or should be viewed as moral agents. It is, however, important to ascribe responsibility in the corporate sense, otherwise corporations are let off the hook (Soares 2003; Moore 1999). Some scholars are adamant that individuals are ultimately responsible for what transpires (Gibson 2000). Gibson reminded us that, as Solzhenitsyn stated, agency is important and we cannot hide something bigger, such as a state or a limited corporation. For example, Glover showed that it can lead to fragmentation of responsibility such as what occurred with the dropping of the nuclear bomb and similar instances where moral responsibility for the killing of innocent civilians was avoided (Glover 2001).

Moore provided a reasonable review of proponents and opponents of corporate moral agency. The arguments against appear to be more about philosophical semantics than any pragmatic reason, and Moore reminded us that the law already accepts a limited concept of corporate moral agency in some countries. Moore continued to advise of empirical evidence that the concept was generally acceptable to front-line managers in UK organizations. However, even though, in the US, courts have ruled, as far back as 1880, that a corporation be construed as a person, this has not carried through into the moral arena (Ackhoff 1994), nor into the courtroom, judging by the paucity of relevant prosecutions. Dingley (1997) also reminded us that the discussion of morality has been steadily avoided in management literature, due to difficulty of addressing political/moral issues.

Wilmot (2001) and Bies and Tripp (2001) also suggested that punishment has a valid role, and propose that punishment ought to be structured to restore moral balance. Although Wilmot proceeded no further, Bies and Tripp went on to propose that there was sufficient evidence that revenge has its own moral imperative and it might be time to incorporate this into our models of workplace justice. One aspect of revenge is that of deterring free-riders and Stivers claimed this is essential to sustain reciprocal altruism (Fichman 2003). Another aspect is that of restorative justice, which is a weak form of revenge. Interestingly, restorative justice is an old concept and still practised by some Pacific communities. There has recently been some experimentation in this regard in Australia, but the concept has yet

to find wider acceptance. However, recent support for restorative justice is provided by Tangey and Stuewig (2004). Monetary fines which are mostly trivial in corporate economic terms are clearly not effective, whereas, as the softer side of revenge, restorative justice may well be worth deeper consideration if we are serious about enhancing moral balance by adopting the stakeholder approach.

2.4.3.7.2 *The economic imperative*

The major problem with current business ethics is its continuing domination by the economic imperative (Premeaux 2004; Wishloff 2003). The perceived high economic cost of moral ethics has ensured that within the current system, business will continue to place moral behaviour low on its priority list so long as society or the law allows it. Despite much rhetoric to the contrary, Premeaux's study showed that between 1993 and 2003, business has not changed its ethical behaviour in any significant way. Interestingly, Premeaux suggested that effort should be made to encourage business to adopt justice or rights theories.

2.4.3.7.3 *Lack of regulatory balance*

There can be no doubt that business and politics are not entirely separate entities. For instance, business exerts much influence on the body politic not to enact legislation that will impose limits or additional cost burdens on business activities, and it would appear that, for now, businesses are succeeding in their quest for minimal regulation (Rhode 2006).

Post-modernism lacks the evolutionary checks and balances that operated well within the prehistorical environment (Lawrence 2004). To cope with this new environment new checks and balances are required. Legislation may not be the only solution, but it certainly is an obvious one that can be brought to bear should the political will be forthcoming. In adopting this approach some caution is required as Baumgartner (in Stivers 1996) warned:

Economic and political relationships are largely impersonal and distant and threaten to overwhelm and diminish the few remaining moral relationships in civil society (p. 10).

Part of the antidote needs to be a reminder that, as EP shows, moral traits are grounded in our evolutionary past and therefore any rules aimed at improving moral behaviour need to take this into consideration. Lawrence (2004) also cautioned against excessive rule-making that imposes too much on individual freedom. This can be achieved through broad prescriptive law and a healthier balance struck between a free market and regulation. Part of this balance must also involve democracy in the form proposed by Giddens' (1991) dialogic democracy.

2.4.3.7.4 *The role of legislation*

With respect to regulation, support from an unusual quarter was found in Adam Smith's works and in particular his *Theory of Moral Sentiments*. As Alvey (1998) showed, Smith was very much aware of the shortcomings of the free market, and in addition to his concept of the market's invisible hand, he also proposed the visible hand of the human

lawmaker to guard against the market's shortcomings. This view was also put forward by Harvard professor Wilson (Wilson 1997).

Although legally companies have all the privileges and advantages of an individual, they do not have the same accountabilities (Behrman 1988). The ethical system currently used by business remains that of the law and the problem with this is that it results in a morally impoverished system. This view is supported by the findings of Fritzsche's study that found 58 % of respondents ascribe to a law and order ethical climate (Fritzsche 2000) with a mere 19% relying on moral guidelines. A frequent argument against expanding the legislation in this regard is that it would soon result in a legal nightmare given the practice of strict interpretation by the courts of law. However, as the *duty of care* terminology deployed in Australian OHS & W legislation demonstrates, it certainly is possible to be more general within legislation and technical precision should not be held up as a barrier towards enabling legislation.

Ironically, in spite of Hayek's ideological approach to economics as highlighted in section 2.3.6.3.2, he also supported a move towards general rules and fewer explicit directives (Robson 2003). The problem seems to be more a problem of politics than of law. Being more general allows a course of minimalism to be followed in terms of regulation generation, and would also ensure legislation does not quickly become irrelevant or require frequent updating, resulting in an ever increasing spiral of measure and countermeasure as was feared by Kay (Barrett 1999). Another related suggestion is to be found in the anarchist's school of thought (Arrigo 2003). Briefly, anarchistic arguments have interesting parallels to post-modern suggestions relating to fast and constant change. The call is to move away from calcifying rules and regulations by minimising them and relying more on solutions provided by the immediate community.

Yet another suggestion comes from Barry (1989) who reminded us that there is a more immediate solution possible that already has a foot in the door. This is the area of Common Law where disputes are settled by reference to Common Law rules, that exist independently of parliamentary will, and embody, contrary to positivism, non-articulated moral principles. This approach is similar to De Jasay's philosophy of spontaneous rule evolution (Kasper 2004). Such an approach may well result in more intellectual effort for those in the position of upholding the law, but this should be accepted as a legitimate cost of social development, and not simply viewed as an extra cost burden and therefore a sufficient reason for not adopting such an approach.

Dunfee (2000) raised an interesting issue in examining the role of morality in markets. He recognised that the law prescribes profit maximisation as the main goal of a corporation, but reminded us that evidence from surveys showed that managers consistently indicated that they instead preferred a stakeholder approach. In other words, managers at least appear to believe that profit should not be the main priority of corporations. Given activities by entities such as the Australian Business Council (BCA 2005), one can rightly assume that the current legal situation is largely at the behest of company owners, a view supported by Kelly and Oliver (2003). The result is that company owners and company employees hold somewhat different views in this regard that translates into a clash of values.

Some Australian scholars (Sarre & Doig 2000) hold little hope for legislation playing an important role in encouraging business ethics. However, others appear to be much more

positive that enabling legislation is required to move business ethics along (Pitelis 2002; Zsolnia 2002; Turnbull 1999; Buchanan & Callus 1993). On a more fundamental level, however, Justice Michael Kirby warned that the legal profession is itself in deep trouble due to the economic model having been thrust upon it, resulting in what he called a deep malaise (Kirby 1998). Nevertheless, even though one cannot completely rely on legislation for morality, it can and does shape norms that can enhance or encourage moral behaviour (Fukuyama 2000). Even those scholars such as Humber (2002) who in principle do not believe in corporate moral agency, agree that appropriate legislation should be developed to encourage firms to act in more morally responsible ways. This view is supported by Fritzsche's study, as well as Bourne and Snead (1999) who showed that external influence has a profound effect on values and ethical culture. Given that the majority of employees subscribe to law and order ethical decision-making, it would seem that legislation does in fact have the best potential for influencing moral behaviour and as Trigg (2005) also argued, *law educates*.

Finally, it needs to be acknowledged that a significant stumbling block is the fact that business successfully exerts much influence on the body politic. Given the lack of moral responsibility contained within current business law, one can perhaps argue that the problem is more of a political nature than one of law or economics, a view also supported by Preuss (1999).

2.4.3.7.5 *Control and power*

Another issue with business ethics is the perceived problem relating to loss of control. As Flanders warned, organizations are strong on control in order to maintain efficiency (cited in Buchanan & Callus 1993). They generally believe that should they cede control, by deferring to democracy and individual moral ethics, they stand to lose considerable control and, by implication, efficiency. This point was strengthened by MacIntyre (Leahy 2002) when he suggested that public debate is no longer about morality, but more about a struggle for power, as power is about the ability to control. This was supported by an Australian study that found CEO's are afraid of losing power should corporate social responsibility be implemented (Birch & Littlewood 2004). In practice, careful control is often promoted as essential for the maintenance of corporate economic health, and this is likely to be a major barrier to moving business ethics closer to personal moral ethics. One possible route to a solution is a move towards democratic decision-making within the workplace aided by the introduction of some enabling legislation. However, as Gratton (2004) warned, most companies are now led by ageing baby boomers for whom tenets of democracy do not come easily.

2.4.3.7.6 *Psychopaths at the helm*

The exploration of psychopathy has a long history going back to the early 1800s, starting with Pinel's groundbreaking work in 1809 (Herpertz & Sass 2000). Herpertz and Sass also reminded us that the issue of legal responsibility with respect to psychopathic behaviour has been ongoing for over 150 years and there is no resolution in sight. However, there are at least clear lines already drawn in most societies as far as serious mental illnesses are concerned. In contrast, the less serious conditions, where psychopaths are able to lead superficially normal lives, find them, however, generally not subject to specific or restrictive legal sanction. Lennick and Kiel (2005) also warned that otherwise normal

people often exhibit high intelligence, are able to operate morally on the abstract level, but are somehow unable to translate abstract morality into practical morality.

Lennick and Kiel further suggested that US business leaders, are for the most part, thinking and doing types, but not feeling types. In support, research by Robert Hare and Paul Babiak (Hare et al. 2000) of the psychology department, University of British Columbia, suggested that there might be a preponderance of individuals at the helm of successful organizations who can be classified as psychopaths. This psychological issue is something that appears to have been inadequately explored.

It is known that under conditions of deprivation or scarcity and threat or insecurity, despotic and charismatic leadership often thrives (Nicholson 1998; Burns 1978). Similarly, Robert Jackall (cited in Stivers 1996) studied corporate managers and found morality equal to that found in the most dangerous and disorganised city slums. In particular, he found an important element was the distinct avoidance and lack of personal responsibility. Stivers warned that this leads to a situation whereby social bonds are weakened to the point of moral and emotional anarchy.

Anecdotal evidence in Australia indicates a problem exists here as well (O'Malley 2005). In an interview with O'Malley, Dr Brokenshaw indicated that, based on several thousand interviews he had performed over the years, roughly 10% of Australian managers exhibit clear psychopathic behaviour, a figure that is by no means trivial. Similarly, criminologist John Clarke warned that workplace psychopaths are often socially adept at manipulation and therefore corporations value them as they are willing to attain success at all costs (cited in Baden 2005), a notion supported by recent research that shows a strong link between financial success and lack of emotional functioning (Shiv, et al. 2005). Moreover, Clarke pointed out that although they may make up a small proportion of society, the effect of their behaviour is disproportional and large, given their positions of power and spheres of influence.

An interesting solution to this issue might be psychometric testing and licensing of executive officers and board members in business. In Germany, where ethics are more highly researched and respected (Preuss 1999), strict qualification requirements already exist for managers. Perhaps this model needs wider consideration throughout the western capitalist world. In support, Rhode (2006) and Carroll (1987) both suggested that moral competency be viewed as an essential management skill, which further supports the notion of training and testing. Lagan (2000) also asked why it is that we do not allow unqualified engineers in charge of powerstations or unqualified pilots in command of passenger jets, yet we appear quite comfortable in placing unqualified managers in charge of people's psychological worklives. Additional support for testing practices was also found in a study that looked at the Myers Briggs Type Indicator as a predictor for managerial effectiveness (Gardner & Matrisko 1996). Their study showed a preponderance of TJ types in management and speculated that such over-representation could lead to poor human resource management.

In addition, Hare et al. (2000) have developed the psychopathy check-list (PCL) that is a 20-item measure to determine psychopathy levels that can be used to directly measure psychopathic tendencies. This instrument is considered the gold standard for measuring psychopathy (Tangey & Stuewig 2004). In particular, the PCL factor-1 test includes measuring affective shallowness, superficial charm, absence of remorse or empathy

(Herpertz & Sass 2000) that is eminently suitable for this purpose. Such testing becomes crucial should the advice of Sarre and Doig be followed, whereby ethical behaviour is to be achieved, not through regulation alone, but through sheer dependence on management, i.e. personal morality and character (Sarre & Doig 2000).

2.4.3.7.7 Lack of training

In support of training, Lennick and Kiel (2005) argued that training and development is at the centre of moral leadership. Ambrose and Schminke also indicated that ethical training has a significant effect towards encouraging positive behaviour (cited in Cropanzano 2001; Stark 1993). It is also worthwhile to recall that, as Karl Popper often argued, it is not that man is wicked, but that he is largely ignorant (Shearmur 1995). As an antidote for such ignorance, Gibson (2000) suggests that hands-on simulation and training become essential for enhancing morality amongst all employees.

In more general terms, training has not been a priority for Australian companies (Cooney 2002), with training budgets declining in spite of the Training Reform Agenda of the social accord. Also, as Cooney pointed out, business has historically been only interested in task-based training that enhances efficiency. Even in the face of an implicit contract, business failed to deliver when it was deemed detrimental to their bottom line. By failing to support the Training Guarantee in 1994, businesses signalled their reluctance to support training, and subsequent withdrawal from already low levels of training, amply demonstrated the reluctance of businesses to contribute to society in areas that have little or no immediate advantage for the company. According to Cooney, industry reduced training effort by 50% following the abandonment of the Training Guarantee. Training, it would seem, will have to be mandated in order to have any real impact. In this regard, the issue of legislation was explored in section 2.4.3.7.4.

2.4.3.7.8 Confusing language

As previously mentioned, language is another obstacle within the debate regarding ethics. Semantic confusion is nothing new, and as history amply demonstrates, much public debate has been troubled by such lack of clarity. In addition, according to Barrett (1999), the ethics debate has largely been among scholars who tend to use terminology that is alien to business managers. The result has been a lack of balance in viewpoints due to a paucity of interaction with those at the coalface. Similarly, Key (1999) has found language issues with Trevino et al.'s Ethical Culture Questionnaire (ECQ). For instance, response problems surfaced due to questions regarding codes of ethics, as many companies do not have such codes, and Key subsequently modified the questions in an attempt to eliminate this problem. It would seem, given Key's and others' problems with defining and distinguishing between ethics and moral ethics, the issue might largely still lie within the domain of language and semantics. It would therefore be essential to frame further debate and research in such a way that these distinctions are clearly taken into account, which will allow more accurate responses from those canvassed on the matter.

Although there are objections to teaching business ethics (McDonald & Donleavy 1995), others argue that the situation can be improved by sponsored training in moral philosophy that will, through a standardised lexicon, ensure common understanding (Stark 1993) and hence reduce misunderstanding.

2.4.3.8 Other significant moral views

The final four sections explore four other important points of view that also collectively impact on how ethics is treated in the modern business arena.

2.4.3.8.1 *Economic policy*

Some of the most influential ideas from the field of economics were those promoted by Milton Friedman. His ideas were significant in that he proposed that business ethics and personal ethics do not mix, and this American model still operates in Australia today (Grace and Cohen 1998). Similarly, the views of management expert, Peter Drucker have also not helped. Drucker also proposed that business ethics have no role to play in organizations (Swartz 2002), a view that is in direct contrast with that of Adam Smith (Young 1992). Interestingly, Drucker in his 1954 book *The practice of management* he also attacked the ideas of the human relations movement (Hoopes 2003). Unfortunately, the American business view tends to dominate western worldviews and this explains why we have not seen much in the way of business ethics development within the West.

A fresh look at business ethics was provided by Juholin (2004) who reminded us that, contrary to general belief, corporate social responsibility has its origins in Northern Europe and draws on a rich, centuries-old history. Judging from Juholin's observations, we clearly need to take a closer look at the Scandinavian models. This view was supported by the British economist, Richard Layard who suggested that we should look at making happiness, not profits, the goal of economic policy (Layard 2003).

2.4.3.8.2 *Business as a game*

Business as a game appears to have its genesis in the writing of Milton Friedman in 1970 (Kelly and Oliver 2003), with further support in 1986 provided by Rappaport (Achoff 1994). In contrast, Peter Heckman (1992) refuted the view that business is a game and therefore not subject to moralistic judgement, as put forward by Ladd and Carr. However, their views did not reflect accurately the way business currently operates and is therefore less valuable in providing insight into actual practice. Briefly, Ladd's argument was that business be kept free from moral scrutiny, because it is analogous to a game. In games there are rules by which the players must abide. In a sense, Ladd's view is correct in that as long as business plays by the rules as set out by society, they are acting ethically and perhaps even morally. However, Ladd's argument went further in proposing that organizations are akin to machines and the people operating within the organization are merely instrumental in its operation. Therefore, according to Ladd, the idea of moral agency of any form is therefore not applicable. Heckman argued that Ladd's view was incorrect on various grounds. It is also useful to consider what Ladd and Carr left unsaid. In particular, what are the rules of the game? And even more pertinently, where are these rules supposed to come from? Ladd was surprisingly silent on these particulars, which weakened his argument considerably. Perhaps then, all Ladd showed is that business regulation is currently inadequate and it needs addressing. Other scholars such as Behrman (1988) also refuted the *business is a game* argument and currently there appears to be no theoretical support for the concept.

2.4.3.8.3 *Technological complexity*

Stivers (1996) provided a stark future alternative as far as modern ethics are concerned. Stivers' view was that American morality is the future of all modern morality. What was

disturbing about this view is that it proffered the abandonment of traditional morals by replacing it with technological morality. He was of the view that technology is the only answer to the control and manipulation of humans that is required for a successful existence into the future. Stivers appeared therefore to share some common ground with Rawls and Giddens who both attempted to eliminate morality from their concepts of justice. Others like Glover (2001) recognised that technology is here to stay and we have to deal with its consequences. However, contrary to Stivers he suggested we turn to psychology to help develop our future morality. Glover through a historical examination of 20th century morality, also suggested that evolution has shaped our psychology and therefore deserves closer attention.

2.4.3.8.4 The need for business ethics

Clearly, from a sociological point of view, there is a need to ask why business ethics should be considered important. Some scholars believe that the primary need for business ethics is for organizations to become more humanistic in their approach (Rushton 2002; Zsolnia 2002; Stark 1993). From an economic point of view, Lennick and Kiel (2005) suggested that the most costly mistakes are often moral, not operational. For example, they point out that greed is at the centre of the majority of ethical lapses such as ENRON.

Another important reason cited by some is the protection of our environment against overexploitation. In particular, Ackoff (1994) makes this point quite clear in his treatment of current and future stakeholders. Durkheim (Hendry 2001) also argued that a social function could not exist without social ethics. Durkheim's argument appeared to be of fundamental importance and one that was largely ignored by the likes of Friedman and Drucker. No doubt other reasons can be found, but these three overarching reasons are sufficient in order to justify significant effort towards improving the situation.

2.4.3.9 Business ethics summary

Within contemporary society we are mostly economic creatures held captive by a system that is largely economically determined. However, individuals are not exclusively economically driven, and their lives tend to be a rich and varied mix of social interactions not experienced or characterised by the narrow confines of business economics. Our evolutionary past clearly remains with us, and instinctive impulses such as justice are still fundamental to our very existence. The evidence suggests that in order to reduce personal stress, organizations should eliminate elements that violate basic human instincts. They should therefore aim to become more humanistic by aligning themselves with personal value systems that will in turn lead to increased levels of self-actualisation. By incorporating personal moral ethics into their business models, organizations would clearly be moving in this direction. With the many unique problems a turbulent modernity is posing, this seems to be an obvious direction in which business ought to evolve, given a sufficient desire to move away from the still dominant but outdated mechanistic model. Aligning business and personal ethics is also consistent with contemporary thought in moving away from foundational moral and philosophical approaches (Harman 2003).

John Hendry (2001) provided a useful overview of business ethics in the context of sociology and made some important points:

- commercial interests dominate contemporary society
- economic growth has become an end in itself – i.e. it no longer serves society
- compassion, loyalty and care is at odds with the economic imperative
- economic life has been actively suppressing morality
- morality is now indistinguishable from self-interest
- morality is of social concern and not just an individual phenomena
- exclusive self-interest is destructive of society
- morals are not static and they do evolve.

Hendry suggested research was required that asks whether public and private moral ethics that are at odds with each other can actually co-exist. Importantly he pointed to two mechanisms that make co-existence possible. One was that selected people or groups are treated as non-people. The other was cognitive dissonance as explained in section 2.3.1.4. Both these mechanisms however, are negative responses to the underlying psychological problem that tends to indicate they need to be eliminated in order to move towards a more positive humanistic workplace environment.

The issue of morality and ethics in business remains, however, deeply problematical, given the dominant neo-classical economic framework and as the ACCIRT cautions, unless change is undertaken, we will see serious deterioration in quality of worklife. As Bowie and Dunfee (2002) reminded us, morality may well sometimes find expression in the marketplace, but it is largely by exception only, through means such as public protest, and activities such as those used by groups such as Greenpeace. There is no clear incentive for business to adopt moral codes unless it is conducive to improving profit margins, given the lawfully prescribed duty to improve shareholder wealth. Rather disappointingly, the last word on business ethics should perhaps be left to KPMG's Doug Jukes (2005) when he referred to Australian CEO attitudes:

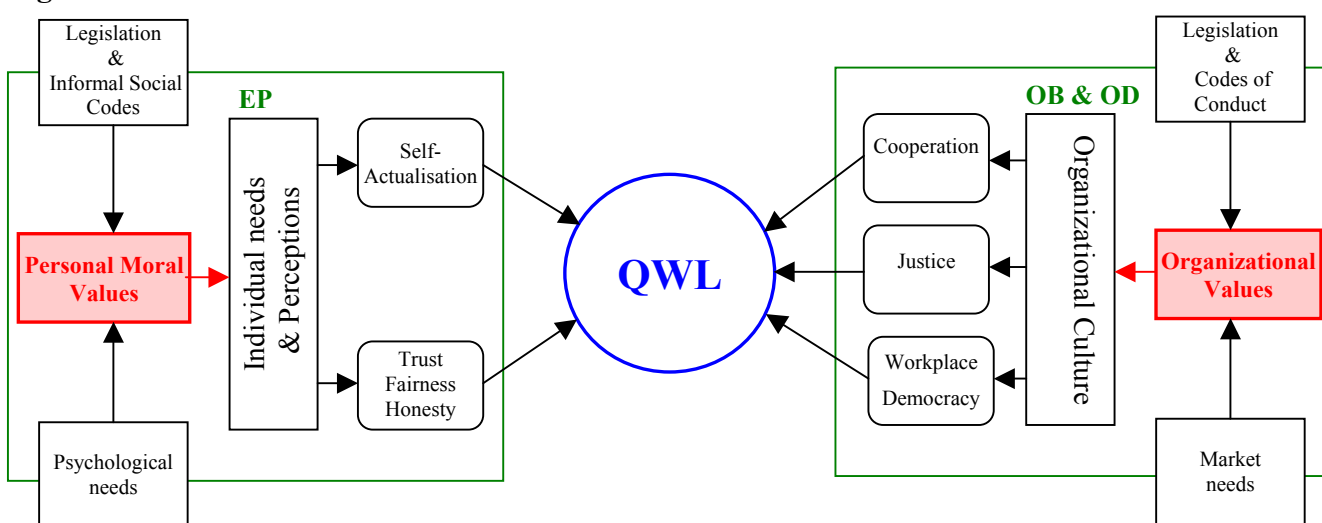
For the moment, day to day ethical accountability remains in the too-hard basket (p. 13).

