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## “I Quit”: Retail Employees’ Perceived Corporate Hypocrisy and Their Turnover Intentions

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Corporations can claim to be something that they are not could be easily perceived as hypocritical (Wagner, Lutz, & Weitz, 2009). The retail sector often becomes the subject of media scrutiny for failure to behave responsibly according to their promises concerning the consumers, human rights, or the environment (Diallo & Lambey-Checchin, 2017). Unethical practices, such as false promotions, bait marketing, false or inaccurate claims, counterfeit products, mislabeling, and privacy infringement for marketing are popular in different retail industries (Federal Trade Commission [FTC], 2017), offering huge room for potential corporate hypocrisy perceived by both consumers and employees.

When corporations are perceived by consumers to deviate between their endorsed claims and their business practices, i.e., when consumers perceive corporate hypocrisy (PCH), the results can impact corporate reputation (Wagner et al., 2009). Consumers’ PCH often draw media attention and challenge corporations’ survival in the business world (*idem*). However, far less attention is paid to employees and their PCH (Rajgopal, 2017). When employees perceive contradictions between their employers’ assertions and actions, particularly related to ethical contexts, they feel threatened to voice their concerns (*idem*). For example, when Wells Fargo employees complained about the corporation pressuring them to create fake accounts to meet sales targets but pretending to not associate with any illegal tactics, they were fired (Egan, 2016). Employees, in order to avoid their employers’ retaliation when reporting about their perceptions or unethical behaviors (Rajgopal, 2017), start considering alternate employment options (Shin, Hurr & Kang, 2016). They might start seeing an increase in their turnover intentions.

Turnover intention is defined as the extent to which employees want to leave the corporations (Bothma & Roodt, 2013). It has been well-studied in terms of employee disengagement, burnout, satisfaction, and its negative impacts on organizational functioning and administration (*idem*). Particularly, the construct has been researched from the ethical perspective as how corporations’ questionable integrity increase employees’ turnover intentions (Mulki, Jaramillo & Locander, 2008). However, little research has been done specifically on how employees’ PCH might relate to their turnover intentions. Given that hypocrisy is a perception opposite to that of organizational integrity (Simons, 2002), it might be expected that employees’ PCH regarding their employers will influence and increase their turnover intentions. Therefore, this research was designed to investigate how employees’ PCH impact their turnover intentions.

This study focused on the US retail sector because, first, existence of PCH among employees for their employers has been found in the fashion industry of the US retail sector (Goswami & Ha-

Brookshire, 2016). Second, while retail continues to be one of the largest employment sector in the country, it has fewer professional development opportunities, lesser benefits, poor employee appreciation, and often suffers with high turnover rates (Williams & Connell, 2010).

A self-reported survey was designed for this study. Turnover intentions were measured using a three-item scale ( $\alpha = .92$ ; Alniacik et al., 2013) and PCH was measured using a nine-item scale ( $\alpha = .93$ ; Goswami, Ha-Brookshire & Bonifay, 2017). Data were collected in April 2017 via Qualtrics to recruit US retail employees. A minimum of one-year experience within a specific retail corporation was deemed necessary to ensure that participants had spent considerable time with the corporation (Goswami & Ha-Brookshire, 2016). All employees in the retail sector, from store-level to executive-level employees from brick-and-mortar retail stores, their related corporate offices, and any e-retail companies, were eligible for the study. Participants were recruited from 12 retail industries represented by the North American Industry Classification System codes 441110 to 453998 and 454111 (U.S. Census Bureau, n.d.).

A sample of 520 adult respondents (72.7% females, 35.5% aged 21-30 years, 75.2% Caucasian, 63.7% full time employed, 23.8% from clothing industry sector) participated in this study. The data was analyzed using a Pearson correlation to assess the association between the PCH and the turnover intention and using an independent sample t-test to compare employees' turnover intentions based on their levels of PCH. The Pearson correlation coefficient showed a significant positive association between participants' PCH and their turnover intention ( $r = .57, p < .01$ ). For the independent sample t-test, participants were categorized into two groups based on their PCH responses, namely high PCH ( $M=3.71, SD=.24$ ) and low PCH ( $M=2.61, SD=.60$ ). These two groups were observed to be statistically different at  $t(519) = 27.85, p < .001$  and were referred for comparing their associated turnover intentions. Participants reported of high turnover intentions for high PCH ( $M=3.77, SD=.46$ ) and intentions for low PCH ( $M=2.98, SD=.84$ ). Such difference in turnover intentions was observed to be statistically significant at  $t(519) = 13.36, p < .001$ . Thus, the results suggest of not only a strong positive association existing between participants' PCH and their turnover intentions, but also, indicated that participants with high PCH had significantly higher turnover intentions than participants with low PCH. Therefore, an increase in the participants' PCH would increase their turnover intentions and vice-versa.

The study findings have implications. First, in the competitive business world, corporations might want to consider employees' PCH and control it to reduce its potential influence on their turnover intentions. This might be particularly important in the retail sector, which has the bad reputations of higher turnover rates and lower job commitments. Second, given that close to 40% of retail employees work in small corporations (NRF, 2014), this can be useful for smaller corporations which generally have limited employee resources but still want to create a niche in the market. Finally, with the millennials already entering the world of employment, understanding employees' perceptions and association of such perceptions with turnover intentions might be particularly important for retail management to reshape their workplace to naturally appeal to and retain the millennial generation.

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