2.5 Theoretical framework

2.5.1 Framework development

The uniqueness of this study has meant that a model depicting the theoretical framework had to be specifically developed. The resultant model is shown in Figure 2-13 below. The model is by no means comprehensive or exhaustive, but it does adequately reflect the study's main theme in a comprehensible and uncluttered fashion. That theme being that congruent values are central to high QWL levels. No doubt a more complex model can be developed, but this will likely be at the expense of clarity and therefore be counterproductive. However, for added complexity and explanatory power, an affiliated model regarding behaviour was presented in Figure 2-4, which, together with the main model, makes for a fairly comprehensive theoretical representation.

Figure 2-13: Theoretical framework model



Source: developed for this study.

With regard to Figure 2-13, the symmetry between the two sides is apparent, and reflected in the literature as well as being representative of the theoretical position taken within this study. The dialectical and somewhat oppositional situation inherent in SCT is immediately obvious and represented by the two main areas, the individual (EP) on the left and the organization (OB & OD) on the right. Central to the argument is the clash between differing values held by rational economic theory and social justice theory (Edwards 2002). As we have seen, economic theory is not value-free as most economists mistakenly propose, a view also shared by Edwards. As far back as 1980, Hofstede warned that culture by definition concerns values (Fagenson-Eland, Encher and Burke 2004) and business culture is no exception, in spite of what the likes of Friedman and Drucker might have thought. Similarly, Payne (2002) argued that values form the basis of any strong culture.

From the positions of differing values flow many issues, and the area where the two meet and interact within the organizational context is represented by the central position that is occupied by QWL in general, and business ethics in particular. In a profound sense this currently remains contested ground and therefore very much the focus of this study.

2.5.2 Framework summary

From the literature it became apparent that Maslow's model captures the basics of human needs very well, and more significantly, it seemed to have withstood the test of time, evident also by its continued popularity. The differences between Maslow's model and most other similar concepts, appeared to be slight improvements at best, that often turned out to be more of academic interest than of practical importance. This would suggest that rather than spending effort on debating minor issues relating to Maslow's theory, it is more fruitful to accept his basic premise and direct effort towards explaining the various elements in the light of new information and frameworks such as EP, to provide extended insight which might usefully lead to new practical approaches and theoretical understanding linked with the workplace.

In addition, there is now also recognition by scholars that modernity has brought with it many challenges for society that are not solvable through traditional Taylorite managerialism. The progress towards a new paradigm has unfortunately been agonisingly slow, and many issues, like moral ethics, remain largely at the debating stage, having not moved forward in terms of practical application.

Moving beyond mere job satisfaction also requires a rethink of how we assess matters of workplace importance. The findings from this study suggested supplementing facet-based measures such as Sirgy et al's (2001) needs-based QWL model by a more global QWL measure that includes more specific measures of moral ethics, and promised to be a worthwhile approach in an attempt to move the debate towards a broader theoretical application. The proposed extension developed from this study, was based on the recognition brought about by EP insight that there are innate universal psychological needs that must be specifically addressed for the advancement of psychological wellbeing to be made possible. In addition, it also acknowledged that modernity is forcing us to revisit the way we order our social lives, particularly with respect to the issue of moral ethics within the workplace. The literature encourages us therefore to develop models that incorporate an emphasis based on ethics needs-satisfaction that should also address implementation issues inherent within the context of post-modern organizations.

Finally, having now covered the theoretical framework, the next section shows the resultant research question posed by this study. The concomitant research proposal and its accompanying hypotheses are then also stated.

2.6 Research proposition and hypotheses

According to Whetten (1989) the essential ingredients of a value-added theoretical contribution require six explicit questions: Who?, What?, Where?, When?, How? and Why? The most significant of which, according to him, is Why? This study concentrates on three of these questions, Why?, How? and What? with the remaining questions mainly determining applicable delimitations.

What? (textural), prompts an investigation of which factors are considered part of the social and individual phenomena, which in this study are quality of worklife and its associated elements. How? (structural), deals with uncovering the relationships that exist between these factors in the essential, invariant (or essence) that is characteristic of phenomenology (Cresswell 1998). Finally, Why? looks at the underlying psychological, economic and social dynamics.

EP theory deals with both *ultimate* and *proximate* questions and the research question that is being addressed in this study is:

Why is ethics, morality and justice important to quality of worklife ?

This question is indicative of a gap that exists between actual and desired ideal states, which is crucial to any research question (Cavana 2001) and led to the following research proposition and hypotheses:

RP1: Ethics involves morality and justice that are innate human traits thus requiring an alignment between business ethics and personal ethics in order to promote and achieve healthy levels of QWL.

H1: Trust in the workplace is positively correlated to QWL.

H2: Democracy in the workplace is positively correlated to QWL.

H3: Cooperation in the workplace is positively correlated to QWL.

H4: Justice in the workplace is positively correlated to QWL.

H5: Self-actualisation is positively correlated to QWL.

2.7 Summary

This chapter has explored the web of complex issues as they relate to ethics and quality of worklife. An attempt was made to provide a comprehensive understanding of the various elements that link these important constructs, and this was achieved by means of the power of critique inherent in social critical theory together with the explanatory power of evolutionary psychology theory.

It was argued that narrowing the gap between business and personal ethics will enable organizations to move QWL beyond the current job satisfaction plateau, where the concept has been languishing for the past few decades. The fundamental advance will be mainly due to an enhanced focus on worker self-actualisation. Moreover, due to a major infusion of morality, it will encourage the formation of a healthier overall business community. The market economy has increasingly been placed under the microscope and found wanting since the downfall of communism. In particular, it has been found that social justice and ethics have been the missing ingredients for moving business beyond the rational economic model of neo-liberal capitalism.

Support has been shown to exist for Braithwaite's view that business creates important social islands of community (Cohen 1995) and, given its pervasiveness, forms an important moral arena within contemporary society that should not be maintained as a moral wasteland, as market economists have been accused of doing for the last century.

EP has shown us that human communities have existed for hundreds of thousands of years and are part of our evolved nature. In order to cultivate healthy communities it is essential to consider the innate roots of social justice when it comes to building the ethical systems that guide our more modern communities such as corporations.

Having examined these evolutionary roots, it was then shown that it is essential to re-introduce many of the underlying concepts into our business communities, in so doing

strengthening communal bonds while at the same time improving their alignment with our evolutionary past, leading to healthier psychological environments. The result, it was argued, would be the creation of business environments that are more humane, thereby leading to higher levels of human needs fulfilment and thus an enhanced QWL.

The next chapter will explain the paradigmatic and methodological approaches taken in gathering sufficient data to examine the validity of the hypotheses developed in this chapter.

3 Methodology

3.1 Overview

Chapter two provided a critical analysis of the central role that moral ethics play in quality of worklife (QWL). The various relationships between its constructs and individual elements were established as well as the links to the research hypotheses.

This chapter takes the next step in providing a rationale behind the research approach taken and the attendant methodology. It also provides details of the various methods that were employed to obtain data to test the hypotheses developed in chapter two.

Section 3.2 is an introduction to the main paradigms found in business research while Section 3.3 provides justification for the paradigms chosen for this particular study. Section 3.4 details the research steps and procedures followed, with particular emphasis on the development and administration of the survey questionnaire. Section 3.5 addresses the ethical issues involved in the study and the chapter is concluded with a brief summary in Section 3.6.

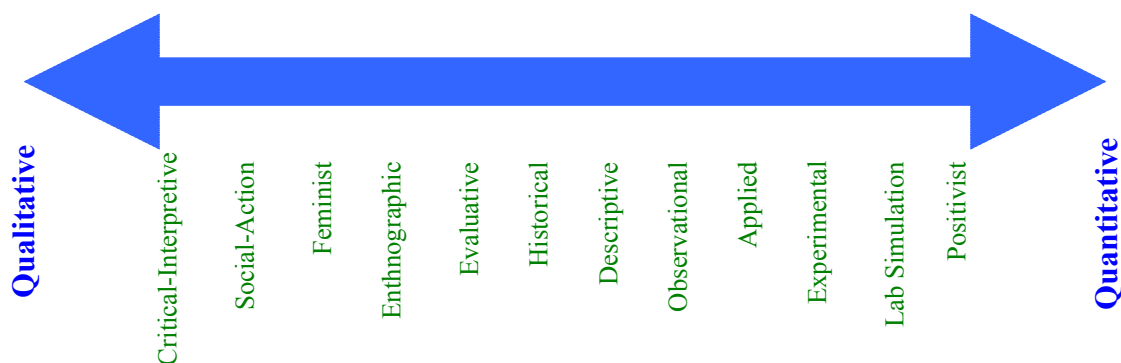
3.2 Introduction

It is often stated that there are different kinds of research, depending on various dimensions such as those put forward by Ticehurst and Veal (2000), whose three dimensions of context, theme and methodology can be usefully applied to areas such as business research. The emphasis in business research is clearly one based mainly on praxis; it is therefore reasonable to expect approaches adopted within the business domain to be different from those, for example, in the purely academic domain. The differences might be quite fundamental or somewhat subtle, but nevertheless they lead to important differences in the respective approaches taken to address the particular research issues. The importance of adopting a suitable research approach is vital, as far as the contemporary manager is concerned, for ensuring comprehensive, valid and practical outcomes. Nevertheless, in any research, care must be taken to ensure that the approach followed is so structured as to provide a solid link between concepts and data (Punch 1998).

Broadly speaking there are two main types of research paradigms (Easterby et al. 1991), namely:

- positivist or scientific
- non-positivist or phenomenological.

There are many other variations in between that form a continuum from one extreme to the other (Ticehurst & Veal 2000). Figure 3-1 on the next page depicts this continuum.

Figure 3-1: Research approaches and methodologies

Source: Ticehurst & Veal (2000, p. 19).

There are various methods within each research domain but they broadly fall within two categories:

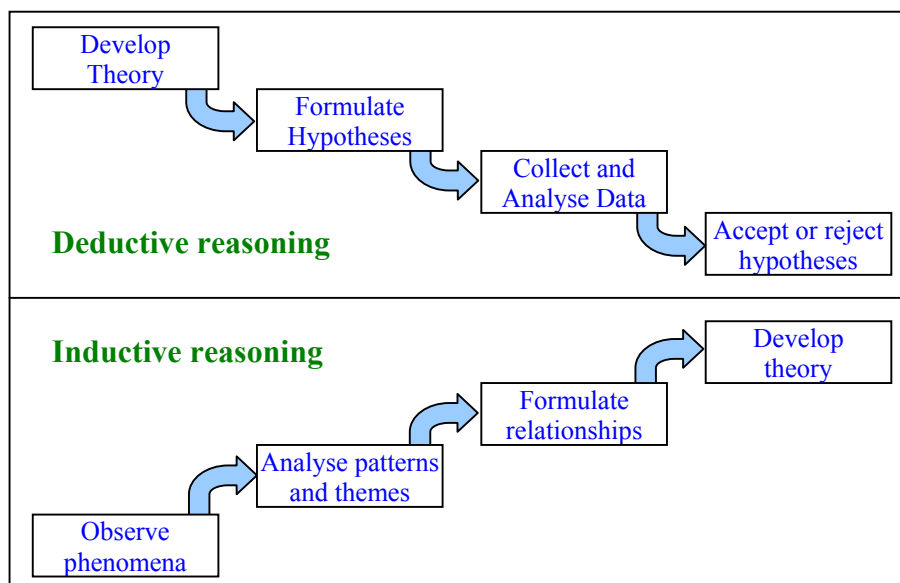
- quantitative, which is generally numerical
- qualitative, which is mostly non-numerical.

According to Cavana (2001), quantitative designs are generally associated with deductive or positivist research and qualitative design with inductive or non-positivist research. However, some overlap is becoming more common and acceptable (Page & Meyer 2000). Figure 3-2 on the next page provides a graphical representation of the research processes in the two domains.

Quantitative research is the classic scientific and experimental approach, which deals extensively with numbers in an objective fashion. It strives to identify universal laws of nature in order that theories thus developed can be used to accurately explain and predict special phenomena.

Qualitative research, on the other hand, views humans as complex and unpredictable. That is, they are less stable than the physical world. Central to the idea of qualitative research is the development of a deep understanding of human behaviour to reveal people's values, interpretive schemes and belief systems (Cavana et al 2001).

Figure 3-2: Deductive and inductive reasoning in business research

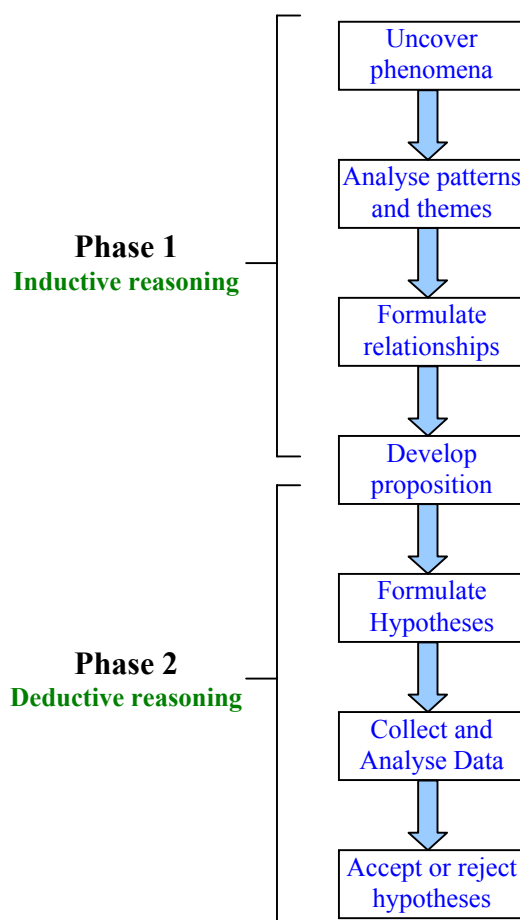


Source: Cavana et al. (2001, p. 36).

Cavana et al. suggested that a combination of quantitative and qualitative research often creates synergy and leads to new insights. This is increasingly becoming an acceptable approach in business research. This mixed approach is similar to the interweaving model of critical ethnographic research, as put forward by Wainwright (1997).

Following the Cavana model, this study combines the two approaches in which the literature research followed an inductive approach using social critical theory (SCT). Cavana et al. reminded us that literature research is in fact often secondary data, and with the SCT approach, this was very much the case.

The second phase of the study followed a typical quantitative approach that led directly from the formulation of theory and hypotheses in the first phase. The end result was in fact a serialisation of the inductive and deductive processes from Figure 3.2 and is represented in Figure 3.3 on the next page.

Figure 3-3: Model of this study's dual approach

Source: developed for this study.

Business research tends to be pragmatic, not always concerned with paradigmatic purity (Thomas 2003), and according to Thomas, this leads to the selection of paradigms by managers that are rooted in function, rather than in any particular school of thought such as radical humanism. However, managers may well increase their understanding, and therefore effectiveness, by drawing on some elements of a humanist kind to produce research that is more robust in terms of theory and methodology. However, one can still expect business research to cross many of the boundaries put forward by Ticehurst and Veal (2000). This *interbreeding* of approaches and paradigms is confirmed as an acceptable trend by some academic scholars (Lincoln & Guba 2000). Moreover, this boundary crossing has the added advantage of being a form of triangulation (Scandura & Williams 2000) that increases validity, a view also supported by Jick (cited in Trim & Lee 2004). Table 3.1 on the next page provides a broad outline of alternative research paradigms.

Table 3-1: Three major business research paradigms

	Positivism	Interpretivist	Critical
<i>Assumptions</i>	Objective world which can measure and mirror with privileged knowledge	Intersubjective world which science can represent with concepts: social construction of reality	Material world of structured contradictions and/or exploitation which can be objectively known only by removing tacit ideological biases
<i>Aim</i>	To discover universal laws that can be used to predict human behaviour	To uncover socially constructed meaning of reality as understood by an individual or group	To uncover surface illusions so that people will be empowered to change their world
<i>Stance of researcher</i>	Stands aloof and apart from research subjects so that decisions can be made objectively	Becomes fully involved with research subjects to achieve a full understanding of subject's world	Involved with research subjects so that surface illusions can be identified, but urges subjects to change their world
<i>Values</i>	Value free; their influence is denied	Values included and made explicit	Values included and made explicit
<i>Types of reasoning</i>	Deductive	Inductive	Deductive and Inductive
<i>Research Plan</i>	Rigorous, linear and rigid, based on research hypotheses	Flexible and follows the information provided by the research subjects	The imperative for change guides the actions of the researcher
<i>Research methods and types of analysis</i>	Experiments, questionnaires, secondary data analysis; quantitatively coded; documents statistical analysis	Ethnography; participant observation; interviews; focus groups; conversational analysis; case studies	Field research; historical analysis; dialogic analysis
<i>Goodness or quality of criteria</i>	Conventional benchmarks of rigour; internal and external validity; reliability and objectivity	Trustworthiness and authenticity	Historical situatedness; erosion of ignorance and misapprehensions; action stimulus.

Source: Cavana et al. (2001, p. 10).

The research paradigm chosen for this study is a hybrid, in that although it draws predominantly on critical theory, it also draws significantly from the relatively new evolutionary psychology paradigm. It is commonly accepted that social critical theory (SCT) does not subscribe to any particular methodology, and it is not uncommon for SCT research to use mixed methodologies. As already noted, the mixing of methodologies is also viewed by some as a form of triangulation and therefore a strength (Trim & Lee 2004). This is in stark contrast to the view sometimes taken by positivist scholars who argue that mixing methodologies is problematic. However, according to Lincoln and Guba (2000) the mixing of SCT and EP paradigms should present few methodological problems,

as they are axiomatically related with a strong resonance in their general approach. From a methodological and philosophical point of view, this then made for an acceptable hybrid.

The following sections will outline the rationale behind the choice of research paradigm and methodology.

3.3 Justification for the chosen paradigm and methodology

3.3.1 Research paradigms

The following sections provide an overview of the relevant paradigms shown in Table 3.1, with particular emphasis on this study's two dominant paradigms, which were social critical theory and evolutionary psychology.

It should be noted again that the approach chosen for this study was mixed, resulting in the use of both quantitative and qualitative methodologies, as encouraged by Denison (1996). As shown in chapter two, this study dealt extensively with issues of organizational culture and climate. The field of psychology has traditionally relied heavily on quantitative methods. In particular climate research has been examined in this way whereas culture research has mostly relied on qualitative methods in the anthropological tradition. Nevertheless, Denison (1996) in an extensive review of the climate and culture literature formed the view that a mixed research approach is best suited to serve the needs of practising managers.

3.3.1.1 Positivist paradigms

Positivist paradigms dominate quantitative approaches and are traditionally used within the natural sciences. They strive to deliver theories well tested within a controlled environment, leading to ease of replication and generalisation. They posit that the social world exists externally, and is measurable through objective means. The following are key attributes of the positivist approach (Easterby-Smith, Thorpe and Lowe 1991):

- independence
- value free
- causality
- deductive
- reductionist
- generalisable.

Positivist paradigms are, however, not without their problems and these include:

- low control of internal (behavioural) variables
- low control of external factors, because organizations are open systems
- difficulty in finding suitable organizations to examine
- having to deal with potentially huge amounts of data.

Until a few decades ago, ethical issues were not a major concern in psychological research. However, since World War II, there has been a rapid increase in ethical requirements regarding human research, to the point where many experimental studies of the past such as the Milgram experiments (Zimbardo 2006) are unlikely to be replicated. Given the

potential ethical problems associated with this paradigm, it was considered unsuitable for use in its pure form for this study. However, psychology has traditionally embraced positivist methods, and the QWL instrument developed in this study is typical of measures utilised within the field of psychology. Although it adopted a significantly qualitative approach for its development, it drew on the positivist tradition of psychological research, using quantitative methods typical of research into organizational climate (Denison 1996) for its implementation. The part of the research study that obtained empirical data was essentially a climate study, used a quantitative survey questionnaire, and was analysed using standard statistical techniques.

3.3.1.2 Postpositivism

Postpositivism appeared soon after World War II, partly in response to ethical concerns within certain element of the research community and is a modified form of positivism. In essence, it maintains that humans cannot perfectly understand reality, but, with rigorous data collection and analysis, they can at least approach an understanding of reality.

Typically, within this paradigm, no generalisations are drawn nor applications put forward (Schultze 2003). Following this paradigm closely can, therefore, be immobilising (Voronov & Coleman 2003) and this made the postpositivism paradigm unsuitable for this study, since one of its main aims is to advance the debate towards emancipatory action, which is central to critical theory.

3.3.1.3 Constructivism

Similar to postpositivism, this paradigm spans a wide range of approaches. It states that there are multiple socially constructed realities that tend to produce multiple divergent perspectives. Importantly, this paradigm holds that there are no enduring context-free truths and that all human behaviour is bound by time and context. The implication is that there is no strong emphasis on generalisation (Denison 1996). Moreover, this paradigm leads to moral relativism, a concept that has largely been discredited, as pointed out in chapter two. Furthermore, as Wainwright (1997) warned, given the value-free nature of this paradigm, it often leads to a validation of the dominant ideology. Like the postpositivism paradigm, these particular limitations made this paradigm unsuitable for this study.

3.3.1.4 Social critical theory

Social critical theory has a history that is linked strongly with Marx, Weber, Durkheim, Parsons and Mead. However, Habermas is considered pivotal in the contemporary development of social critical theory as an acceptable mode of social inquiry (Alvesson & Deetz 2000). Many scholars followed on from Habermas' original work and even though some, like Giddens, criticised his theory in promoting their own ideas, their work remains complementary to the ideas of Habermas (Browne 2001). It would seem therefore that Habermas' philosophical approach still stands, to a large degree.

According to How (2003) critical theory goes beyond mere criticism and relates strongly to a particular element of the human condition. He asserted that critical theory critiques from inside the social system by means of a process often referred to as indwelling. As such, it follows a dialectical approach, by highlighting various forces set in opposition. In this study, this is made visible by the dialectical framing of organizational values set

against personal values as depicted largely in Figure 2-13 and to a lesser extent in Figure 2-9 that depicts the competing values framework developed by Cameron and Quinn (1999). This leads us to examining the situation as related to the human condition, which, as How suggests, is essential to legitimate social critical theory.

It is generally accepted that capitalism and industrialism are for the most part inseparable. Importantly, Jordy Rochelau (2003) reminded us that technological advances mostly serve economic purposes and frequently carry pathological side effects, as far as the wider society is concerned. Arisaka and Feenburg (cited in Rochelau 2003) argued this needs to be countered through the development of community values by distinctly democratic means, as opposed to technocratic demands and processes. In this way, Feenburg hoped that the problem of identifying a sufficiently obvious overarching value all through an industry is at least partially resolved. Accordingly, this approach was similar to Habermas' discourse ethic; we find that values lie at the core of organizational culture and hence they set the tone for issues such as workplace justice. Therefore, developing a unitary value framework should result in significant improvement in workplace justice. The implication is that the path to a shared and unitary value system becomes possible by using democratic processes.

Through SCT, Habermas, Arisaka and Feenburg rejected market freedom as a basic human right, and this opened the door to constraining free market ills through shared community values. Overall, critical theory remains consistent in its endorsement of democracy, ethics and morals (Rochelau 2003; Alvesson & Deetz 2000), which enables it to help researchers understand how capitalism and technocracy avoid healthy debate on the ethical issues surrounding economically driven activities. Alvesson and Deetz reminded us that in the organizational world, two modes of critical theory are typically found, ideology critique and communication action. They also showed that there are four themes found within ideology critique:

- the naturalisation of social order
- the universalisation of managerial interests
- the domination of instrumental, and eclipse of alternative reasoning
- hegemony, or the way consent becomes orchestrated.

The last two are of particular significance to this study. Alvesson and Deetz pointed out the fact that instrumental reasoning dominates and lays claim to rationality, to the point where other forms of reasoning are made to appear irrational. Moreover, instrumental treatments of human aspects of organizations, such as job satisfaction and culture, have been redefined to serve as means to managerial ends in enhancing industrial efficiency, as opposed to ends in themselves for satisfying human needs. This view was supported by Lehr and Rice (2002), who warned that increasing codification and application of knowledge is a re-invigorated form of Taylorism, meant to exploit creativity and alternative views for its own purposes.

As discussed in chapter two, corporate hegemony is mainly economic, and is supported by the inculcation of values and visions that serve mostly the interests of managers and shareholders. Alvesson and Deetz emphasised that this leads to a value gap between those who hold power and those who are dominated. This results in two different and mostly opposing value systems, as found in the organizational setting and depicted in Figure 2-13.

Given the centrality of these two issues to this study, ideology critique was therefore considered a vehicle suitable for explication of the research question.

Lastly, traditional organizational research tends to take the managerial point of view, whereas critical theory takes the employees' point of view (Voronov & Coleman 2003). Critical theory has a remarkable propensity for examining the interplay between the personal, social, economic and cultural facets of life, an ability that is absent from more traditional positivist research (How 2003). This paradigm appeared therefore to be well suited to this research study and was complemented by combining it with evolutionary psychology theory that is detailed in the next section.

3.3.1.5 Evolutionary psychology

As a research paradigm, evolutionary psychology (EP) is relatively new to the research scene. David Buss (1995) introduced EP as a new paradigm for the psychological sciences under the rubric of a meta-theory, namely, general evolutionary theory. The validity of general evolutionary theory is no longer in dispute, as was discussed in chapter two.

As briefly alluded to in section 3.3.1.1, psychological research occupies an interesting space in the research arena, as it uses mostly empirical methods to investigate what are clearly human, that is, social phenomena. These include methods such as experimentation, questionnaires, analysis of public documents, generation of statistics, observations and others, with the methods typically tailored to suit the hypotheses being tested (Buss 1995). This demonstrated that mixing methods is not anathema to the psychological sciences, and that quantitative measures are often used to validate hypotheses that are of a qualitative nature; this was the approach adopted in this study.

One of the many controversial phenomena that EP has illuminated is that of culture. Buss reminded us that psychological mechanisms are often species-typical and underlie many cultural variations. In other words, the environment (culture) might appear to point to differences amongst groups, but the underlying mechanisms are in fact the same throughout. One therefore needs to look at the underlying mechanisms that give rise to a certain culture that in turn are shaped by different values, that constitute the particular environment. In this way, EP shows us that social phenomena, such as justice, are in fact universal, whereas the superficial manifestations or expressions of justice are shaped by the particular environment (culture), because of the different values or beliefs held by important and influential actors. This is an important distinction to make, as many culture researchers fall into the trap of cultural relativism, believing that such phenomena are not universal, an error based on their observations of many and varied cultural manifestations or valences as Feather (1995) proposed. This alternative view was also supported by other culture researchers, such as Denison (1996).

The EP paradigm therefore provided a valuable framework for more correctly understanding and dealing with domain-specific issues. In particular, corporate culture, while highlighting the core universalities such as trust, reciprocity and fairness that lie at its roots. In addition, EP also provides rich explanations in terms of personal psychology. For instance, it explains why there are individual differences in spite of similar environments. EP shows that these differences can be quite extreme, and can for example result in psychopathic behaviour, given the confluence of certain environmental factors

and individuals with a particular psychological orientation; an example being the case of people with psychopathic tendencies, a topic that was briefly explored in section 2.4.3.7.6.

It is clear, therefore, that the EP paradigm provides the researcher with a valuable framework for exploring the issue of business ethics, with its many socio-cultural facets. Perhaps Caporael (2001) summed it up best when she stated:

Evolutionary Psychology by necessity is an interdisciplinary hybrid science informed by a postmodern reflexivity; that is, a keen awareness of the ongoing interchanges between science and society (p. 608).

The synergies between SCT and EP theory provided a powerful theoretical approach for exploring the socio-economic issues relating to ethics and workplace justice. This was particularly applicable to the literature research phase of this study. With both of these paradigms being in the phenomenological camp, the form of the literature review took on more of a narrative or historical form, as proposed by Cresswell (1998).

3.3.2 Methodology

Gibbons et al. (cited in Kelemen & Bansal 2002) divided business research into two distinct camps, Mode 1 and Mode 2, where Mode 1 is aimed at theory construction and testing to validate theory across space and time. Mode 2 is aimed at gaining insights into particular contexts with a view to change. Mode 1 tends to be elitist, while Mode 2 tends to be pluralist, as it tries to accommodate the wider interests within a particular social setting. This research study clearly falls into the Mode 2 category, obtaining its input from several knowledge sites. Furthermore, Keleman and Bandal argued that Mode 2 research, as such, is not bound by discipline or paradigm and produces its own theoretical structure and mode of practice. They also pointed out that, as a result, reflexivity is an important ingredient of Mode 2 research. In summary, they highlighted the potential of Mode 2 research to speak to both academics and practitioners, an approach in line with the views of Denison (1996) and consistent with one of the aims of this study.

Alvesson and Deetz (2001) referred to their critical theory approach as a reflexive methodology, saying that it was interpretive, language sensitive, identity conscious, historical and textually aware. Critical theory was intended at its inception to be of a radical nature, but has increasingly lost this edge (Farrands & Worth 2005; Wainwright 1997). More importantly, Farrands and Worth drew attention to the fact that much of what is currently termed critical theory also fails to define the conditions for emancipation, the theory's ultimate aim. Perhaps one reason for this failure is the fact that, given the massive interdependent economic networks that have developed during recent decades, there is now a near impossibility of any revolutionary thought and behaviour on the economic front that could lead to significant emancipation on a massive scale. Because of the globalisation of economic networks, upsetting the status quo has become not only unthinkable, but perhaps also impossible, due to the potential impact it would have on millions of lives in the event of radical economic disruption.

Given this situation, maintaining paradigmatic purity in the original sense of critical theory was therefore problematic. If SCT's ultimate goal of emancipation was to be achieved, then, given the sheer scale and influence of economic hegemony, it had to be recognised that it had a higher likelihood of happening through slow evolutionary change than through

rapid revolutionary change. This view was also held by Edwards (2002), who looked at the likelihood of change in Australian economic thinking; however, in looking at organizational change, Burgelman concluded that peripheral change can indeed lead to significant transformation (cited in White, Marin, Brazeal & Friedman 1997). This would force contemporary researchers to consider SCT in a slightly different light, by embracing more realistic and practical means of emancipation. Such an approach can, for instance, be seen in the relatively new field of critical management studies (CMS), a management field comprised of critical theory and postmodernism (Voronov & Coleman 2003).

In this study, a similar approach was constructed, by instead incorporating a psychological approach by way of the EP paradigm. This remained in line with the basic premise of critical theory: human enlightenment and emancipation by means of knowledge that is multidimensional (Ogbor 2001). The suggested change in emphasis brought about by the inclusion of EP theory, was therefore not at all damaging, and indeed highly complementary, to the SCT paradigm.

Furthermore, in moving even closer to the requirement for pragmatism, the use was conceived of QWL as a Trojan horse. It is common within organizations to quantify relevant phenomena as a normal part of business. Given any subsequent change it is then easy to determine, through repeated measurements, what impact, if any, has in fact been achieved. Such being the case, job satisfaction and QWL measurements are not alien concepts in organizations and they already enjoy a sense of legitimacy. The door was therefore open for introduction of the Trojan horse.

Additionally, as Lehr and Rice (2002) pointed out, those things that are being measured will be attended to, whereas those things not being measured tend to be ignored and may enjoy, at best, rhetorical attention. Moreover, they argued that feedback from surveys might be used to stimulate double-loop learning, which is an added advantage both to the organization and to the individual workers. This view first originated from Lewin's work in action research, and is supported by the later work of Snow and Bloom (1996).

By including ethicality in the measurement of QWL, not only does measurement of workplace justice become explicit, but participants are also made aware of ethical issues, albeit only slightly, since the explanatory level of a survey questionnaire is admittedly relatively low. Although this is often the nature of Trojan horses, hopefully a small evolutionary step will have thus been taken along the road to eventual emancipation.

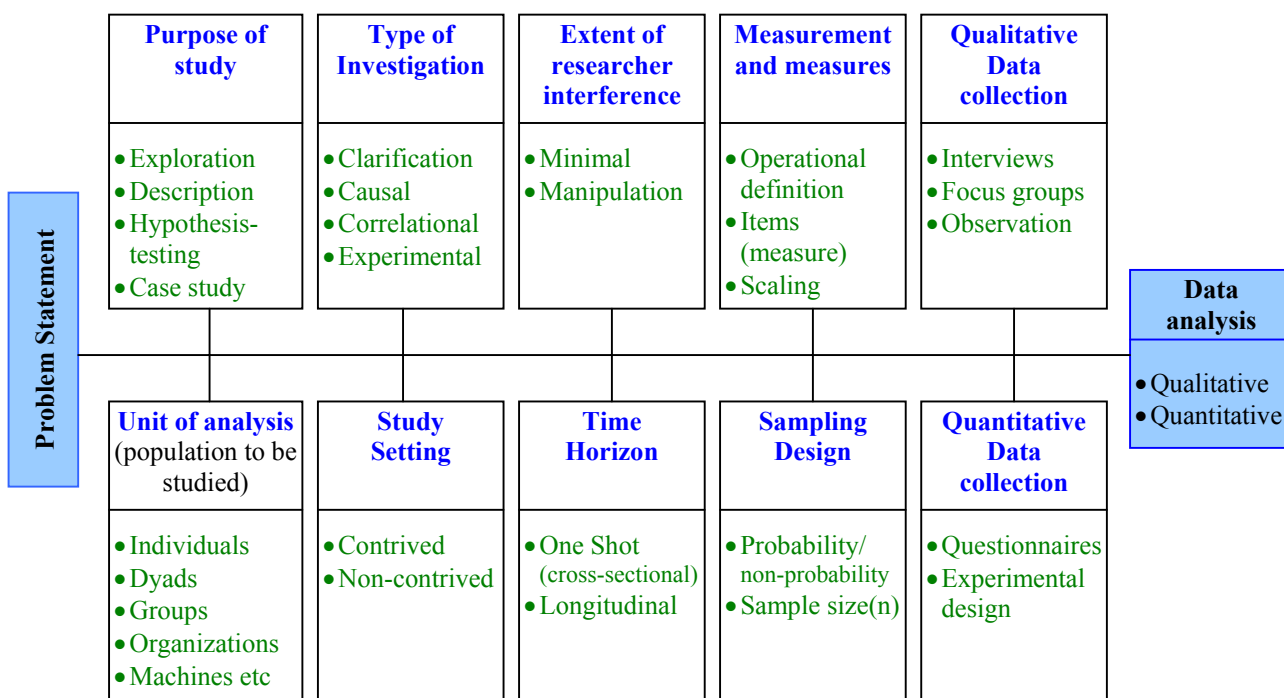
The overall methodology, therefore, consisted mainly of immanent critique as found in SCT and EP, with EP not only providing additional explanatory power, but also a bridge to the more positivistic world, from where emancipation ultimately has to proceed. Organizational climate has traditionally been conducted in a positivistic (quantitative) fashion and organizational culture in an interpretive (qualitative) way (Denison 1996). Importantly, Denison argued that climate and culture are two reciprocal concepts and in fact two sides of the same coin. This further legitimised the use of a quantitative method, which in this case was the QWL measure. Moreover, Hardy (cited in Voronov and Coleman 2003) stated that hybrid approaches such as CMS often lead to novel insights into previously researched phenomena. It is believed that this study, in following the CMS lead, achieved new insight by combining SCT and EP methodologies.

3.4 Research steps and procedures

3.4.1 Research design

Cavana, Delahaye and Sekaran (2001) provided a useful model of the research design process, depicted in Figure 3-4 below.

Figure 3-4: The research design



Source: Cavana et al. (2001, p. 107).

Following this model, we come to the first phase of the study, which used SCT, and of which the three main tasks, according to Alvesson and Deetz (2000), are:

- investigate the local forms of the phenomena
- critique the phenomena
- provide a transformative redefinition.

This approach was complemented by EP; according to Crawford (Crawford & Krebbs 1998), EP deals with ultimate explanations, that is, the *Why?* behind social phenomena. This then constituted the qualitative element of the study and covered the first two tasks listed above. Investigation of the issues surrounding ethics and workplace justice was achieved through an extensive literature review and simultaneous critique.

In accordance with the concepts in Figure 3-4 above, phase one had the characteristics shown in Table 3.2 on the next page.

Table 3-2: Study phase one characteristics

Purpose of study	Description
Type of investigation	Clarification
Measurement and measures	Operational definition
Data collection	Secondary data from literature review
Unit of analysis	Organization
Study setting	Non-contrived
Time horizon	Historical
Sampling design	Non-probability, purposive, judgement sampling.
Data analysis	Immanent critique through narrative

Source: developed for this study.

The second phase of the study, constituting the quantitative phase, covered the third and last task of SCT as mentioned above, and was characterised as per Table 3-3 below.

Table 3-3: Study phase two characteristics

Purpose of study	Hypothesis testing
Type of investigation	Correlational
Extent of worker interference	Minimal
Measurement and measures	Items measured using QWL instrument
Data collection	Questionnaire
Unit of analysis	Individual
Study setting	Non-contrived
Time horizon	One shot (cross-sectional)
Sampling design	Non-probability, purposive, snowball sampling

Source: developed for this study.

3.4.2 Investigation and critique

Investigation of the phenomena and immanent critique of issues uncovered were achieved simultaneously by means of the comprehensive literature search.

3.4.3 Transformation

Quality of worklife was redefined using EP, and incorporated into praxis by means of the newly developed QWL questionnaire. The survey was based on insights gained from EP theory and reflects the relevant elements from the theoretical framework. In order to maximise exposure and response, the survey was both anonymous and based on an internet web page. Organizations such as The Australian New Zealand Institute of Management, Australian Council of Trade Unions, Australian Human Resources Institute and The

Australian Business Council were approached for assistance in promoting and spreading awareness of the survey.

Use of the questionnaire provided data in support of the main model, and resulted in an initial benchmark for an Australian QWL. Thus, a validated QWL questionnaire was developed for continued use in the Australian context, with the view of starting a national index of QWL, similar to that of the AQoL index regularly conducted by Deakin University (Cummings 2002). The literature review revealed that a previous attempt at a national QWL index was made by Considine and Callus (2002). Their index was loosely based on the work of Davis and Cherns (1975) and consisted of a telephone survey soliciting opinions on 14 items. See Appendix C for more detail on the specific questions. Unfortunately, there appears to be major methodological shortcomings with their approach, which challenges its validity. However, it does exhibit face validity and therefore provides some useful insight. Usefulness of any index, however, depends on how much it is used. Promoting the QWL index as a valid and scientifically based instrument will bolster its chances of being more widely accepted and therefore used.

3.4.4 Developing the QWL measure

Ethnographic techniques are typically found in qualitative research studies. However, in this study, it was not deemed necessary, due to the extensive literature review that provided ample supportive evidence and historical or secondary data for construct validity.

In addition, the desire to create a national QWL index by means of a survey required the collection of data across the full spectrum of employees in Australia, a task that is unsuited to ethnographic techniques, given the large population base. As Buckingham and Saunders (2004) also explained, questionnaire surveys are the most useful instruments for obtaining generalisable data about a large population. Moreover, gaining access to sites (actors) can be very difficult, given the goal of the study, which was to produce critique and promote fundamental change (Blyler 1998). Managers are typically reluctant to allow time-consuming access to workers, especially given the awareness that the study will not only take away some time from work, but is intended to critically examine the organizational culture with a view to change, unless they are able to perceive direct personal advantage from the exercise (Easterby-Smith, Thorpe & Lowe 1991).

As a result, an anonymous survey assessing five QWL dimensions was developed for the study. The development of the survey instrument is described in the following sections.

3.4.4.1 Developing the questionnaire

Many guidelines on questionnaires exist like those of Buckingham and Saunders (2004) that provide simple but effective assistance in deploying questionnaires. Building on their advice, this study adopted the following steps:

- 1) List the hypotheses (or key themes).
- 2) Identify the key concepts or constructs.
- 3) Identify the variables.
- 4) Distinguish independent, dependant and mediating variables.
- 5) Examine and consider existing questionnaires.
- 6) Decide on the measurement scale.

- 7) Consider reliability and validity criteria.
- 8) Develop or adapt questions that link hypotheses to theory.
- 9) Decide on the deployment method.
- 10) Design appropriate layout and sequencing.
- 11) Pre-test the questionnaire.
- 12) Finalise by incorporating the feedback from the pre-test.

The theoretical model and hypotheses outlined in section 2.5 resulted in the following constructs:

- trust
- democracy
- cooperation
- justice
- self-actualisation.

Following on from the constructs, is the issue of indicator variables. Multi-variate analysis is sensitive to the number of indicators per construct (Hair et al 2006; Kline 2003). There no hard and fast rules with respect to the ideal number of indicators per variable and many scholars suggest a minimum of two with three as the preferred number. Some research has been performed in an attempt to establish more specific guidelines and a notable study in this regard is that of Marsh, Hau, Balla & Grayson (1998). In summary, the study determined that in spite some earlier misgivings by researchers, in general, more is better. However, for practical reasons there are often natural limits on the number of indicators that can be accommodated. Marsh et al's study's results indicate that the number of indicators should be between four and twelve. More specifically, it also revealed that sample size and the number of required indicators tend to be inversely related. Furthermore, Marsh et al showed convincingly through Monte Carlo analysis that with the number of indicators between six and twelve, that sample sizes as small as 50 can be confidently analysed. Given the aforementioned, this study therefore aimed for four to six indicators per manifest variable.

The next step was to consider existing instruments, and an overview and assessment of instruments in use to measure job satisfaction and QWL was sought. The International Journal of Manpower provided a comprehensive abstract on organizational instruments; however, its sample was somewhat dated. A more recent survey was provided by Van Saane et al. (2003) who scrutinised instruments for validity. In total, they found 35 relevant studies and examined 29 instruments in detail, of which only seven passed reasonable criteria for reliability and validity. Of these seven, only two were global measures, Job in General (JIG) and the Andrews and Withey job satisfaction measures. The Andrews and Withey instrument was also independently validated against the JDI and the MSQ by Rentsch and Steel (1992). The Job Satisfaction Survey (JSS) was the only multi-dimensional instrument, with the rest developed for very specific occupations and therefore not useful for general application.

These instruments are all American-based, but, as Stedham et al. (2002) confirmed, Australia firmly belongs to the Anglo cluster as developed by Hofstede (1994) and validity of these instruments within Australia should therefore hold.

Firstly, through adaptation of existing instruments, it was considered possible to introduce ethicality into Sirgy et al.'s QWL questionnaire, by means of the independence and caring dimension from Victor and Cullen's ECQ instrument (1988). Appendix C contains details of Victor and Cullen's questionnaire.

Secondly, initial consideration was given to expanding the QWL instrument by means of more specifically developed ethical questions, in order to link more tightly to the research hypotheses. However, after careful consideration, it was decided that a completely new instrument should be developed, linked more tightly to EP theory and the hypotheses, without directly borrowing major sections of existing instruments, such as Sirgy's and Leiden's. They were seen to have weaker theoretical bonds and are also somewhat lengthy. Given the underlying basis of Maslow's needs theory within almost all such instruments, certain similarities can be noted by comparing the individual items. Developing a new instrument also seemed more sensible, after considering the issues raised in the Van Saane study that revealed the lack of theoretically derived and validated global measures for QWL.

Having identified the five dimensions that represent QWL, and made the decision to develop a new questionnaire, it became possible to develop suitable questions to probe the various dimensions. Questions were developed, with the assistance of expert consultation to ensure face validity, as well as looking at existing job satisfaction questionnaires in the extant literature. In order to minimise bias, questions were made as neutral as possible. Appendix G lists the complete questionnaire. However, Table 3-4 below shows the overall scheme in a more condensed fashion. The overall questionnaire consists of 32 questions, which made for an instrument of reasonable length.

Table 3-4: Survey instrument scheme

Dependant Variable (Latent Variable)	Construct (Dependant Variable)	Independent Variables (Indicator)	Reference	ID	
QWL	Trust	Overall Trust (OT)	Fukuyama (1996)	Q2	
		Co-worker Trust (CT)	Bunker et al (2004)	Q3	
		Management Trust (MT)	McGregor (1967)	Q4	
		Co-worker Honesty (CH)	Van den Bos et al (2001)	Q5	
		Management Honesty (MH)	Fichman (2003)	Q6	
		Moral Freedom (MF)	Trigg (2005)	Q7	
		Business Ethics (BE)	Heriot et al (1997)	Q8	
		Overall Democracy (OD)	Gratton (2004)	Q9	
	Democracy	Say (Sy)	O'Connor (2000)	Q10	
		Influence (Inf)	O'Connor (2000)	Q11	
		Decision Freedom (DF)	Achoff (1994)	Q12	
		Control (Ctl)	O'Connor (2000)	Q13	
		Stress (St)	Hummel (1994)	Q14	
		Cooperation	Reciprocity (Cop)	Krebbs (1998)	Q15
			Job Security (JS)	Sirgy et al (2001)	Q16
	Teamwork (Tw)		Alexander (1987)	Q17	
	Appreciation (App)		Hull & Read (2003)	Q18	
	Learning (Lng)		Lennick & Kiel (2005)	Q19	

		Training (Tng)	Lennick & Kiel (2005)	Q20
		Compassion (Cmp)	Krebbs (1998)	Q21
	Justice	Overall Fairness (Jus)	Cropanzano (2001)	Q22
		Hours (Hr)	Sirgy et al (2001)	Q23
		Pay (Py)	Sirgy et al (2001)	Q24
		Rules (Rls)	Greenberg (2001)	Q25
		Lawfulness (Law)	Grace & Cohen (1998)	Q26
		Time-off (To)	Sirgy et al (2001)	Q27
	Actualisation	Achievement (Act)	Gibson et al (2000)	Q28
		Respect (Rsp)	Hull & Read (2003)	Q29
		Importance (Imp)	Medcoff & Hausdorf (1995)	Q30
		Socialisation (Soc)		Q31
		Pride (Prd)	Hull & Read (2003)	Q32
		Development (Dev)	Gibson et al (2000)	Q33
		Exciting Work (EW)	Sirgy et al (2001)	Q34

Source: developed for this study.

The main dependant, or latent, variable is QWL, which consisted of five composite or dependant, variables (dimensions):

- Trust – Overall Trust (OT)
- Democracy – Overall Democracy (OD)
- Cooperation – Reciprocity (Cop)
- Justice – Overall Fairness (Jus)
- Actualisation – Achievement (Act).

Using a summated scale approach $QWL = OT + OD + Cop + Jus + Act$ where:

OT = Satisfaction of trust needs

OD = Satisfaction of democracy needs

Cop = Satisfaction of cooperative needs

Jus = Satisfaction of fairness needs

Act = Satisfaction of actualisation needs.

The use of summated scales is commonly found within the social sciences and its main advantage is that of mitigating measurement error (Hair et al. 2006; Rowe 2002).

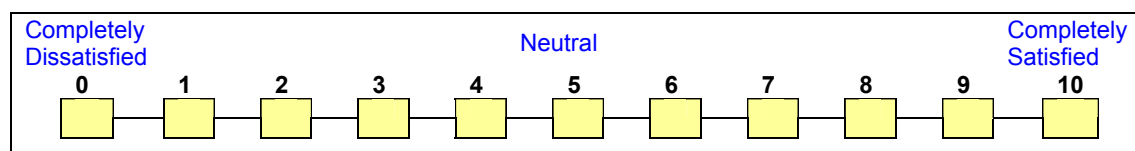
3.4.4.1.1 Measurement scales

The case for considering subjective well-being (SWB) within this study has already been made in section 2.2.3.4. We find though, that SWB measurements have long been criticised for being invalid and unreliable (Veenhoven 2002). However, as Veenhoven has pointed out, since the 1960s great strides have been made in SWB measurements that have largely overcome the major objections. His studies had shown that there are now no fatal flaws within properly designed subjective measures. Moreover, Veenhoven convincingly argued that we need both objective and subjective measurements in order to adequately shape public policy and debate. He warned that, when either one of the two measures is

missing, the resultant gaps tend to be filled by personal opinion and hearsay, which reduces validity and utility.

For this study, the SWB scale from the Australian Quality of Life (AQoL) index was adopted, because its validity and reliability has already been established (Cummins et al. 2002). This scale is comprised of an 11-point end-defined scale with a neutral midpoint. Cummings and Gullone (2000) demonstrated convincingly that Likert scales that were originally developed for quite different applications operate well below optimum when used for measuring subjective phenomena. Cummings and Gullone demonstrated that, because subjective measures tend to be skewed, the traditional 5-point Likert scale exhibits insufficient sensitivity. In addition, they argued that labelled or named scales also detract and can lead to response set. This problem was eliminated by using an end-defined format as in the AQoL index. Figure 3-5 below shows the final scale developed by Cummings and Gullone and also adopted for this study.

Figure 3-5: QWL measurement scale



Source: adapted from Cummings and Gullone (2000, p. 74).

The Deakin AQoL measure exhibits a homeostasis effect and it is suspected that the domain of work as examined by this study will reflect at least some homeostasis as well. However, Diener (2000) pointed out that specific domains such as QWL are less subject to homeostasis, due to increased core affect distance. Reduced homeostasis will be advantageous, as it makes the measure more sensitive.

SWB measures are often not used in an absolute sense (Frey & Stutzer 2002), but rather to identify determinants. For exploratory studies, cardinal accuracy is therefore not an issue and the data can be used ordinal. However, this study followed in the footsteps of the QoL, and treated the measure as absolute.

The questionnaire was divided into two sections:

Part A captures demographic data—ordinal data.

Part B captures QWL data—interval data.

3.4.4.1.2 Reliability and validity

Validity was enhanced by comparison to existing questionnaires (Buckingham & Saunders 2004).

Construct validity and parsimony were achieved by means of by using structural equation modelling (SEM) to minimise the number of questions, while maintaining adequate validity. Internal consistency to be checked by means of split-half reliability and by examining the Cronbach Alpha.

3.4.4.1.3 Pre-test

There are good reasons for carrying out a pre-test exercise, and Ticehurst and Veal suggest those listed in Table 3.5 below as important.

Table 3-5: Purposes of the pilot survey

ID	Purpose	Applicable
1	Testing questionnaire wording	Y
2	Testing question sequencing	Y
3	Testing questionnaire layout	Y
4	Gaining familiarity with respondents	N
5	Testing fieldwork requirements	N
6	Testing and training fieldworkers	N
7	Estimating response rate	Y
8	Estimating questionnaire completion time	Y
9	Testing analysis procedure	Y

Source: adapted from Ticehurst and Veal (2000, p. 151).

It is common practice to perform a pre-test on newly developed instruments. This enhances face validity and provides an opportunity to fine-tune questions. Attention to language of any questionnaire is important in order to avoid bias and ensure accuracy of response. Pre-testing allows the testing of most aspects of the questionnaire with respect to time taken, ease of completion and ease of data collection.

Pre-testing was done using snowball sampling to obtain 20 responses and changes made to some questions after feedback and analysis.

3.4.4.2 Administering the questionnaire

3.4.4.2.1 Survey method

The survey was self-administered, using electronic means via a dedicated internet web site and the questionnaires were administered anonymously resulting in un-identifiable data. However, web surveys have important issues such as response rate, age and skippage. These have to be considered in order to ensure valid data (Cobanoglu, Warde & Moreo 2001; Church 2001). Table 3-6 on the next page shows the main differences between the most common forms of survey collection methods.

Table 3-6: Comparison of different survey collection methods

	Face to face	CATI	Mail	Fax	Web-based
Coverage	Low	High	High	Low	Medium
Speed	Low	High	Low	High	High
Return cost	High	Low	Medium	Low	Low
Wrong Address	NA	Low	Low	Low	Medium
Labour cost	High	High	Medium	Medium	Low
Expertise	Medium	Medium	Low	Low	High
Coverage error	High	Low	Low	High	High
Overall cost	High	High	Medium	Low	Medium

Source: adapted from Cobanoglu et al (2001, p. 444).

Choosing between the various methods are often for the most part operational. However, the method chosen must not adversely impact on the statistical validity of the data as this could invalidate results. Given the study's targeted population, its confirmatory nature and cost limitations of the data collection phase, the adoption of the web-based method was deemed appropriate. In addition, there are other technical issues that concern data collection methods and these are dealt with in the following sections within their proper context as pertaining to this study.

3.4.4.2.2 Sampling

Sampling is important in order to obtain a representative and statistically robust data set. Otherwise the findings may not be applicable to the general population, as well as possibly being unsuitable for valid statistical analysis. A representative sample should be random, and this is a well-known problem for internet web-based surveys. As with newspaper and mail surveys, the respondents are also likely to be self-selecting and therefore not completely random (Ticehurst & Veal 2000). Ideally, random sampling should have been ensured by means of a well executed CATI survey with respondents drawn from a national database. However, the costs of such an exercise have proved to be prohibitive, hence the decision to use a more affordable web survey. It is conceded, therefore, that the findings' generalisability needs to be interpreted with some caution.

Multi-variate analysis can be sensitive to sample size, therefore it is important to select an optimal sample size to fit the analysis requirements. For example, sample size affects the likelihood of type I and type II errors. Increasing sample size, reduces the one, but increases the other, requiring a suitable trade-off (Hair et al. 2006; Cavana 2001). In addition, Bartlett, Kotrlik and Higgins (2001) suggested that for regression type analysis, the sample size should fall between five and ten times the number of variables, with the more conservative figure of ten being preferable in order to avoid overfitting. Given the number of variables in this study, this would suggest a sample size of around 300.

By definition, because of underlying mathematical requirements, most SEM studies concentrate on large and complex models with a high number of parameters that is in line with the typical recommendation made by scholars for a minimum sample size range from 100 to 150 with some insisting on an absolute minimum of 200 (Kline 2005). Moreover, there are two critical underlying assumptions associated with SEM. Namely, data must be

continuous and exhibit a high degree of normality (Byrne 2001). As sample size reduces, the second assumption is often violated. It is therefore important that normality be specifically tested for. However, less complex models with sample sizes as small as 50 can be analysed with reasonable confidence (Hair et al 2006; Kline 2005; Bentler and Chou 1987) as long as model development is performed accordingly.

Another sampling related issue often experienced with web-based surveys is one of response rate. This issue pertains directly to the timeframe for data collection that has to be limited to ensure generalisation of data (Cobanoglu, Warde & Moreo 2001). As a consequence, there is a trade-off between response rate and generalisation or validity.

For a thorough treatment of sample size suitable for multivariate analysis, the interested reader is referred to MacCallum, Browne and Sugawara (1996), or Tabachnic and Fidell (2000) who provided a more detailed treatment of determining sampling size given alternative situations with different requirements, such as higher or lower confidence levels.

The targeted population was all working Australians over the age of 18 and given the nature of the measure, which was SWB, the unit of analysis was by definition the individual. The sampling scheme was cross-sectional and, according to Cavana (2001), it is conventional within the social sciences to aim for a confidence level of at least 95% ($p=0.05$). The exact relationship between sample size and confidence level is captured by a standard statistical formula, but Ticehurst and Veal (2000) provided a convenient guideline, sufficient for most business research, that can be found in Appendix H.

3.4.4.3 Data analysis strategy

Surveys are a common non-experimental design that produce a large number of variables and this study was no exception. In simple designs, univariate and bivariate analyses are normally sufficient, but they are not sensitive enough to the complexity of designs with a large number of variables (Tabachnick & Fidell 2000). Multivariate techniques reveal the interrelationships of variables and inference, which allows these to be determined more accurately. Importantly, type I errors can be kept below a defined set-point (5% in this case) irrespective of the number of variables.

Often, factor analysis is used to determine which sets of variables form coherent subsets that are relatively independent of each other. The specific goals of factor analysis are to reduce a large number of observed variables to a smaller number of factors, to provide an operational definition, or to test a theory about an underlying process (Tabachnick & Fidell). Confirmatory factor analysis is often used to test theories and is performed using structural equation modelling (SEM). Although SEM is often referred to as causal modelling, this is misleading, as SEM alone cannot determine causality. SEM can only test the appropriateness or validity of the model put forward by the hypotheses. SEM can, however, be used to modify the model in order to provide a better fit. Planning and developing sound models is therefore essential and Tabachnick and Fidell cautioned that causality is a design issue, not a statistical analysis issue. Causality can be better determined through experimental design using control group techniques, which is not always possible, as is the case with this study. The best that can be hoped for therefore is confirmation and/or refinement of the model that was developed in chapter two.

Data was directly imported into SPSS for analysis using AMOS 5, with minimal requirement for recoding, thereby reducing the effort and transcription errors commonly associated with such a large number of responses.

3.5 Ethical issues

With any research, there are some basic ethical issues that must be addressed. Christians (Denzin & Lincoln 2000) proposed the following as a minimum:

- informed consent
- privacy and confidentiality
- accuracy.

Cooper and Schindler (2003) suggested the following ethical guidelines:

- explain study benefits
- explain respondent rights and protections
- obtain informed consent.

All these issues have been addressed within this study. First and foremost, ethical issues were addressed by means of an ethics application to the Southern Cross Ethics Committee. Subsequent approval was obtained and ethics approval number ECN-06-31 issued allowing the data collection to proceed. Second, participants were required to access an on-line information sheet (Appendix P) explaining their rights and protections. Finally, surveys were conducted anonymously through the generation of unidentifiable data, thereby significantly reducing the ethical burden.

3.6 Summary

This chapter provided the rationale behind the combination of two research paradigms, and it also detailed the research methodology thus followed. A significant portion of the chapter was dedicated to covering the methods followed in gathering the data in support of the various hypotheses. The next chapter will provide insight into the data analysis itself, with subsequent findings following the data gathering exercise.

4 Data analysis and results

4.1 Introduction

The previous chapter provided the rationale behind the research paradigm followed, and it also detailed the research methodology thus followed. A significant portion of the chapter was dedicated to covering the methods used in gathering the data in support of the various hypotheses. This chapter will provide the data analysis itself, with a subsequent discussion of the findings.

4.2 Planning for success

This study was designed from the beginning to concern itself with hypotheses testing and therefore a clear route towards confirmatory factor analysis using structural equation modelling (SEM) was predetermined.

Geoffrey and Steiner (2003) warned however that even though factor analysis is one of the most widely used multivariate techniques, it is also the most misused. Others agree pointing out that there is much misunderstanding with many disagreeing on many aspects of its application (Fabrigar et al. 1999). The following section therefore will briefly discuss some of the issues as they pertain to the direction taken by this study in analysing its findings using multivariate analysis by means of SEM.

In simple terms, multivariate analysis refers to the simultaneous analysis of multiple measurements and is recognised in the following algebraic form;

$Y = w_1X_1 + w_2X_2 + w_3X_3 + \dots + w_nX_n$ where n is the number of independent variables, Y the dependent variable and w the weight assigned to the corresponding variable. In this study unity weights are assigned to w as there is considerable evidence that weightings lead to psychometric problems even with the deployment of sophisticated statistical techniques such as factor analysis (Trauer & MacKinnon 2001). Therefore weighting was not applied within this study.

Factor analysis, one of many multivariate techniques, is used to discover or confirm the underlying structure or patterns that are made up of the independent variables because of their relationships (intercorrelations) to each other that ultimately relate to the dependent variable. However, sometimes there is only one underlying factor and the use of factor analysis becomes less useful and hence the use of ordinary multivariate analysis is more appropriate. This technique is also often deployed by researchers to evaluate and modify individual constructs within a multiple construct model.

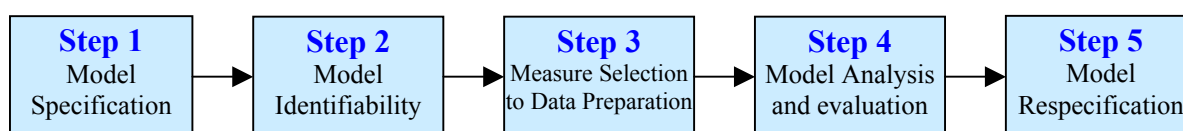
The path to successful multivariate analysis is often problematical and Hair et al. (2006) suggested a useful six-stage approach:

- 1) Define the research problem,
- 2) Develop the analysis plan,
- 3) Evaluate the assumptions underlying the multivariate plan,
- 4) Estimate the multivariate model and assess overall fit,
- 5) Interpret the variates and
- 6) Validate the model.

Of particular interest in this section was the second item that involved choosing a suitable analytic procedure in order to address the research problem. Basic factor analysis has a long history and remains both valid and popular. However, recent advances in computing methods have made more powerful methods such as structural equation modelling (SEM) more generally accessible to researchers. SEM goes beyond factor analysis that is used more as an exploratory tool when the model has insufficient theoretical basis. Conversely, SEM is used mostly as a confirmatory tool when there is a well developed a-priori model founded on a sound theoretical basis. As this study was concerned mainly with confirmation, the reader interested in the differences between the two approaches is referred to Arbuckle and Wothke (1999) and Kline (1998) for more detail.

Abrahamson, Rahman and Buckley (2005) provided a useful roadmap towards implementing SEM that is shown in Figure 4-1 below.

Figure 4-1: Five steps to SEM



Source: Abrahamson et al. (2005, p. 566).

This approach shares major similarities with approaches advocated by major SEM texts and this study therefore adopted this approach with the following sections detailing the steps as the analysis proceeded.

4.2.1 Step 1 Model specification

This study aimed to collect 300 responses as a minimum in order to allow a comprehensive SEM analysis. As foreshadowed in 3.4.4.2.2, response rate turned out to be an issue in that it limited the final sample size below optimum level. This was in spite of advertising nationally and extensive usage of personal networks. The final number of responses after 14 weeks of data collection totalled only 73. After the elimination of invalid responses, there remained a total of 60 useable responses.

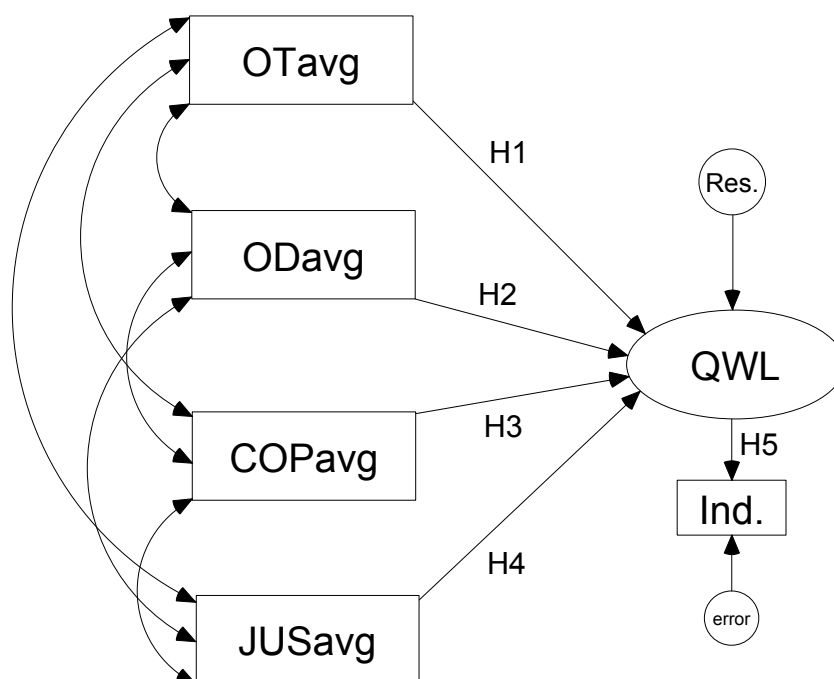
SEM usually requires large data sets in order to produce high quality results (Kline 2005; Byrne 2001; Arbuckle & Wothke 1999) and scholars recommend the ratio of sample size to estimated parameters to lie between 10 and 20. However, as Landis et al (2000) has successfully demonstrated, using suitable composites, this ratio can be relaxed to as low as 4 whilst still producing acceptable results. Similar suggestions were made by Bentler and Chou (1987) in their treatment of practical issues with SEM analyses. The number of estimated parameters within this study were; model 1 = 18, model 2 = 18, model 3 = 19, to provide a worst case ratio of 3.15. As the Landis study showed, there appeared to be only gradual degradation of results with the drop of ratio and it can therefore be reasonably assumed that a ratio of 3 is not far enough from 4 to invalidate the results. However, given this less than ideal ratio, results must be interpreted with caution.

Although SEM is often promoted by scholars as useful for the analysis of data other than health or social data, they often fail to distinguish in sufficient detail important differences that need to be taken into consideration. One such consideration in model specification is the distinction between reflective and formative models (Hair et al. 2006). This distinction is similar to that made by MacCallum and Browne (1993) and involves the direction of causality. Behavioural scientists mostly study latent factors that are thought to cause measured variables and these reflective models are consistent with classical test theory (Hair et al.). However, sometimes the causal direction between some variables is reversed as is the case with this study and in this instance, the model is said to be formative that is often the case in business research. Hair et al cautioned that such formative models using latent variables are by definition not identifiable and therefore unable to be analysed unless additional steps are taken such as adding a latent variable that is reflective in nature. MacCallum and Browne also offered other modification strategies that can be useful in achieving identification.

Briefly, identification deals with whether sufficient mathematical information exists in order to allow algebraic solutions to be obtained within the SEM matrixes. Further issues of identification are dealt with in step 2 and the reader interested in more detail regarding identification only needs to consult any one of the many texts dealing with SEM such as Hair et al (2006) or Kline (2005).

The SEM model should always link directly to the hypotheses to be tested and the questionnaire developed to provide the required data. Many scholars emphasise the need to follow theory in developing the relationships within a model, but also highlight that simpler is usually better. A more complicated model will often provide improved fit indices, but it is not necessarily a better theoretical model. The starting point for this study given the data available was therefore to start off with the simplest model that still made theoretical sense.

AMOS uses a graphical interface that was used to explore simple models in line with the sample size. The resultant and generic path analysis model is depicted in Figure 4-2 on the next page.

Figure 4-2: Generic path analysis model

Source: developed for this study.

This model followed directly from the theory development that took place in chapter two. In line with developing as simple a model as possible (Norman & Steiner 2003), this model still clearly links to the theory and hypotheses development. The linkage between model and theory is a necessary requirement for hypotheses testing. The five hypotheses reflected in this model suggest that trust (H1), democracy (H2), cooperation (H3), justice (H4) and self-actualisation (H5) relates positively to quality of worklife. Stated differently, the latent variable (QWL) is a function of the four independent variables; trust (OT), democracy (OD), cooperation (COP), justice (JUS). The latent variable QWL in turn results in self-actualisation (ACT) that is reflected by variable indicators (Ind.). Because no model is perfect, the unexplained residual variance is reflected by the error term (Res.)

4.2.2 Step 2 Model identification

An issue with SEM is the concept of identification as alluded to in the previous section. This study's model is defined as recursive and such models are usually theoretically identifiable. However, in practice there are sometimes problems caused by issues such as multi-collinearity or poor starting values that can make the model unidentifiable (Kline 2005). Texts such as Kline (2005) and Byrne (2001) provide guidelines for dealing with these kinds of problems. However, most software packages such as AMOS will provide warnings and fail to analyse if there is an identification problem. When such a situation occurs, the researcher is then forced to revisit the model in order to identify and resolve the issue accordingly. The models developed in this study did not present any identification problems.

4.2.3 Step 3 Measure selection, data collection, cleaning and preparation

Measure selection has been dealt with in chapter three, but it needs to be restated that measures need to be both reliable and theoretically driven to ensure validity. When measures have poor reliability then statistical bias becomes a problem (Kline 2005). Using SPSS, the composite scales were submitted for analysis with results shown in Appendix N. Only two indicators showed a Cronbach alpha less than 0.7. However, both items were located in separate composites and above the lower level of 0.6 as suggested by Hair et al. (2000) as still acceptable for exploratory research. They were, therefore, not removed in order to maintain completeness.

Data collection can also influence subsequent analysis if it results in data that is non-normal or non-random that is often a problem with surveys. Checks for normality should therefore be conducted as part of the data cleaning process although SEM is relatively robust in terms of small amounts of non-normality when using the ML estimation technique. Checks for normality were however performed and univariate outliers with standardised z-scores higher than 3.29 were eliminated. In addition a multivariate outlier test was also performed using the Mahalanobis check as per the recommendations of Tabachnick and Fidell (2001). The result revealed the highest score being 36.4 and therefore confirmed accepted normality as this is lower than the critical value of chi-squared (df) that is 40.70 for this particular dataset. The full list of Mahalanobis distances can be found in Appendix N.

With respect to the ordinal data, visual checks using scatterplots and histograms of the ordinal data were used to assess randomness and considered acceptable. The relevant histograms and statistical descriptives of the ordinal data can be found in Appendix M.

Finally, missing data is often a problem and this study was no exception. The problem of missing data in this study was addressed by allowing AMOS to estimate missing data using the full information maximum likelihood (FIML) method. Together with ML estimation this provides the least biased results (Arbuckle & Wothke 1999).

4.2.4 Step 4 Model analysis and evaluation

Small samples can be often problematic as alluded to in chapter three. It was decided therefore to test several models in order to obtain more robust conclusions by settling on the least complicated model with adequate fit. Three models were specified using the same dataset in three different ways according to model specification. The three models and their data selection schemes are described in the following sections.

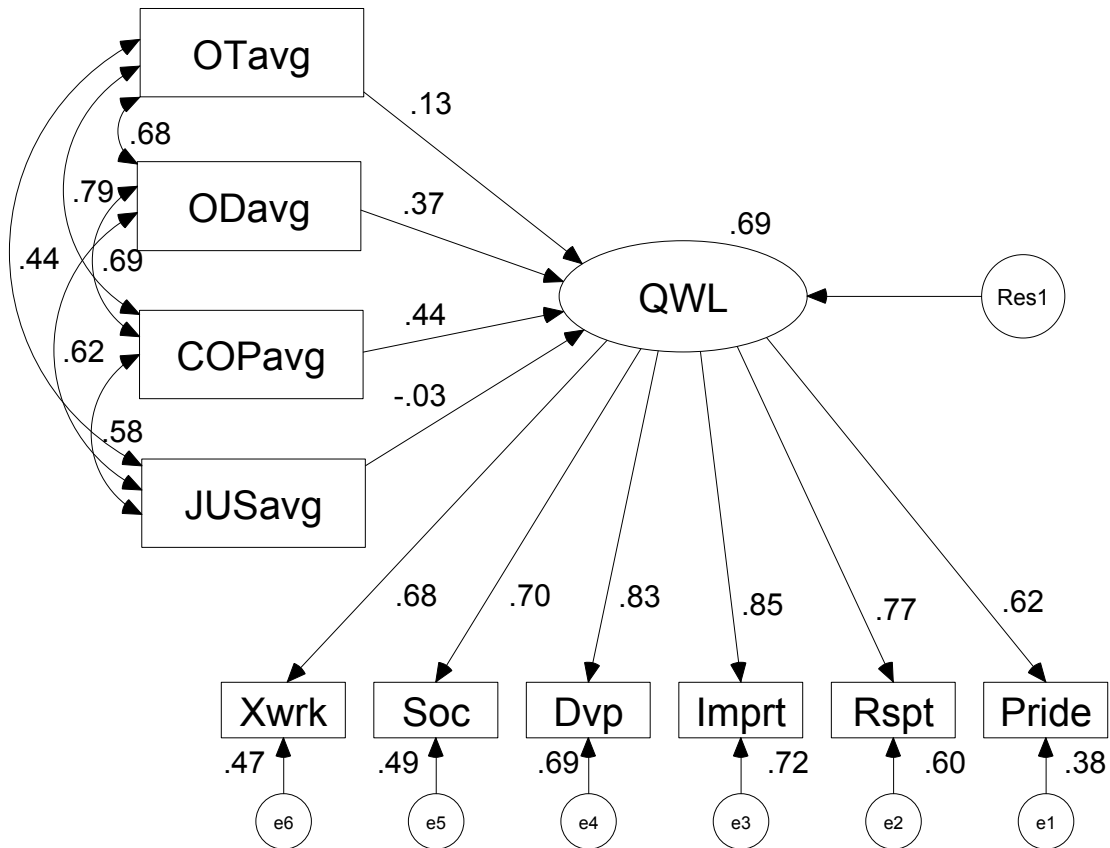
4.2.4.1 Model 1 development

There are many approaches that can be taken in dealing with the problem of low sample sizes (Rowe 2002; Landis, Beal & Tesluk 2000) of which one is to choose single indicators as surrogate measurement of the more complex composite that it belongs to. Choice of the particular indicator can be made in several ways as explained by Landis et al. (2000) and Stanton et al. (2001). Accordingly, the first model tapped directly into the constructs of Trust, Democracy, Cooperation, Justice and Self-actualisation by assigning the variables OT, OD, COP and JUS respectively. These manifest variables accordingly correspond to questions 2, 9, 15, 22 and 28.

4.2.4.2 Model 1 analysis

The resultant analysis from AMOS5 is reflected in Figure 4-3 below. The numbers are all in standardised format making comparisons relatively easy.

Figure 4-3: Model 1



Source: developed for this study.

Table 4-1: AMOS model 1 summary

Number of distinct sample moments:	55
Number of distinct parameters to be estimated:	25
Degrees of freedom (21 – 18):	30
Minimum was achieved	
Chi-square = 66.990	
Probability level = .000	

Source: AMOS 5 analysis

Statistics regarding normality confirmed adequate normality and full model fit results are contained in Appendix K.

From the table above, it can be seen that the degrees of freedom is 30. This positive number confirms that the model is overidentified and can be used to evaluate the

correlational relationships in order to reject or accept the hypotheses (Byrne 2001). Of similar importance is the indication that minimum was achieved. This means that the model yielded an admissible solution (Byrne). It is appropriate therefore to next examine the parameter estimates.

As can be seen from figure 4-3 above, the overall squared multiple correlation was 0.69. This indicates that 69% of the latent variable is explained by the data through this model. This was a significant result and allowed a check for statistical significance of the underlying relationships using the z-statistic as a guide. The z-test is equivalent to the critical ratio (C.R.) figure reported by AMOS and is equivalent to the path coefficient divided by its standard error (Norman & Streiner 2003). The well accepted lower cut-off point of 1.96 ($p = <0.05$) was used as a guide to determine whether a result was statistically significant. As can be seen from Table 4-2 below, H1 ($z = 0.908$) and H4 ($z = 0.308$) are below 1.96 and therefore they appear to be not statistically significant.

Table 4-2: Model 1 regression weights

			Estimate	S.E.	C.R. (z-stat)	Hypotheses	Supported
QWL	<---	COPAVG	0.440	.132	2.567	H3	Yes
QWL	<---	ODAVG	0.366	.095	2.481	H2	Yes
QWL	<---	OTAVG	0.134	.109	0.908	H1	No
QWL	<---	JUSAVG	-0.035	.085	-0.308	H4	No
Social	<---	QWL	0.697	.268	4.456	H5	Yes
DVPMNT	<---	QWL	0.830	.303	5.050		
IMPRT	<---	QWL	0.848	.263	5.123		
RSPT	<---	QWL	0.773	.273	4.807		
PRIDE	<---	QWL	0.617	.162	4.693		
EXWRK	<---	QWL	0.683	.318	4.388		

Source: adapted from AMOS 5 analysis.

Because of the desire to show causality, the regression weights and squared multiple correlations is of prime interest and discussed next. In terms of evaluating the importance of regression weights, the suggestions of Tabachnick and Fidell was followed in that weights below 0.20 are considered as not supportive.

In terms of the five hypotheses, the results therefore indicated no support for H1 ($\beta = 0.134$) and H4 ($\beta = -0.035$). It can be seen therefore that within this model two hypotheses are not supported. Furthermore, with small sample sizes, the covariance residuals are a suitable measure of model fit (Byrne 2001) with values below 2 considered a good fit (Arbuckle and Wothke 1999). This model contains 23 residual covariances that exceed 2, therefore there is cause for concern as far as model validity is concerned.

4.2.4.3 Model 1 discussion

Of major concern was the negative regression coefficient associated with H4 (Byrne 2001; Bentler & Chou 1987). Clearly there are unexplained issues that are perhaps related to language and understanding indicating some unresolved issues with one or more of the indicators for cooperation. Given good face validity such issues are often structural that is

likely given the over-simplified simple model adopted here. These types of issues can often be resolved by means of model re-specification and in step 5 such a process was followed.

4.2.5 Step 5 model re-specification

Model re-specification typically builds on the results obtained during step 4 and can be either theory driven or exploratory by nature (Abrahamson et al. 2005). In this instance, the choice was made to deploy a more comprehensive theory based driven approach to respecifying the model. This approach remains in line with Joreskog's definition of using SEM in a model generating (MG) scenario (Byrne 2001).

4.2.5.1 Model 2 development

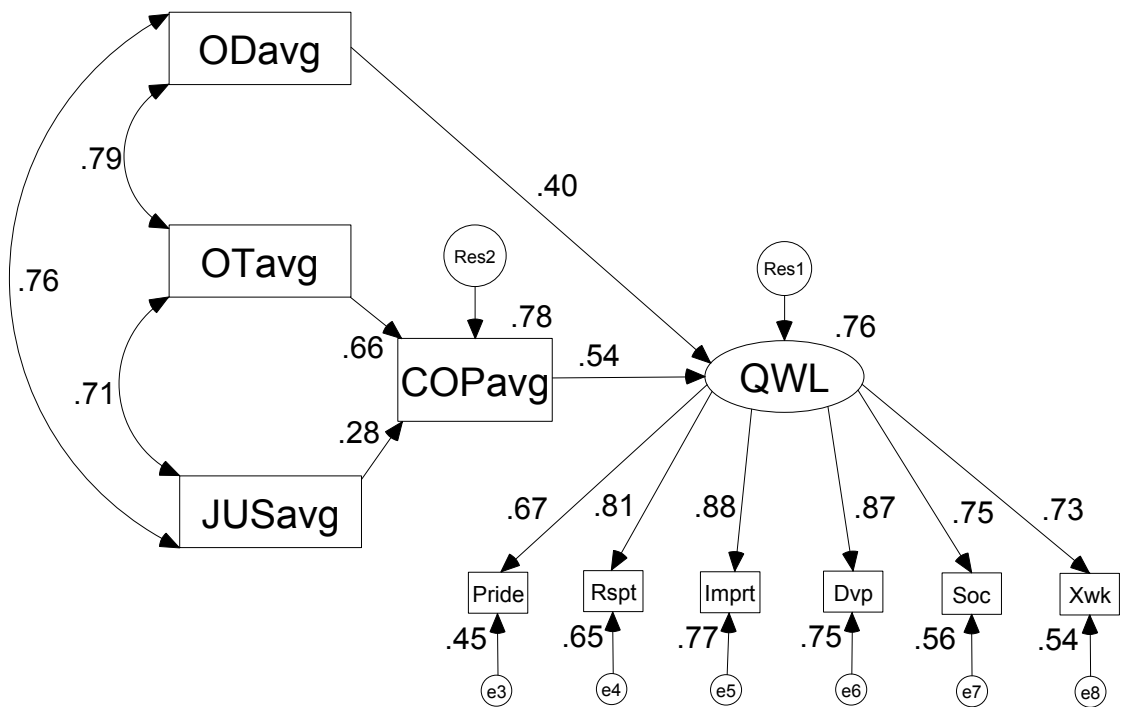
Firstly, Rousseau et al. (1998) proposed that trust is a component of cooperation. Accepting their argument would require modification of the simple generic model to incorporate indicators of trust to relate to the cooperation construct. Secondly, the model was further modified in line with EP theory and current thinking on job satisfaction. Briefly, it proposes that the core of community interaction be viewed as that comprising cooperation that is further determined by the elements of not only trust but justice as well (Krebbs 1999) and discussed in section 2.4.1.6. Similarly, links were drawn by Herriot et al. (1997) between the concepts of psychological contracts and the constructs of equity, fairness, trust and reciprocity as discussed in section 2.4.3.5.1. In addition, the status of QWL as a latent variable that leads to self-actualisation remains unchanged.

This model is slightly more complex than the previous model but better aligned with the extant literature and theory as explored in chapter two. Scholars often argue that absolute fit should never be the ultimate criteria in terms of determining model acceptability (Kline 2006; Byrne 2001; Arbuckle & Wothke 1999). They make the point that often a-priori knowledge is more appropriate when compared to data driven changes when making changes and comparing model fit. This is particularly the case with small sample sizes. Figure 4-4 below shows the resultant model depicted by means of AMOS graphics.

4.2.5.2 Model 2 analysis

The resultant analysis from AMOS5 is reflected in figure 4-4 below. The coefficients are all in standardised format making comparisons relatively easy. Normality statistics indicated sufficient normality and full model fit results can be found in Appendix L.

Figure 4-4: Model 2



Source: developed for this study.

The model’s overall squared multiple correlation of 0.76 was acceptable and as an improvement over the first model compared favourably. This result allowed once again to proceed with further analysis.

Table 4-3: AMOS model 2 summary

Number of distinct sample moments:	55
Number of distinct parameters to be estimated:	23
Degrees of freedom (36 - 19):	32
Minimum was achieved	
Chi-square = 57.475	
Degrees of freedom = 32	
Probability level = .004	

Source: AMOS analysis.

From Table 4-3 above, as with the previous models, it can be seen that minimum was achieved and the model overidentified. It can also be observed that there has been a small increase in degrees of freedom over the previous model.

Table 4-4: Model 2 regression weights

			Estimate	S.E.	C.R.	Hypotheses	Supported
COPavg	<---	Otagv	0.661	.083	7.624	H1	Yes
COPavg	<---	JUSavg	0.282	.085	3.246	H4	Yes
QW	<---	COPavg	0.535	.116	4.456	H3	Yes
QW	<---	Odagv	0.399	.094	3.450	H2	Yes
Rspt	<---	QW	0.857	.107	8.020	H5	Yes
Imprt	<---	QW	0.876	.128	8.020		
Dvpmnt	<---	QW	0.866	.149	7.893		
Pride	<---	QW	0.674	.137	5.621		
SOCIAL	<---	QW	0.745	.143	6.396		
EXWRK	<---	QW	0.733	.171	6.253		

Source: adapted from AMOS analysis.

From Table 4-4 above, it can be seen that all critical ratios are above the cut-off level of 1.96 indicating that all relationships are statistically significant. In addition, all regression weights (β 's) are above 0.2 indicating support for the hypothesised relationships.

4.2.5.3 Model 2 discussion

The fit summaries have shown that the previous model is not realistic especially given very high covariance residuals. For small sample sizes, most fit indices are not reliable (Kline 2006; Byrne 2001). However, the ECVI and Hoelter indicators are often viewed as better indicators in the case of small sample size (Byrne 2001). The fit indicators for model 2 indicated a good fit in this regard therefore the model is a realistic option. More specifically, with small sample sizes, the covariance residuals are a better measure of model fit (Byrne 2001) with values below 2 considered a good fit (Arbuckle and Wothke 1999). The highest absolute value found in the results was 0.923 therefore indicating acceptable fit. Notwithstanding the issue of small sample size, model 2 therefore shows a definite improvement with respect to fit given that model 1 contains 23 residual covariances that exceed 2.

Finally, according to convention, the variable COP is considered a mediating variable (Norman & Steiner (2003)). In a stricter sense, therefore, different labels (hypotheses) could be assigned to the relationships as depicted within model 2. However, for clarity, the original assignments were retained as it was deemed as providing more clarity without limiting or compromising understanding. This cautious approach was also considered acceptable due to the fact that the sample size was not ideal and further research using larger sample sizes needs to be performed before further model refinement can be attempted. This view is supported by the fact that the model has a strong a-priori theoretical basis and there would be real danger of eliminating or distorting significant relationships if changes are made based on current results.

4.3 Patterns of data for each hypothesis

Between group analysis was not an aim of this study and therefore possible patterns within the data was not explored. Furthermore, considering the given the small sample size, such analysis would have been too unreliable and hence provide little utility. Pattern analysis was therefore deemed an exercise more suited to further research using a much larger sample size of between 300 and 600.

4.4 Conclusions about the research proposition

Ethics involves morality and justice that are universal human traits thus requiring an alignment between business ethics and personal ethics in order to promote and achieve higher levels of QWL.

Market economists following in the tradition of Milton Friedman have traditionally argued that morals have no role to play within the context of business. Mostly, their arguments have been based purely on economic theory with little or no regard for social theory. In fact, through the concept of externalities, they have conveniently ignored the negative social impacts generated by the application of economic theory. Somewhat myopically therefore, they have not only ignored the negative effects but they have placed them at the doors of others to struggle with. This study provided support for the assertion made in chapter two that economics has lost its human status.

In disagreeing with the classic and somewhat orthodox economic view, this study proposed that given business consists of communities of workers, the underlying principles of EP theory applies equally to these communities. Important community matters of morals, ethics and justice should therefore be framed in equal terms within working communities as is the case with wider social communities.

Following this framework, this study was designed to measure the relationship of associated moral issues like trust, democracy, cooperation, justice and self-actualisation using EP theory as its theoretical basis. By linking the QWL concept to these issues, the confirmatory results have provided support for the views expressed by the research proposition as stated above.

4.5 Conclusions about the research problem

Why is ethics, morality and justice important to quality of worklife ?

As chapter two revealed, social theories, and in particular evolutionary psychology theory, hold that cooperation and tightly coupled issues of trust, democracy, justice and self-actualisation are vital ingredients for both sustainable and successful human endeavours. The often unstated moral imperative is that these issues should always be supported in order to maintain healthy social bonds. Without such support, not only does the affected communities risk destructive anti-social behaviour, but many of its members are potentially prevented from living fulfilled lives. The results from the data analysis showed that this was the case for Australian workers given the relatively low levels of QWL.

4.6 Implications for theory

According to the literature, little classification of goals in relation to theory exists within current QWL research (Chulef et al. 2001) with many studies failing to make reference to any specific theory (Bussing et al. 1999). Even though the subject has seen substantial research, it has always remained fragmented and misunderstood due to the lack of a solid theoretical underpinning. Nicholson (1998) has proposed that EP might be a good foundation for doing business research and this study provides support for his view. This study has shown that using EP as a theoretical basis on which to base QWL is well founded and requires further consideration to more accurately define QWL.

Furthermore, this study also disagreed with current neo-liberal economic theory as articulated in chapter two. In particular, it has been shown that in terms of happiness research, economic theory has failed to deliver on its promise. The study results provided support for modifying economic theory in order to move away from GDP as a measure of success as suggested by proponents of the GPI indicator. The use of the GPI or similar index that takes societal measures into consideration was supported by the findings of this study that highlighted the important role of communitarian values as underscored by trust, cooperation and democracy within the workplace.

4.7 Implications for practice and policy

The Australian quality of life (AQoL) survey provided an interesting benchmark as it shares the same SWB measurement scale. Results from the 2006 survey showed that personal well-being has a mean of 7.41 compared with a QWL score of 5.98 from this study.

Significantly, the researchers within the AQoL study have determined that their SWB scores exhibit homeostasis that tend to keep the range within 7 to 8. They argued that scores outside these boundaries are temporary due to life shocks or longer living due to prevailing conditions of continued psychological stress (Cummings 1995).

Comparing the two scores would suggest that QWL in Australia is below the comfort level for the average worker. This lends support to the idea that the lower levels of satisfaction within the issues of QWL as defined in this study are subject to psychological stress. Conversely, in order to improve levels of QWL the satisfaction levels of trust, democracy, cooperation, justice and self-actualisation need to be raised.

The findings of this study also provided support for importance of democracy within the workplace. The data reflected a level of 6.09 that is well below the cut-off level of 7.0 according to Cumming's homeostatic guideline. The implications of providing workers with increased say and control in the workplace remain contentious in Australia as uncovered in chapter two and illustrated by recent changes in industrial relations policy. However increased levels of democracy at work have been practised in some European countries for quite some time and further research might well be useful in clarifying the issue. However, there can be no doubt that increasing the level of democratic participation within the Australian workplace has profound practical as well as political implications.

4.8 Further suggested research

As with most research, this study cannot stand alone and further research is suggested. One avenue would be to explicitly compare the Australian situation with that of the Scandinavian countries where more inclusive work environments exist.

Given the small sample size and perhaps yet incomplete QWL measure as used in this study in addition to the unknown psychometric properties of the AQoL instrument, these results need to be interpreted with some caution. Further research will have to be conducted in order to fully confirm the validity of the discrepancy between the two measures.

With respect to this study itself, it needs to be replicated with a larger sample to enhance generalisation and precision and perhaps also be expanded conceptually to enhance its predictive capability with respect to QWL. For example, the role of emotions at work has become topical in recent years (Briner & Totterdell 2002). It is known, for instance, that fear also influences cooperation (Rosseau et al. 1998) and including it as an additional input may well result in an overall improvement of this study's model. Finally, older concepts of job satisfaction still remain valid and adding some of their elements could enhance overall predictive capability. For instance, hygiene factors such as pay and safety would be legitimate candidates.

4.9 Conclusion

For modern man, work makes up a significant portion of daily life. Workers invest significant amounts of psychological energy within their working communities and form significant and potentially valuable psychological ties with their co-workers. Work has become and is set to remain islands of community for most of the world's population.

Evolutionary psychology has highlighted ancient but important issues relating to successful activities that constantly take place between humans. In the short term humans remain inextricably linked to the past as far as their genetic inheritance is concerned. However, modern work is mostly viewed in isolated ways with issues such as moralism explicitly excluded from the arena because of prevailing economic theory. In ignoring such ancient mechanisms of social cooperation, business has created work environments that are far from ideal.

This study followed in the footsteps of notable scholars within the EP field and has demonstrated that moral ethics is an important part of work and that it directly affects the psychological well-being of workers.

It was also the aim of this study to provide evidence to help put the human element back on the centre stage of work. As with so much in life there needs to be a balance between competing elements in order to maintain a healthy state of affairs. This study has provided quantitative evidence that shows the quality of worklife in Australia is out of balance and requires attention. It is the hope that perhaps a small spark has been generated by this study that will eventually lead to Australian workers being treated more than just means towards mostly economic ends. It is perhaps apt to end this study with the thoughts of prominent Australian Justice Kirby (1998):

We cannot say that we have not been warned (p. 10).

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6 Appendix A – Cameron and Quinn’s organisational cultures

The clan Culture

A very friendly place to work where people share a lot of themselves. It is like an extended family. The leaders or head of the organization, are considered to be mentors and perhaps even parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasises the long-term benefit of human resources development and attaches great importance to cohesion and morale. Success is defined in terms of sensitivity to customers and concern for people. The organisation places a premium on teamwork, participation and consensus.

The adhocracy culture

A dynamic, creative and entrepreneurial place to work. People stick their necks out and take risks. The leaders are considered innovators and risk takers. The glue that holds the organization together is commitment to experimentation and innovation. The emphasis is being on the leading edge. The organization’s long-term emphasis is on growth and acquiring new resources. Success means gaining new products and services. Being a product or service leader is important. The organization encourages individual initiative and freedom.

The hierarchy culture

A very formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being good coordinators and organizers who are efficiency minded. Maintaining a smooth running organization is most critical. Formal rules and policies hold the organization together. The long-term concern is with stability and performance with efficient and smooth operations. Success is dependant on dependable delivery, smooth scheduling and low cost. The management of employees are concerned with secure employment and predictability.

The market culture

A results oriented organization whose major concern is with getting the job done. People are competitive and goal-oriented. The leaders are hard drivers, producers and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard-driving competitiveness.

7 Appendix B - The Sirgy QWL needs satisfaction measure

Need Type	Indicator/Measure	M	SD
Health & Safety	I feel physically safe at work	6.14	1.12
	My job provide good health benefits	5.78	1.21
	I do my best to stay fit and healthy	5.59	1.14
Economic & Family needs	I am satisfied with what I am getting paid for my work	3.58	2.01
	I feel that my job is secure for life	3.96	1.88
	My job does well for my family	4.70	1.59
Social Needs	I have good friends at work	5.63	1.25
	I have enough time away from work to enjoy other things in life	4.68	1.72
Esteem Needs	I feel appreciated at work	4.46	1.86
	People at work respect me as a professional and an expert in my field of work	5.06	1.51
Actualisation Needs	I feel that my job allows me to realize my full potential	4.68	1.74
	I feel that I am realising my potential as an expert in my line of work	4.82	1.60
Knowledge Needs	I feel that I am always learning new things that help me do my job better	5.56	1.22
	This job allows me to sharpen my professional skills	5.35	1.39
Aesthetics needs	There is a lot of creative energy involved in my job	5.26	1.50
	My job helps me develop my creativity outside of work	3.97	1.55

The needs-satisfaction-from-work-environment measure

Need Type	Indicator/Measure	M	SD
Health & Safety	My place of work is safe and sanitary	5.96	1.26
	Many of my co-workers talk a lot about how to reduce risk to live long and healthy lives	3.82	1.62
	Everyone at work seems to talk about fitness health and eating right	5.59	1.14
Economic & Family needs	I do not hear much griping from my fellow workers about their pay	3.25	1.90
	My organization has a long history of treating employees as family. Once you're in your job is secure for life	3.35	1.66
	My organization cares for its employees and their families	4.21	1.61
Social Needs	My place of work is collegial	5.37	1.42
	People at work seem to enjoy life outside of work	5.24	1.33
Esteem Needs	Almost everyone at work is rewarded based on performance	3.23	1.87
	Almost everyone at work is recognised as an expert in his or her field	3.67	2.38
Actualisation Needs	My organization helps its employees to realise their full potential	4.24	1.66
	My organization tries hard to help its employees be the best they can be professionally.	4.14	1.69
Knowledge Needs	My organization helps its employees learn the needed job skills	4.73	1.55
	My organization tries hard to educate its employees to become better professionals	4.29	1.70
Aesthetics needs	At work everyone is encouraged to express his or her creativity	4.23	1.78
	The culture at work encourages employees to express creativity on the job and outside their job	3.97	1.55

The needs-satisfaction-from-job-requirements measure

Need Type	Indicator/Measure	M	SD
Health & Safety	The physical demands of my job are not hazardous for my health and safety	5.81	1.42
	My job is not too stressful	3.67	1.80
	My job helps me stay both physically and mentally fit	3.72	1.53
Economic & Family needs	My job is designed with certain flexibility so that I can choose to produce more for extra money	2.64	1.79
	The skill requirements of my job are such that the organization cannot easily replace me	3.60	1.78
	I can easily manage my job and attend to the needs of my family	4.63	1.58

Social Needs	My job requires me to be part of one or more teams or committees that meet regularly during work hours to discuss job related matters	4.52	1.91
	My job does not interfere with my leisure life	4.10	1.85
Esteem Needs	My job calls for skills that I surely have	6.16	0.84
	I feel that I have mastered (or are making good progress towards mastering) the skills of my profession	5.76	2.81
Actualisation Needs	My job requires me to make challenging decisions affecting my department	4.74	1.80
	My job allows me to exercise many of my talents and/or special skills	5.22	1.51
Knowledge Needs	My job requires me to learn new things	5.91	1.05
	My job requires me to think about things that can help me grow as a person and as a professional	5.18	1.50
Aesthetics needs	My job requires me to express a certain amount of creativity	5.44	1.56
	My job helps me develop a better appreciation of creativity, art and aesthetics	3.81	1.66

The needs-satisfaction-from-supervisory-behaviour measure

Need Type	Indicator/Measure	M	SD
Health & Safety	My supervisor does his/her best to protect me and others from related health hazards at work	5.80	1.36
	I do not hesitate approaching my supervisor to ask for time off to take care of a health problem	5.49	1.61
	My supervisor comes across as caring for my personal health	4.91	1.63
Economic & Family needs	I feel that my supervisor cares about my economic well-being	4.26	1.83
	I cannot imagine that my supervisor would lay me off	4.49	1.89
	I do not hesitate approaching my supervisor to ask for time off to deal with family problems.	5.04	1.72
Social Needs	I feel that management cares about making the workplace collegial, warm and friendly	4.40	1.76
	My supervisor cares that I have a life outside of work	4.47	1.72
Esteem Needs	I feel that the supervisor appreciates the work that I do	5.23	1.64
	My supervisor will do anything he or she can so that my work will be recognised and acknowledged outside of the organization	3.87	1.76
Actualisation Needs	I feel that my supervisor cares about helping me realise my potential to help my organization	4.68	1.78
	I feel that my supervisor cares about who I am and what I want to become professionally	4.71	1.80
Knowledge Needs	My supervisor provides me with opportunities to learn new things that can help me do a better job	5.09	1.56

Needs	I feel that my boss cares about helping me enhance my professional skills	4.87	1.76
Aesthetics needs	My supervisor encourages me to express creative thinking on the job	4.89	1.65
	My supervisor thinks highly of creative people	4.53	1.99

The needs-satisfaction-from-ancillary-programs measure

Need Type	Indicator/Measure	M	SD
Health & Safety	The janitors and maintenance people we have at work do a good job of keeping the place clean and sanitary	5.56	1.41
	My organization offers a good health benefits package	5.67	1.26
	My organization offers employees health benefits that include the use of fitness facilities and programs	5.11	1.79
Economic & Family needs	My organization offers a program to help employees invest and manage their finances effectively	4.53	2.39
	If layoffs are needed, my organization has an early retirement program that encourages employees to retire early, thus avoiding lay-offs	3.90	1.69
	We have a child care centre at work	2.09	1.53
Social Needs	We have a lounge where employees come together, rest and socialise for coffee breaks and lunches	3.81	2.12
	We have flexitime at work	4.23	1.95
Esteem Needs	At my organization every employee stands a good chance of being publicly recognised by the organization for outstanding performance	3.60	1.83
	My organization distributes information about conferences and seminars leading to professional certifications, recognition and awards	4.76	1.74
Actualisation Needs	My organization has a program that ensures that employees are routinely and periodically evaluated for possible promotions.	4.45	1.94
	My organization has a program that allows employees to take on increasingly challenging tasks and greater responsibilities.	4.03	1.74
Knowledge Needs	My organization has an educational program that continuously exposes employees to new standards/technologies to improve job performance	4.52	1.68
	My organization has a program that subsidises an employee's educational program of professional development	4.41	1.81
Aesthetics needs	The design of my work facilities is beautiful	3.53	1.75
	Administration instituted a program that trains and encourages employees to be creative at work and in their personal lives	3.18	1.51

8 Appendix C - Victor and Cullen's ethical climate questionnaire.

Dimension	Item	Cronbach Alpha
Law and Rules	Everyone is expected to stick by organizational rules and procedures	0.831
	In this organization, people are expected to strictly follow legal or professional standards	
	People are expected to comply with the law and professional standards over and above other considerations	
	The first consideration is whether a decision violates any particular law	
	Successful people in this organization goes by the book	
	In this organization, the law or ethical code of one's profession is the major consideration	
	Successful people in this organization strictly obey the organization's policies	
	It is very important to follow the organization's rules and procedures	
Caring	The most important consideration is the good of all people in the organization	0.835
	Our major consideration is what is best for everyone in the organization	
	In this organization, our major concern is always what is best for the other person	
	In this organization, people protect their own interests above other considerations	
	In this organization, people are mostly out for themselves	
	In this organization, people look out for each other's good	
Independence	In this organization, people are guided by their own personal ethics	0.727
	Each person in this organization decides for themselves what is right and wrong	
	In this organization, people are expected to follow their own personal and moral beliefs	
	The most important concern in this organization, is each person's own sense of right and wrong	
Instrumental	Work is considered substandard only when it hurts the organization's interests	0.638
	People are expected to do anything to further the organization's interests	
	There is no room for one's own personal morals or ethics in this organization	
Efficiency	The most efficient way is always the right way in this organization	0.657
	The major responsibility of people in this organization is to consider efficiency first	
	In this organization, each person is expected above all to work efficiently	
	People are concerned with the organization's interests above all else	

9 Appendix D - Considine and Callus's QWL measure

The main focus of the survey was to examine the attitudes of employees towards their working life. To do this, respondents were asked their views on 16 quality of working life measures in relation to their current main job. First, they were asked to what extent they agreed or disagreed (strongly agree, agree, neutral, disagree and strongly disagree) with the following statements:

- My current pay is fair and reasonable compared to what others doing similar work are paid
- I am concerned that I will lose my job in the next 12 months
- Harassment, discrimination or bullying is a problem at my workplace
- Overall I trust senior management at my workplace
- In general the work I do is not very interesting
- People at my workplace get on together quite well
- My immediate manager (supervisor) recognises the efforts I put in at work
- Management at my workplace keeps me informed about what is going on.

Respondents were then asked for their level of satisfaction or otherwise (very dissatisfied, dissatisfied, neutral, satisfied or very satisfied) with these statements:

- Your promotion prospects in your job over the next two years
- The amount of control you have over the way you do your work
- The standards of health and safety where you work
- The balance between the time you spend working and the time spent with family and friends
- How you are treated by your immediate manager (supervisor)
- The amount of work you have to do
- The opportunities you have in your current job for developing your skills
- The amount of pressure you feel under at work.

Finally, respondents were asked two open-ended questions relating to the quality of their working life: which factors make work a positive experience for them and what changes would improve the quality of their working life.

10 Appendix E - Leiden quality of worklife questionnaire

Factor	Item	Factor Loading	
		Sample 1	Sample 2
Skill Discretion	My job requires me to be creative	0.45	0.46
	I have a lot of responsibility in my job	0.44	0.46
	I have an opportunity to develop my own special abilities	0.42	0.43
	My work is boring and monotonous	-0.42	-0.43
	I get to do a variety of different things on my job	0.41	0.45
	My job require a high level of skill	0.41	0.38
	My job requires that I learn new things	0.39	0.40
	My job involves a lot of repetitive work	-0.22	-0.28
Decision Authority	I have a lot to say about what happens on my job	-0.54	-0.54
	My job allows me to make a lot of decisions on my own	-0.54	-0.54
	On my job, I have very little freedom to decide how I do my work	0.47	0.46
	I continuously have to do what others tell me to do	0.45	0.42
Task Control	If I want to, I can leave my workplace for a short while	0.55	0.58
	I can determine my work pace	0.48	0.41
	I can determine the order in which I do my work	0.47	0.43
	I can have a chat during my work	0.46	0.50
Work & Time Pressure	I am not asked to do an excessive amount of work	-0.61	-0.58
	My job requires working very hard	0.59	0.57
	I have enough time to get the job done	-0.49	-0.48
Role Ambiguity	I know exactly which are my tasks	0.51	0.51
	I know exactly what others expect of me in my job	0.45	0.45
	I know exactly what my supervisor thinks about my achievements	0.44	0.41
	I know exactly my responsibilities	0.43	0.45
	I know exactly what my colleagues think about my achievements	0.34	0.32
	I am free from conflicting demands others make	0.33	0.34
Physical Exertion	I am often required to lift or move very heavy loads on my job	0.80	0.78
	My job requires lots of physical effort	0.76	0.74
	I am often required to work for extended periods with my body in physically awkward positions	0.70	0.68
	I am exposed to dangerous tools, machinery or equipment	0.80	0.83

Factor	Item	Factor Loading	
		Sample 1	Sample 2
Hazardous Exposure	I am exposed to dangerous tools, machinery or equipment	0.80	0.83
	On my job I am using dangerous tools or equipment placed dangerously	0.69	0.70
	I run the risk of getting burns or electric shocks	0.68	0.72
	On my job I am exposed to air pollution (eg dust, smoke, gas, fumes or fibres)	0.67	0.65
	At my workplace I am exposed to dirty or badly maintained areas	0.64	0.64
	On my job I am exposed to dangerous chemicals	0.63	0.64
	I run the risk of catching diseases on my job	0.50	0.48
Job Insecurity	I expect to lose my job within the next five years	-0.67	-0.68
	During the last year I was in a situation where I faced job loss or lay-off	-0.63	-0.60
	My job security is good	0.62	0.69
Lack of meaningfulness	My work is worthwhile	0.55	0.56
	I feel committed to my work	0.51	0.51
	The work I do is useful	0.50	0.51
Social Support Supervisor	My supervisor is concerned about the welfare of those under him	0.70	0.71
	My supervisor pays attention to what I am saying	0.69	0.69
	I feel appreciated by my supervisor	0.63	0.64
	My supervisor is successful in getting people to work together	0.60	0.58
	My supervisor is helpful in getting the job done	0.59	0.58
Social Support Co-workers	People I work with are helpful in getting the job done	0.47	0.47
	People I work with take a personal interest in me	0.47	0.45
	I feel appreciated by my colleagues	0.47	0.44
	If I have problems in my job I can ask others for help	0.44	0.42
	People I work with are friendly	0.32	0.30
	People I work with are competent in doing their jobs	0.28	0.27
	If I had the choice, I would take this job again	0.72	0.75
	I would like to change jobs	-0.64	-0.65
	I am satisfied with my job	0.63	0.62
	I would advise a friend to take this job	0.52	0.59
	This job is what I wanted when I applied for it	0.5	0.52
	I often do work that I would rather not do	-0.38	-0.40

11 Appendix F - Andrews and Withey satisfaction scale

How do you feel about your job?

How do you feel about the people you work with – that is your co-workers?

How do you feel about the work you do on your job – the work itself?

What is it like where you work – the physical surroundings, the hours, the amount of work you are asked to do?

How do you feel about what you have available for doing your job – I mean equipment, information, good supervision and so on?

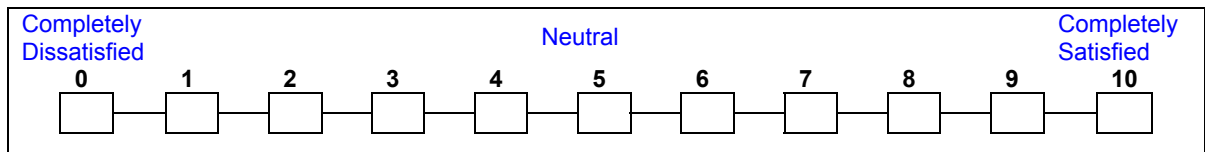
Responses to the items are recorded on a verbally anchored scale ranging from 1 – delighted, to 7 – terrible.

12 Appendix G – This study's QWL questionnaire

Section 1: About Yourself

1. Age	2. Organization Size	4. Job Level	7. Salary	11. State
18-25 <input type="checkbox"/>	Less than 20 <input type="checkbox"/>	Senior Management <input type="checkbox"/>	Less than \$40 000 <input type="checkbox"/>	NSW <input type="checkbox"/>
25-35 <input type="checkbox"/>	21-50 <input type="checkbox"/>	Management <input type="checkbox"/>	\$41 000-\$50 000 <input type="checkbox"/>	Qld <input type="checkbox"/>
36-45 <input type="checkbox"/>	51-100 <input type="checkbox"/>	Non-Management <input type="checkbox"/>	\$51 000-\$60 000 <input type="checkbox"/>	Vic <input type="checkbox"/>
46-55 <input type="checkbox"/>	101-200 <input type="checkbox"/>	<input type="checkbox"/>	\$61 000-\$70 000 <input type="checkbox"/>	SA <input type="checkbox"/>
56-65 <input type="checkbox"/>	201-500 <input type="checkbox"/>	5. Job Sector	\$71 000-\$80 000 <input type="checkbox"/>	Tas <input type="checkbox"/>
66-70 <input type="checkbox"/>	501-1000 <input type="checkbox"/>	Private <input type="checkbox"/>	\$81 000-100 000 <input type="checkbox"/>	ACT <input type="checkbox"/>
Over 70 <input type="checkbox"/>	More than 1000 <input type="checkbox"/>	Public <input type="checkbox"/>	More than \$100 000 <input type="checkbox"/>	NT <input type="checkbox"/>
	3. Workgroup size	6. Status1	8. Status2	
	1-5 <input type="checkbox"/>	Full-time <input type="checkbox"/>	Permanent <input type="checkbox"/>	
	6-10 <input type="checkbox"/>	Part-time <input type="checkbox"/>	Temporary <input type="checkbox"/>	
	11-20 <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	21-50 <input type="checkbox"/>	9. Education	10. Gender	
	51-100 <input type="checkbox"/>	School Cert <input type="checkbox"/>	Male <input type="checkbox"/>	
	More than 100 <input type="checkbox"/>	Diploma <input type="checkbox"/>	Female <input type="checkbox"/>	
		Degree <input type="checkbox"/>	<input type="checkbox"/>	
8 Industry Sector				
Agriculture, Forestry, Fishing <input type="checkbox"/>			Communication Services <input type="checkbox"/>	
Mining <input type="checkbox"/>			Finance & Insurance <input type="checkbox"/>	
Manufacturing <input type="checkbox"/>			Property & Business Services <input type="checkbox"/>	
Electricity, Gas & Water <input type="checkbox"/>			Education <input type="checkbox"/>	
Construction <input type="checkbox"/>			Health & Community Services <input type="checkbox"/>	
Wholesale Trade <input type="checkbox"/>			Cultural & Recreational Services <input type="checkbox"/>	
Retail Trade <input type="checkbox"/>			Personal & Other Services <input type="checkbox"/>	
Accommodation, Cafes & Restaurants <input type="checkbox"/>			Government Administration & Defence <input type="checkbox"/>	
Transport & Storage <input type="checkbox"/>			Consultancy <input type="checkbox"/>	
			Other – please specify <input type="checkbox"/>	

Section 2 - Questions



“(On this scale,) Zero means you feel completely dissatisfied. 10 means you feel completely satisfied. And the middle of the scale is 5, which means you feel neutral (i.e. neither satisfied nor dissatisfied).”

1. “How satisfied are you with the whole of your worklife”

Dimension of Trust

2. “How satisfied are you with the level of trust in your workplace”

3. “How satisfied are you with the level of trust you have in your co-workers”
4. “How satisfied are you with the level of trust you have in management”
5. “How satisfied are you with the level of honesty amongst co-workers”
6. “How satisfied are you with the level of honesty in management”
7. “How satisfied are you with being allowed to follow your own moral standards in making decisions at work”
8. “How satisfied are you with the level of ethics you have in your workplace”

Dimension of Democracy

9. “How satisfied are you with the level of democracy at your workplace”

10. “How satisfied are you with the level of say you have within your workplace”
11. “How satisfied are you with the level of influence you have in your workplace”
12. “How satisfied are you with the level of decision-making freedom in your workplace”
13. “How satisfied are you with the level of control you have over your own work”
14. “How satisfied are you with the level of stress you experience at work”

Dimension of Cooperation**15. “How satisfied are you with the level of community spirit in your workplace”**

16. “How satisfied are you with the level of job security in your workplace”
17. “How satisfied are you with the level of teamwork spirit at work”
18. “How satisfied are you with the level of recognition you receive at work”
19. “How satisfied are you with the level of learning you experience at work”
20. “How satisfied are you with the level of training you receive at work”
21. “How satisfied are you with the level of sympathy you experience at work”

Dimension of Justice**22. “How satisfied are you with the overall level of fairness in your workplace”**

23. “How satisfied are you with the level of hours you spend at work compared to others in your workplace”
24. “How satisfied are you with the level of pay compared to others in your workplace”
25. “How satisfied are you that everyone follows the rules and regulations set down at work”
26. “How satisfied are you with the level of lawfulness in your workplace”
27. “How satisfied are you with the level of time-off you get to take care of family issues compared to the effort you put in at work”

Dimension of Self-Actualization**28. “How satisfied are you with the level of personal achievement you receive through work”**

29. “How satisfied are you with the level of respect you receive at work”
30. “How satisfied are you with the level of importance you experience at work”
31. “How satisfied are you with the level of socialisation you experience at work”
32. “How satisfied are you with the level of pride you have in your work”
33. “How satisfied are you with the level of personal development and growth you get from work”

34. "How satisfied are you with the level of exciting work you are given"

35 "If there is any issue not covered here that you feel strongly about, please specify:

36 "How do you feel about this issue using the same scale as before"

37 "Considering all the issues covered, how do you generally feel about the quality of your worklife ?"

13 Appendix H – Statistical tables

Sample Size	Percentages found from sample					
	50/50%	40/60%	30/70%	20/80%	10/90%	5/95%
50	13.9	13.6	12.7	11.1	8.3	>5
80	11.0	10.7	10.0	8.8	6.6	>5
100	9.8	9.6	9.0	7.8	5.9	4.3
150	8.0	7.8	7.3	6.4	4.8	3.5
200	6.9	6.8	6.3	5.5	4.2	3.0
250	6.2	6.1	5.7	5.0	3.7	2.7
300	5.7	5.5	5.2	4.5	3.4	2.5
400	4.9	4.8	4.5	3.9	2.9	2.1
500	4.4	4.3	4.0	3.5	2.6	1.9
750	3.6	3.5	3.3	2.9	2.1	1.6
1000	3.1	3.0	2.8	2.5	1.9	1.3
2000	2.2	2.1	2.0	1.7	1.3	1.0
4000	1.5	1.5	1.4	1.2	0.9	0.7
10000	1.0	1.0	0.9	0.8	0.6	0.4

Also, 95% confidence interval for normal distribution for percentage p:

$$C.I. = \pm 2 \sqrt{\frac{p(100-p)}{n-1}}$$

Where n = sample size

Source: Ticehurst and Veal (2000)

14 Appendix I – ABS income data

HOUSEHOLDS AND PERSONS BY INCOME RANGE

	1994-95	1995-96	1996-97	1997-98	1999-2000	2000-01	2002-03
	'000	'000	'000	'000	'000	'000	'000
NUMBER OF HOUSEHOLDS ('000)							
Gross household income per week(a)							
Negative income	37.9	36.8	33.3	33.3	39.5	40.1	32.1
No income	31.7	28.7	34.0	41.2	36.1	46.0	65.5
\$1—\$99	113.8	67.5	52.7	71.8	63.9	79.5	89.5
\$100—\$199	702.6	322.4	224.5	220.1	229.3	209.7	192.0
\$200—\$299	684.6	686.5	713.2	764.3	770.3	810.9	783.6
\$300—\$399	599.8	653.1	686.1	629.2	657.4	612.1	627.7
\$400—\$499	514.9	472.3	491.4	499.5	468.0	554.2	517.2
\$500—\$599	465.6	441.5	425.8	451.9	433.9	468.5	484.9
\$600—\$799	636.0	709.9	753.3	776.1	765.2	736.0	826.2
\$800—\$999	724.6	635.1	720.9	689.9	660.8	711.2	744.2
\$1,000—\$1,199	528.4	592.8	611.0	603.6	629.7	685.5	681.1
\$1,200—\$1,399	417.7	500.9	516.5	484.8	509.6	566.2	621.9
\$1,400—\$1,599	299.6	398.8	358.6	402.3	409.4	458.4	437.4
\$1,600—\$1,799	214.9	295.6	310.7	328.8	336.2	327.0	343.6
\$1,800—\$1,999	103.3	191.2	219.8	224.5	258.8	258.7	278.2
\$2,000—\$2,499	141.9	288.0	316.1	356.9	393.5	377.8	473.8
\$2,500—\$2,999	55.1	116.1	162.6	150.9	218.4	149.1	212.1
\$3,000—\$3,999	43.6	86.9	89.2	104.4	168.7	130.6	149.9
\$4,000—\$4,999	*16.3	35.7	28.9	35.8	35.7	44.3	37.5
\$5,000 or more	*14.3	*17.3	21.9	33.2	36.7	49.1	39.9
All households	6 546.6	6 657.2	6 770.6	6 902.3	7 121.2	7 314.9	7 638.2
NUMBER OF PERSONS ('000)							
Equivalised disposable household income per week(a)							
No income	157.3	129.6	138.6	169.6	159.5	157.8	175.4
\$1—\$49	188.6	108.3	86.5	113.9	136.0	130.3	140.7
\$50—\$99	220.9	195.7	140.6	137.9	145.4	123.8	118.0
\$100—\$149	701.9	347.2	302.9	295.7	316.4	306.3	246.4
\$150—\$199	2 542.7	1 022.6	716.1	751.3	662.7	740.4	603.8
\$200—\$249	2 320.3	2 211.8	2 332.7	2 234.3	2 162.3	1 963.7	1 895.0
\$250—\$299	1 931.2	1 904.2	1 923.1	1 877.9	1 824.4	1 885.4	1 735.8
\$300—\$349	1 770.1	1 824.2	1 658.0	1 827.0	1 739.3	1 557.6	1 667.3
\$350—\$399	1 680.7	1 513.9	1 675.4	1 501.9	1 348.5	1 521.9	1 576.8
\$400—\$449	1 524.4	1 440.8	1 591.7	1 318.4	1 433.1	1 370.3	1 529.4
\$450—\$499	1 147.7	1 271.2	1 317.5	1 290.3	1 374.1	1 327.3	1 380.2
\$500—\$599	1 496.2	2 088.1	2 081.5	2 278.1	2 362.8	2 447.1	2 380.6
\$600—\$699	909.2	1 525.0	1 665.4	1 632.2	1 709.4	1 794.4	1 935.9
\$700—\$799	478.1	1 011.0	919.1	1 100.2	1 229.7	1 180.6	1 251.9
\$800—\$899	241.4	506.8	617.6	691.8	706.5	826.7	958.9
\$900—\$999	114.7	283.6	347.1	355.8	503.7	557.7	645.3
\$1,000—\$1,099	63.0	162.0	200.8	261.5	324.0	300.9	340.2
\$1,100—\$1,399	*69.8	222.4	249.4	273.1	268.3	369.6	447.1
\$1,400—\$1,699	*21.2	*41.1	69.4	79.4	139.0	132.6	160.8
\$1,700—\$1,999	*26.8	*19.9	*37.6	*35.0	*48.5	75.1	*31.4
\$2,000 or more	*21.8	*31.7	*18.5	51.1	58.6	89.2	82.2
All persons	17 607.7	17 861.2	18 089.4	18 276.4	18 652.2	18 858.8	19 303.1

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) In 2002-03 dollars, adjusted using changes in the Consumer Price Index

15 Appendix J – ATO taxable income data

Taxation statistics 2002–03

Table 9: Personal tax

Five percentile distribution, by taxable income, 2003–03 income year¹

Grades of taxable income	Males		Females		Total		Total income		Taxable income		Net tax	
	no.	%	no.	%	no.	%	\$m	%	\$m	%	\$m	%
Less than \$9,824	193,235	4.1	240,037	6.2	433,272	5.0	3,623	1.0	3,356	1.0	132	0.2
\$9,824-\$12,772	191,232	4.0	242,040	6.2	433,272	5.0	5,232	1.4	4,895	1.4	306	0.4
^{a2}	384,467	8.1	482,077	12.4	866,544	10.0	8,856	2.4	8,251	2.4	438	0.5
\$12,772-\$15,721	191,736	4.0	241,536	6.2	433,272	5.0	6,582	1.8	6,177	1.8	530	0.6
^{a2}	576,203	12.1	723,613	18.6	1,299,816	15.0	15,438	4.2	14,428	4.1	968	1.1
\$15,721-\$18,494	188,366	4.0	244,906	6.3	433,272	5.0	7,896	2.2	7,425	2.1	771	0.9
^{a2}	764,569	16.1	968,519	24.8	1,733,088	20.0	23,335	6.4	21,853	6.3	1,739	2.0
\$18,494-\$20,902	185,220	3.9	248,052	6.4	433,272	5.0	9,084	2.5	8,552	2.5	955	1.1
^{a2}	949,789	19.9	1,216,571	31.2	2,166,360	25.0	32,419	8.9	30,405	8.7	2,694	3.1
\$20,902-\$23,337	186,459	3.9	246,813	6.3	433,272	5.0	10,159	2.8	9,584	2.7	1,246	1.4
^{a2}	1,136,248	23.9	1,463,384	37.5	2,599,632	30.0	42,577	11.6	39,989	11.4	3,940	4.5
\$23,337-\$25,729	194,638	4.1	238,634	6.1	433,272	5.0	11,214	3.1	10,631	3.0	1,619	1.9
^{a2}	1,330,886	27.9	1,702,018	43.6	3,032,904	35.0	53,791	14.7	50,620	14.5	5,559	6.4
\$25,729-\$28,087	202,816	4.3	230,456	5.9	433,272	5.0	12,248	3.4	11,659	3.3	1,965	2.3
^{a2}	1,533,702	32.2	1,932,474	49.5	3,466,176	40.0	66,039	18.1	62,279	17.8	7,524	8.7
\$28,087-\$30,440	212,626	4.5	220,646	5.7	433,272	5.0	13,289	3.6	12,679	3.6	2,305	2.7
^{a2}	1,746,328	36.7	2,153,120	55.2	3,899,448	45.0	79,329	21.7	74,958	21.5	9,829	11.3
\$30,440-\$32,909	225,426	4.7	207,846	5.3	433,272	5.0	14,354	3.9	13,719	3.9	2,644	3.1
^{a2}	1,971,754	41.4	2,360,966	60.5	4,332,720	50.0	93,683	25.6	88,677	25.4	12,472	14.4
\$32,909-\$35,507	234,765	4.9	198,507	5.1	433,272	5.0	15,484	4.2	14,817	4.2	2,994	3.5
^{a2}	2,206,519	46.3	2,559,473	65.6	4,765,992	55.0	109,167	29.8	103,494	29.6	15,466	17.8
\$35,507-\$38,323	244,237	5.1	189,035	4.9	433,272	5.0	16,687	4.6	15,985	4.6	3,367	3.9
^{a2}	2,450,756	51.4	2,748,508	70.5	5,199,264	60.0	125,854	34.4	119,479	34.2	18,833	21.7
\$38,323-\$41,366	252,296	5.3	180,976	4.6	433,272	5.0	17,997	4.9	17,253	4.9	3,764	4.3
^{a2}	2,703,052	56.7	2,929,484	75.1	5,632,536	65.0	143,852	39.3	136,732	39.1	22,598	26.0
\$41,366-\$44,807	260,301	5.5	172,971	4.4	433,272	5.0	19,460	5.3	18,652	5.3	4,202	4.8
^{a2}	2,963,353	62.2	3,102,455	79.5	6,065,808	70.0	163,312	44.6	155,385	44.5	26,800	30.9
\$44,807-\$48,684	269,956	5.7	163,316	4.2	433,272	5.0	21,112	5.8	20,237	5.8	4,701	5.4
^{a2}	3,233,309	67.9	3,265,771	83.7	6,499,080	75.0	184,424	50.4	175,621	50.3	31,501	36.3

16 **Appendix K** – Model 1 statistics

Maximum Likelihood Estimates

Regression Weights:

	Estimate	S.E.	C.R.	P	Label
QWL <--- COPAVG	.340	.132	2.567	.010	
QWL <--- ODAVG	.235	.095	2.481	.013	
QWL <--- OTAVG	.099	.109	.908	.364	
QWL <--- JUSAVG	-.026	.085	-.308	.758	
Social <--- QWL	1.195	.268	4.456	***	
DVPMNT <--- QWL	1.532	.303	5.050	***	
IMPRT <--- QWL	1.347	.263	5.123	***	
RSPT <--- QWL	1.314	.273	4.807	***	
PRIDE <--- QWL	1.000				
EXWRK <--- QWL	1.396	.318	4.388	***	

Standardized Regression Weights:

	Estimate
QWL <--- COPAVG	.440
QWL <--- ODAVG	.366
QWL <--- OTAVG	.134
QWL <--- JUSAVG	-.035
Social <--- QWL	.697
DVPMNT <--- QWL	.830
IMPRT <--- QWL	.848
RSPT <--- QWL	.773
PRIDE <--- QWL	.617
EXWRK <--- QWL	.683

Covariances:

	Estimate	S.E.	C.R.	P	Label
OTAVG <--> ODAVG	1.804	.302	5.970	***	
OTAVG <--> COPAVG	1.751	.276	6.354	***	
OTAVG <--> JUSAVG	1.000				
ODAVG <--> COPAVG	1.768	.304	5.822	***	
ODAVG <--> JUSAVG	1.610	.269	5.977	***	
COPAVG <--> JUSAVG	1.245	.183	6.808	***	

Correlations:

	Estimate
OTAVG <--> ODAVG	.675
OTAVG <--> COPAVG	.789
OTAVG <--> JUSAVG	.440
ODAVG <--> COPAVG	.695
ODAVG <--> JUSAVG	.618
COPAVG<--> JUSAVG	.575

Variances:

	Estimate	S.E.	C.R.	P	Label
OTAVG	2.332	.353	6.608	***	
ODAVG	3.063	.475	6.453	***	
COPAVG	2.113	.315	6.711	***	
JUSAVG	2.215	.335	6.608	***	
D1	.390	.164	2.374	.018	
E1	2.055	.401	5.124	***	
E2	1.474	.315	4.684	***	
E3	.892	.216	4.124	***	
E4	1.339	.311	4.306	***	
E5	1.913	.386	4.958	***	
E6	2.826	.566	4.994	***	

Squared Multiple Correlations:

	Estimate
QWL	.691
EXWRK	.466
Social	.485
DVPMNT	.689
IMPRT	.720
RSPT	.597
PRIDE	.381

Standardized Residual Covariances

	JUSAVG	COPAVG	ODAVG	OTAVG	EXWRK	Social	DVPMNT	IMPRT	RSPT	PRIDE
JUSAVG	2.324									
COPAVG	3.373	2.397								
ODAVG	3.009	2.686	2.203							
OTAVG	4.080	2.704	2.832	2.324						
EXWRK	2.142	1.304	1.061	1.438	.882					
Social	1.221	1.492	1.386	1.162	1.928	.919				
DVPMNT	2.860	2.619	1.937	2.216	1.831	.984	1.304			
IMPRT	2.863	1.865	2.490	2.396	1.549	1.505	1.259	1.362		
RSPT	2.637	2.251	2.165	2.771	.534	1.724	.983	1.830	1.129	
PRIDE	2.448	1.696	1.771	1.195	1.084	.924	2.285	.693	.635	.721

Fit Summary

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.983	1.645	2.452	2.177
Saturated model	1.864	1.864	1.864	2.292
Independence model	9.631	8.415	10.973	9.709

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	39	45
Independence model	7	8

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	25	66.990	30	.000	2.233
Saturated model	55	.000	0		
Independence model	10	548.224	45	.000	12.183

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.916	.825	.678	.450
Saturated model	.000	1.000		
Independence model	2.414	.211	.035	.172

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.878	.817	.929	.890	.926
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.667	.585	.618
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	36.990	17.038	64.670
Saturated model	.000	.000	.000
Independence model	503.224	431.476	582.416

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	1.135	.627	.289	1.096
Saturated model	.000	.000	.000	.000
Independence model	9.292	8.529	7.313	9.871

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.145	.098	.191	.001
Independence model	.435	.403	.468	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	116.990	128.449	169.349	194.349
Saturated model	110.000	135.208	225.189	280.189
Independence model	568.224	572.808	589.168	599.168

17 Appendix L – Model 2 statistics

Regression Weights:

	Estimate	S.E.	C.R.	P	Label
COPavg <--- OTavg	.633	.083	7.624	***	
COPavg <--- JUSavg	.276	.085	3.246	.001	
QW <--- COPavg	.518	.116	4.456	***	
QW <--- ODavg	.325	.094	3.450	***	
Rspt <--- QW	1.000				
Imprt <--- QW	1.027	.128	8.020	***	
Dvpmnt <--- QW	1.176	.149	7.893	***	
Pride <--- QW	.771	.137	5.621	***	
SOCIAL <--- QW	.915	.143	6.396	***	
EXWRK <--- QW	1.070	.171	6.253	***	

Standardized Regression Weights:

	Estimate
COPavg <--- OTavg	.661
COPavg <--- JUSavg	.282
QW <--- COPavg	.535
QW <--- ODavg	.399
Rspt <--- QW	.809
Imprt <--- QW	.876
Dvpmnt <--- QW	.866
Pride <--- QW	.674
SOCIAL <--- QW	.745
EXWRK <--- QW	.733

Covariances:

	Estimate	S.E.	C.R.	P	Label
OTavg <--> JUSavg	2.319	.519	4.466	***	
OTavg <--> ODavg	2.993	.628	4.764	***	
JUSavg <--> ODavg	2.809	.604	4.652	***	

Correlations:

	Estimate
OTavg <--> JUSavg	.715
OTavg <--> ODavg	.791
JUSavg <--> ODavg	.761

Variances:

	Estimate	S.E.	C.R.	P	Label
OTavg	3.330	.613	5.431	***	
JUSavg	3.163	.582	5.431	***	
ODavg	4.306	.793	5.431	***	
E2	.662	.122	5.431	***	
E1	.680	.212	3.212	.001	
E4	1.505	.319	4.718	***	
E5	.912	.218	4.178	***	
E3	2.030	.397	5.120	***	
E6	1.310	.305	4.288	***	
E7	1.908	.384	4.963	***	
E8	2.815	.563	4.997	***	

Squared Multiple Correlations:

	Estimate
COPavg	.783
QW	.761
EXWRK	.537
SOCIAL	.556
Pride	.455
Dvpmnt	.751
Imprt	.767
Rspt	.654

Standardized Residual Covariances

	ODavg	JUSavg	OTavg	COPavg	EXWRK	SOCIAL	Pride	Dvpmnt	Imprt	Rspt
Odavg	.000									
JUSavg	.000	.000								
Otagv	.000	.000	.000							
COPavg	.310	.000	.000	.000						
EXWRK	-.416	-.140	-.185	-.298	.062					
SOCIAL	-.185	-.840	-.410	-.173	.726	.065				
Pride	.203	.219	-.291	.075	.080	-.069	.053			
Dvpmnt	.044	.057	.179	.468	.485	-.221	.923	.087		
Imprt	.459	.050	.316	-.073	.265	.216	-.387	-.127	.089	
Rspt	.325	.052	.707	.314	-.495	.480	-.364	-.271	.426	.076

Fit Summary

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.754	1.459	2.181	1.932
Saturated model	1.864	1.864	1.864	2.292
Independence model	9.631	8.415	10.973	9.709

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	48	55
Independence model	7	8

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	57.475	32	.004	1.796
Saturated model	55	.000	0		
Independence model	10	548.224	45	.000	12.183

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.212	.847	.737	.493
Saturated model	.000	1.000		
Independence model	2.414	.211	.035	.172

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.895	.853	.951	.929	.949
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.711	.637	.675
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	25.475	8.104	50.679
Saturated model	.000	.000	.000
Independence model	503.224	431.476	582.416

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.974	.432	.137	.859
Saturated model	.000	.000	.000	.000
Independence model	9.292	8.529	7.313	9.871

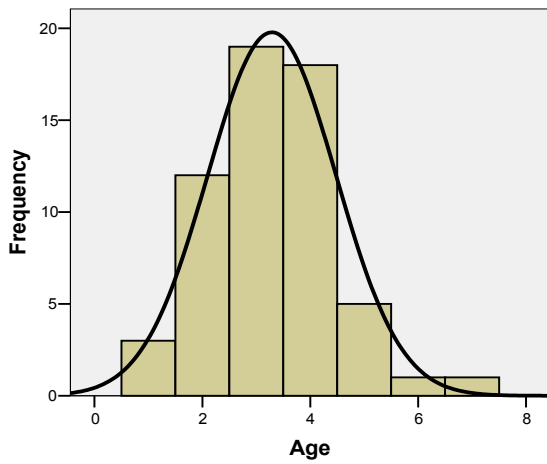
RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.116	.066	.164	.021
Independence model	.435	.403	.468	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	103.475	114.017	151.645	174.645
Saturated model	110.000	135.208	225.189	280.189
Independence model	568.224	572.808	589.168	599.168

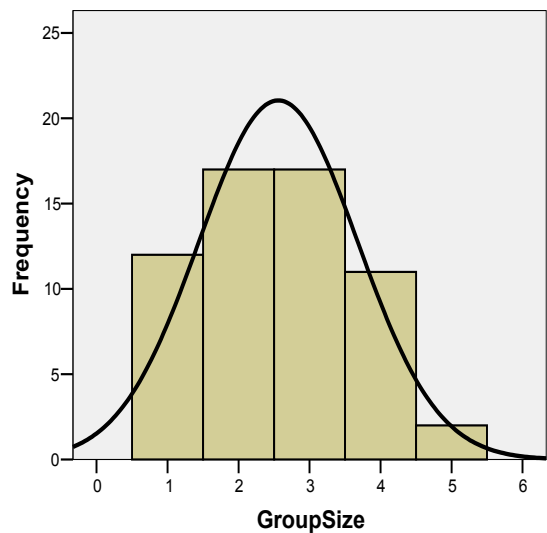
18 Appendix M – Demographic statistics



Mean = 3.25
Std. Dev. = 1.19
N = 59

Age

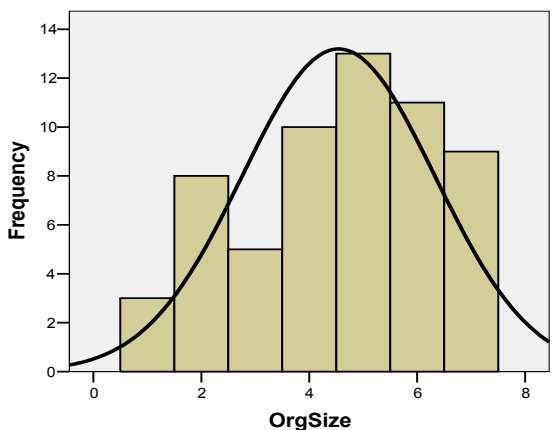
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	3	5.0	5.1	5.1
2	12	20.0	20.3	25.4
3	19	31.7	32.2	57.6
4	18	30.0	30.5	88.1
5	5	8.3	8.5	96.6
6	1	1.7	1.7	98.3
7	1	1.7	1.7	100.0
Total	59	98.3	100.0	
Missing System	1	1.7		
Total	60	100.0		



Mean = 2.56
Std. Dev. = 1.118
N = 59

GroupSize

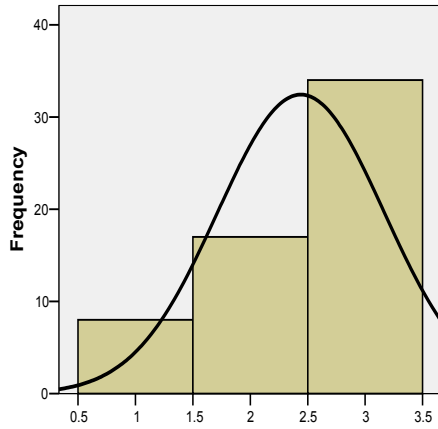
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	12	20.0	20.3	20.3
2	17	28.3	28.8	49.2
3	17	28.3	28.8	78.0
4	11	18.3	18.6	96.6
5	2	3.3	3.4	100.0
Total	59	98.3	100.0	
Missing System	1	1.7		
Total	60	100.0		



Mean = 4.54
Std. Dev. = 1.784
N = 59

OrgSize

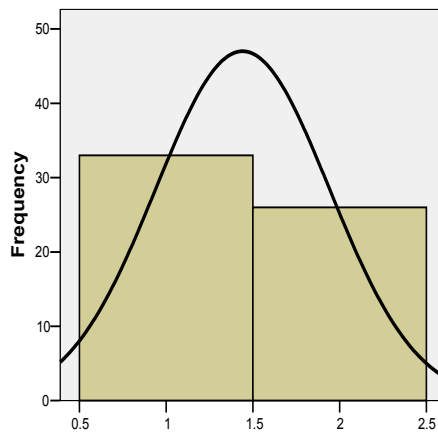
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	3	5.0	5.1	5.1
2	8	13.3	13.6	18.6
3	5	8.3	8.5	27.1
4	10	16.7	16.9	44.1
5	13	21.7	22.0	66.1
6	11	18.3	18.6	84.7
7	9	15.0	15.3	100.0
Total	59	98.3	100.0	
Missing System	1	1.7		
Total	60	100.0		



Mean = 2.44
Std. Dev. = 0.726
N = 59

JobLevel

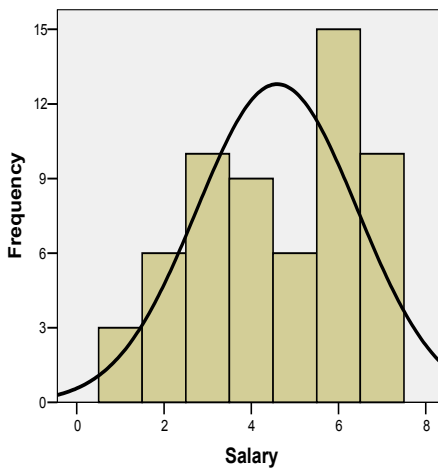
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	13.3	13.6	13.6
	2	17	28.3	28.8	42.4
	3	34	56.7	57.6	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		



Mean = 1.44
Std. Dev. = 0.501
N = 59

JobSector

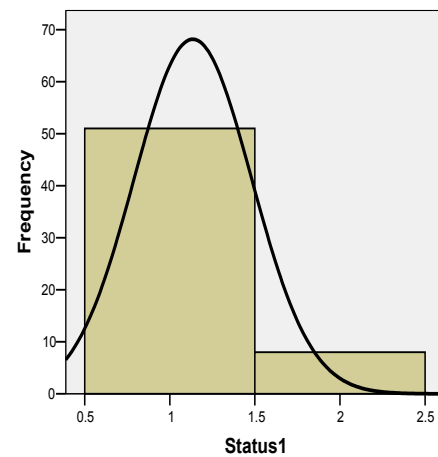
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	33	55.0	55.9	55.9
	2	26	43.3	44.1	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		



Mean = 4.59
Std. Dev. = 1.839
N = 59

Salary

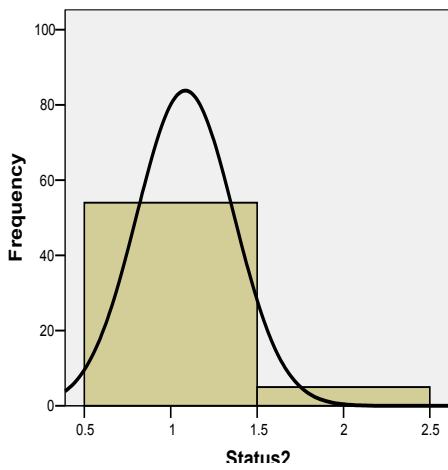
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	5.0	5.1	5.1
	2	6	10.0	10.2	15.3
	3	10	16.7	16.9	32.2
	4	9	15.0	15.3	47.5
	5	6	10.0	10.2	57.6
	6	15	25.0	25.4	83.1
	7	10	16.7	16.9	100.0
Total		59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		



Mean = 1.14
Std. Dev. = 1
N = 59

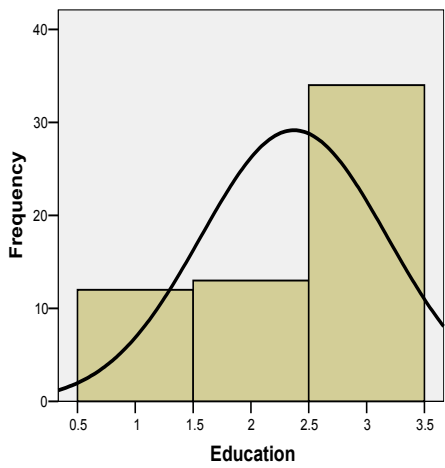
Status1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	51	85.0	86.4	86.4
	2	8	13.3	13.6	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		



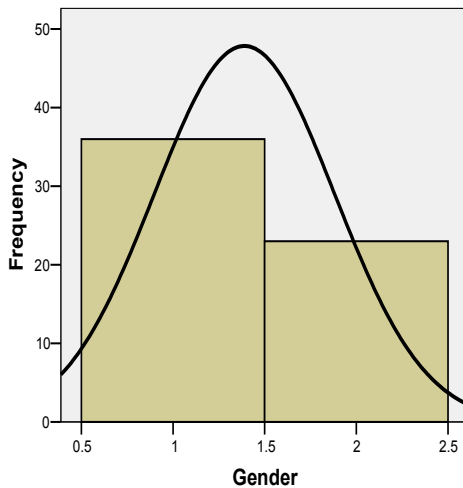
Mean = 1.08
Std. Dev. = 0.281
N = 59

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	54	90.0	91.5	91.5
	2	5	8.3	8.5	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		



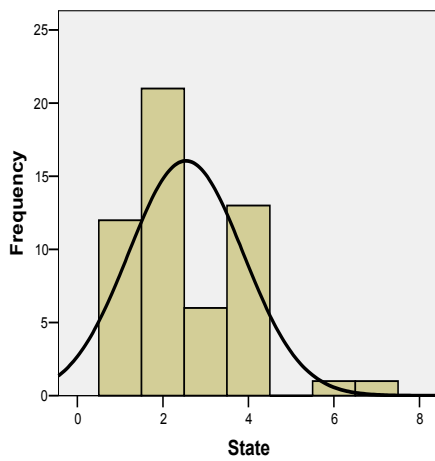
Mean = 2.37
Std. Dev. = 0.807
N = 59

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	12	20.0	20.3	20.3
	2	13	21.7	22.0	42.4
	3	34	56.7	57.6	100.0
Total		59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		



Mean = 1.39
Std. Dev. = 0.492
N = 59

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	36	60.0	61.0	61.0
	2	23	38.3	39.0	100.0
	Total	59	98.3	100.0	
Missing	System	1	1.7		
Total		60	100.0		



Mean = 2.54
Std. Dev. = 1.342
N = 54

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	12	20.0	22.2	22.2
	2	21	35.0	38.9	61.1
	3	6	10.0	11.1	72.2
	4	13	21.7	24.1	96.3
	6	1	1.7	1.9	98.1
	7	1	1.7	1.9	100.0
	Total		54	90.0	100.0
Missing	System	6	10.0		
Total		60	100.0		

	Age	OrgSize	GroupSize	JobLevel	JobSector	Salary
N Valid	59	59	59	59	59	59
Missing	1	1	1	1	1	1
Std. Error of Mean	.155	.232	.146	.094	.065	.239
Median	3.00	5.00	3.00	3.00	1.00	5.00
Std. Deviation	1.190	1.784	1.118	.726	.501	1.839
Skewness	.430	-.364	.191	-.907	.245	-.300
Std. Error of Skewness	.311	.311	.311	.311	.311	.311
Kurtosis	.721	-.871	-.820	-.512	-2.009	-1.105
Std. Error of Kurtosis	.613	.613	.613	.613	.613	.613

	Status1	Status2	Education	Gender	State
N Valid	59	59	59	59	54
Missing	1	1	1	1	6
Std. Error of Mean	.045	.037	.105	.064	.183
Median	1.00	1.00	3.00	1.00	2.00
Std. Deviation	.345	.281	.807	.492	1.342
Skewness	2.185	3.060	-.792	.464	1.013
Std. Error of Skewness	.311	.311	.311	.311	.325
Kurtosis	2.869	7.624	-.994	-1.849	1.184
Std. Error of Kurtosis	.613	.613	.613	.613	.639

19 Appendix N - Scale reliabilities

Correlations

		OTavg	Cowtrst	Mgmtrst	Cowkrhsty	Mgmthsty	Morifdm	Ethics
OTavg	Pearson Correlation	1	.747**	.881**	.726**	.862**	.729**	.840**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	60	60	60	60	60	60	60
Cowtrst	Pearson Correlation	.747**	1	.514**	.862**	.516**	.335**	.485**
	Sig. (2-tailed)	.000		.000	.000	.000	.009	.000
	N	60	60	60	60	60	60	60
Mgmtrst	Pearson Correlation	.881**	.514**	1	.417**	.934**	.589**	.664**
	Sig. (2-tailed)	.000	.000		.001	.000	.000	.000
	N	60	60	60	60	60	60	60
Cowkrhsty	Pearson Correlation	.726**	.862**	.417**	1	.457**	.344**	.545**
	Sig. (2-tailed)	.000	.000	.001		.000	.007	.000
	N	60	60	60	60	60	60	60
Mgmthsty	Pearson Correlation	.862**	.516**	.934**	.457**	1	.511**	.622**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	60	60	60	60	60	60	60
Morifdm	Pearson Correlation	.729**	.335**	.589**	.344**	.511**	1	.675**
	Sig. (2-tailed)	.000	.009	.000	.007	.000		.000
	N	60	60	60	60	60	60	60
Ethics	Pearson Correlation	.840**	.485**	.664**	.545**	.622**	.675**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	60	60	60	60	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

		COPavg	JobSec	Teamwrk	Recog	Lrng	Trng	Symp
COPavg	Pearson Correlation	1	.606**	.696**	.775**	.782**	.836**	.860**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	60	60	60	60	60	60	60
JobSec	Pearson Correlation	.606**	1	.424**	.302*	.208	.334**	.518**
	Sig. (2-tailed)	.000		.001	.019	.110	.009	.000
	N	60	60	60	60	60	60	60
Teamwrk	Pearson Correlation	.696**	.424**	1	.417**	.363**	.464**	.563**
	Sig. (2-tailed)	.000	.001		.001	.004	.000	.000
	N	60	60	60	60	60	60	60
Recog	Pearson Correlation	.775**	.302*	.417**	1	.554**	.525**	.751**
	Sig. (2-tailed)	.000	.019	.001		.000	.000	.000
	N	60	60	60	60	60	60	60
Lrng	Pearson Correlation	.782**	.208	.363**	.554**	1	.832**	.544**
	Sig. (2-tailed)	.000	.110	.004	.000		.000	.000
	N	60	60	60	60	60	60	60
Trng	Pearson Correlation	.836**	.334**	.464**	.525**	.832**	1	.588**
	Sig. (2-tailed)	.000	.009	.000	.000	.000		.000
	N	60	60	60	60	60	60	60
Symp	Pearson Correlation	.860**	.518**	.563**	.751**	.544**	.588**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	60	60	60	60	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations

		ODavg	Say	Influence	Dcnfdm	Cntrl	Stress
ODavg	Pearson Correlation	1	.882**	.901**	.927**	.868**	.813**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	60	60	60	60	60	60
Say	Pearson Correlation	.882**	1	.861**	.791**	.692**	.569**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	60	60	60	60	60	60
Influence	Pearson Correlation	.901**	.861**	1	.809**	.747**	.581**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	60	60	60	60	60	60
Dcnfdm	Pearson Correlation	.927**	.791**	.809**	1	.756**	.723**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	60	60	60	60	60	60
Cntrl	Pearson Correlation	.868**	.692**	.747**	.756**	1	.620**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	60	60	60	60	60	60
Stress	Pearson Correlation	.813**	.569**	.581**	.723**	.620**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	60	60	60	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

		JUSavg	Hrs	Pay	Rules	Law	Timeoff
JUSavg	Pearson Correlation	1	.782**	.632**	.809**	.855**	.775**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	60	60	60	60	60	60
Hrs	Pearson Correlation	.782**	1	.370**	.545**	.513**	.646**
	Sig. (2-tailed)	.000		.004	.000	.000	.000
	N	60	60	60	60	60	60
Pay	Pearson Correlation	.632**	.370**	1	.366**	.453**	.295*
	Sig. (2-tailed)	.000	.004		.004	.000	.022
	N	60	60	60	60	60	60
Rules	Pearson Correlation	.809**	.545**	.366**	1	.730**	.445**
	Sig. (2-tailed)	.000	.000	.004		.000	.000
	N	60	60	60	60	60	60
Law	Pearson Correlation	.855**	.513**	.453**	.730**	1	.570**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	60	60	60	60	60	60
Timeoff	Pearson Correlation	.775**	.646**	.295*	.445**	.570**	1
	Sig. (2-tailed)	.000	.000	.022	.000	.000	
	N	60	60	60	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations

		ACTavg	Rspt	Imprt	Social	Pride	Dvpmnt	Exwrk
ACTavg	Pearson Correlation	1	.815**	.876**	.820**	.740**	.888**	.825**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	60	60	60	60	60	60	60
Rspt	Pearson Correlation	.815**	1	.765**	.667**	.486**	.648**	.511**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	60	60	60	60	60	60	60
Imprt	Pearson Correlation	.876**	.765**	1	.677**	.525**	.726**	.674**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	60	60	60	60	60	60	60
Social	Pearson Correlation	.820**	.667**	.677**	1	.487**	.603**	.646**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	60	60	60	60	60	60	60
Pride	Pearson Correlation	.740**	.486**	.525**	.487**	1	.714**	.501**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	60	60	60	60	60	60	60
Dvpmnt	Pearson Correlation	.888**	.648**	.726**	.603**	.714**	1	.700**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	60	60	60	60	60	60	60
Exwrk	Pearson Correlation	.825**	.511**	.674**	.646**	.501**	.700**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	60	60	60	60	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

		QWL2	OT	OD	COP	JUS	ACT
QWL2	Pearson Correlation	1	.726**	.771**	.547**	.716**	.801**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	60	60	60	60	60	60
OT	Pearson Correlation	.726**	1	.737**	.509**	.697**	.474**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	60	60	60	60	60	60
OD	Pearson Correlation	.771**	.737**	1	.518**	.727**	.604**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	60	60	60	60	60	60
COP	Pearson Correlation	.547**	.509**	.518**	1	.589**	.453**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	60	60	60	60	60	60
JUS	Pearson Correlation	.716**	.697**	.727**	.589**	1	.578**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	60	60	60	60	60	60
ACT	Pearson Correlation	.801**	.474**	.604**	.453**	.578**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	60	60	60	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

		QWL2	OTavg	ODavg	COPavg	JUSavg	ACTavg
QWL2	Pearson Correlation	1	.836**	.839**	.777**	.751**	.771**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	60	60	60	60	60	60
OTavg	Pearson Correlation	.836**	1	.791**	.863**	.715**	.741**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	60	60	60	60	60	60
ODavg	Pearson Correlation	.839**	.791**	1	.787**	.761**	.757**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	60	60	60	60	60	60
COPavg	Pearson Correlation	.777**	.863**	.787**	1	.754**	.790**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	60	60	60	60	60	60
JUSavg	Pearson Correlation	.751**	.715**	.761**	.754**	1	.647**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	60	60	60	60	60	60
ACTavg	Pearson Correlation	.771**	.741**	.757**	.790**	.647**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	60	60	60	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

Observations farthest from the centroid (Mahalanobis distance)

Observation number	Mahalanobis d-squared	P1	p2
47	36.464	.000	.001
44	29.688	.000	.000
9	20.217	.010	.020
59	19.489	.012	.007
18	16.381	.037	.073
32	15.616	.048	.069
8	13.250	.104	.430
57	12.699	.123	.458
45	12.051	.149	.546
12	11.829	.159	.489
5	11.550	.172	.464
22	10.236	.249	.848
52	10.157	.254	.790
42	10.058	.261	.732
7	9.695	.287	.779
43	9.600	.294	.725
38	9.316	.316	.751
15	9.055	.338	.772
27	9.005	.342	.704
36	8.340	.401	.886
53	8.321	.403	.832
4	8.109	.423	.844
1	7.634	.470	.931
30	7.381	.496	.948
13	7.149	.521	.959
28	6.866	.551	.975
51	6.836	.554	.960
35	6.761	.563	.948
10	6.735	.565	.921
58	6.666	.573	.898

20 Appendix O - Descriptive statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean		Std.	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error	Statistic	Std. Error
OD	60	1.0	10.0	5.600	.2961	2.2937	.024	.309	-.654	.608
OT	60	.0	10.0	5.933	.3125	2.4207	-.580	.309	-.374	.608
OTavg	60	2.50	9.50	6.0472	.23756	1.84015	-.022	.309	-.953	.608
Cowtrst	60	1.0	10.0	6.583	.2552	1.9769	-.768	.309	.525	.608
Mgmtrst	60	.0	10.0	4.850	.3427	2.6542	-.260	.309	-.617	.608
Cowkrhsty	60	.0	10.0	6.867	.2565	1.9870	-1.057	.309	1.744	.608
Mgmthsty	60	.0	10.0	5.183	.3167	2.4529	-.305	.309	-.363	.608
Morfdm	60	1.0	10.0	6.600	.2903	2.2489	-.330	.309	-.772	.608
Ethics	60	1.0	10.0	6.200	.3125	2.4203	-.465	.309	-.684	.608
ODavg	60	1.80	9.80	6.0933	.27015	2.09259	-.141	.309	-.746	.608
Say	60	1.0	10.0	5.933	.2900	2.2464	-.044	.309	-.829	.608
Influence	60	2.0	10.0	6.083	.2865	2.2193	-.060	.309	-.993	.608
Dcnfdm	60	1.0	10.0	6.050	.2982	2.3101	-.182	.309	-.787	.608
Cntrl	60	1.0	10.0	6.683	.3094	2.3970	-.414	.309	-.741	.608
Stress	60	.0	10.0	5.717	.3590	2.7806	-.215	.309	-.970	.608
COP	60	1.0	10.0	5.833	.2670	2.0681	.041	.309	-.342	.608
COPavg	60	2.33	10.00	5.8583	.22722	1.76005	.381	.309	-.522	.608
JobSec	60	.0	10.0	6.783	.3035	2.3513	-.888	.309	.592	.608
Teamwrk	60	1.0	10.0	6.383	.2742	2.1240	-.711	.309	.181	.608
Recog	60	1.0	10.0	5.883	.3007	2.3296	-.279	.309	-.515	.608
Lrng	60	.0	10.0	5.667	.3114	2.4123	.069	.309	-.757	.608
Trng	60	.0	10.0	4.917	.3372	2.6122	.383	.309	-.760	.608
Symp	60	.0	10.0	5.517	.2673	2.0707	.029	.309	.121	.608
JUS	60	.0	10.0	5.667	.2888	2.2373	-.364	.309	-.374	.608
JUSavg	60	3.00	10.00	6.4333	.23153	1.79346	.037	.309	-.878	.608
Hrs	60	2.0	10.0	6.783	.2528	1.9580	-.330	.309	-.255	.608
Pay	60	.0	10.0	6.250	.2819	2.1833	-.524	.309	.367	.608
Rules	60	.0	10.0	5.700	.3244	2.5130	-.244	.309	-.852	.608
Law	60	.0	10.0	6.683	.3067	2.3757	-.566	.309	.007	.608
Timeoff	60	1.0	10.0	6.750	.3316	2.5686	-.271	.309	-1.086	.608
ACT	60	1.0	10.0	6.250	.2858	2.2142	-.153	.309	-.486	.608
ACTavg	60	2.50	10.00	6.3194	.23226	1.79906	.375	.309	-.581	.608
Rspt	60	.0	10.0	6.683	.2736	2.1193	-.695	.309	.563	.608
Imprt	60	2.0	10.0	6.500	.2598	2.0127	.039	.309	-.703	.608
Social	60	2.0	10.0	6.233	.2714	2.1022	-.104	.309	-.482	.608
Pride	60	3.0	10.0	7.200	.2524	1.9554	-.234	.309	-.739	.608
Dvpmnt	60	.0	10.0	5.833	.3008	2.3301	.075	.309	-.704	.608
Exwrk	60	1.0	10.0	5.467	.3228	2.5006	.132	.309	-.710	.608
QWL2	60	1.0	10.0	5.983	.2877	2.2284	-.026	.309	-.700	.608
Valid N (listwise)	60									

21 Appendix P – Ethics information sheet

Information for Participants of QWL questionnaire

Dear Participant,

I am a Doctor of Business Administration (DBA) candidate at the Graduate College of Management (GCM) of Southern Cross University in Australia. As part of the course, all candidates are required to undertake a research project that examines a significant issue relating to business.

The issue I am researching is the Quality of Worklife of adult Australian employees. As you may be aware, research on Job Satisfaction and Quality of Worklife is used in many industries to improve the quality of Human Resource development. This research will attempt to develop a model of Job Satisfaction in Australia.

In this regard, I have developed a questionnaire. Completion of the questionnaire is voluntary and should take approximately 15 minutes to complete. Please answer all questions. Questionnaires are anonymous and information is **private** and **confidential**. Only my research supervisor and I will have access to the information you give and the data will be kept in a secure place. The final results of the study will be published on the website www.pke.co.nz. This secure web site is maintained by a reputable Internet Service Provider.

Your assistance in completing the survey is appreciated and you may withdraw (stop) at any time without consequence. The ethical aspects of this study have been approved by the Southern Cross University Human Research Ethics Committee. The approval number is ECN-06-31. If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Ethics Complaints Officer, Ms S Kelly, (telephone (02) 6620 9139, fax (02) 6626 9145, email: skelly@scu.edu.au). Any complaint you make will be treated in confidence and investigated, and you will be informed of the outcome.

Kind regards

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