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# INFORMATION SYSTEMS FACULTY PERCEPTIONS OF ETHICAL WORK CLIMATE AND JOB SATISFACTION

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## ABSTRACT

The purpose of this work in progress is to provide an overview of the current research literature in the areas of ethical work climate and employee job satisfaction, and then present a model that will help guide future research on the relationship among egoistic ethical work climate, benevolent ethical work climate, and principled ethical work climate and job satisfaction as perceived by information systems faculty at institutions of higher education in the southeastern United States.

## Keywords

Ethical Work Climate, Job Satisfaction, Information Systems Faculty, Higher Education

## INTRODUCTION

### Ethical Work Climate

In his seminal work on organizational climate, Schneider (1975) defined work climate as “psychologically meaningful molar descriptions that people can agree characterize a system’s practices and procedures” (p. 474). According to Schneider and Rentsch (1988), climate is the way in which organizations define routine practices that are supported and rewarded by the organization. In most cases, an organization may consist of multiple work climates due to variances in its functions and processes (Schneider, 1975). A work climate may also vary as a result of differences among individual employees, work groups, and employees’ positions (Victor & Cullen, 1988).

Schneider (1983) defined the ethical aspects of work climate as the existence of a normative system as perceived by employees that enables them to respond to ethical or moral issues that occur in the work place. As a subset of the general organizational work climate, the ethical work climate construct reflects organizational practices with moral consequences. The ethical work climate develops when employees believe that certain forms of ethical behavior are expected standards and norms for decision making within the organization or department. Ethical work climates are not simply based on an individual’s ethical standards or level of moral development. They instead represent components of the employees’ work environment as perceived by its members (Cullen, Parboteeah, & Victor, 2003). In addition, Payne (1990) described an ethical work climate as a social system that is composed of individuals who share a formal or informal structure such as a department, organization, or network. Schminke, Arnaud, and Kuenzi (2007) further explained that the ethical work climate includes the prevalent ethical values, norms, attitudes, feelings, and behaviors of the members (employees) that make up the social organization. Verbos et al. (2007) suggested that in organizations with a positive ethical climate, employees hold the view that “the right thing to do is the only thing to do” (p. 17).

In considering definitions of ethical work climate, it is also important to understand individual moral development. Kohlberg (1969) proposed the cognitive moral development (CMD) theory that explained that it is the individual who makes a determination of what is right or wrong. The CMD theory identifies three levels of moral development—the pre-conventional, conventional, and post-conventional levels. Each level is composed of two stages for a total of six stages. Individuals move forward through the stages by a step sequence which follows an invariant path from one stage to the next. Individuals can only progress from a lower stage to the next higher stage and cannot derive moral reasoning from more than two adjacent stages at one time. Kohlberg (1969) explained that in the first two stages of cognitive development, the locus of concern is the individual; in the third and fourth stages the individual’s referent group becomes a larger social system; and, in the highest stages consideration is given to humanity and other considerations as a whole. According to Kohlberg (1969), those individuals who fall into the first two stages of CMD are more likely to benefit from an ethical work climate based on rules

and guidelines. On the other hand, individuals with a higher level of CMD are less likely to be affected by environmental cues and rely on their own moral development to help others deal with ethical issues within the organization (Kohlberg, 1969).

Cullen et al. (2003) defined three basic ethical standards associated with ethical work climates that parallel Kohlberg's (1969) stages of individual cognitive and moral development: egoistic (self-interest), benevolent (caring), and principled. The egoistic climate is characterized by employee self-interests. An employee makes decisions that promote personal gain, ignoring the needs or interests of others. Employees have less concern for others in the organization and the organization as a whole. Employees may feel that the organization does not conform to the appropriate ethical standards or societal expectations. On the other hand, benevolent climates encourage individuals to be concerned with the well-being of others both inside and outside of the organization. In a benevolent environment, an employee is likely to make decisions that seek to maximize joint interests even when it means lesser satisfaction of individual needs (Weber, 1995). In a principled or rule based climate, ethical decisions are made based on the interpretation of rules, laws, and standards in the normative expectations of the organization or social unit (Victor & Cullen, 1988). Over the years, numerous articles (e.g., Clinard, 1983; Clinard & Yeager, 1980; Cullen, Maakestad, & Cavender, 1987; Victor & Cullen, 1988; Weiss, 1983) have reported on the role that organizational climate plays on influencing employee ethical or unethical behaviors.

### **Job Satisfaction**

Smith, Kendall, & Hulin (1975) defined job satisfaction as "the perceived characteristics of the job in relation to an individual's frames of reference" (p. 12). To further refine the definition, job satisfaction is the positive emotional state that results from the overall evaluation of an employee's job (Locke, 1976; Shaffer & Harrison, 1998). The evaluation of job satisfaction can include facets such as an overall impression of one's job, the work one is expected to complete as part of his/her job, pay, opportunities for promotion, and an impression of one's supervision (Smith, 1985).

The effects of job satisfaction, including benefits to both the employee and the organization, have been well-documented in the literature. An employee's intention to leave an organization is related to his/her job satisfaction (Abelson, 1987; Arnold & Feldman, 1982; Baroudi, 1985; Sager & Johnston, 1989; Sager, Varadarajan, & Futrell, 1988). Further, employee evaluation criteria such as increased job performance, increased productivity, and decreased absenteeism are related to a higher level of an employee's job satisfaction (Brown & Peterson, 1994; Seashore & Taber, 1975; Singh, Verbeke, & Rhoads, 1996; Vroom, 1964). With these desirable outcomes in mind, research has turned to investigating ways to positively impact an employee's job satisfaction. Outside of the standard factors related to benefits and monetary gain, the relationship between an ethical work climate and job satisfaction has been well-documented.

### **Ethical Work Climate and Job Satisfaction**

Research (e.g., Bartels, Harrick, Martell, & Strickland, 1998; Cohen, 1995; Malloy & Agarwal, 2003) has shown a significant correlation between organizational work climate and employee productivity and job satisfaction. The work climate is a factor that can have a significant impact on the productivity and satisfaction of its employees (Malloy & Agarwal, 2003). In addition, numerous studies have suggested that work climate can play a major role in influencing ethical conduct among groups and individuals (Ambrose, Arnaud, & Schminke, 2008; Andreoli & Lefkowitz, 2009; Cohen, 1995; Malloy & Agarwal, 2003; Scheider, 1975; Victor & Cullen, 1988).

As there are several antecedents that lead to job satisfaction, this study focuses specifically on the type of ethical work climate and how it affects job satisfaction. In a study of 1174 working adults, Elci and Alpan (2009) discovered a significant positive relationship between the egoistic work climate and low levels of work satisfaction. The study specifically showed that a self-interest climate type proved to have a negative influence on job satisfaction, whereas team interest, social responsibility, and principled climates positively impacts work satisfaction.

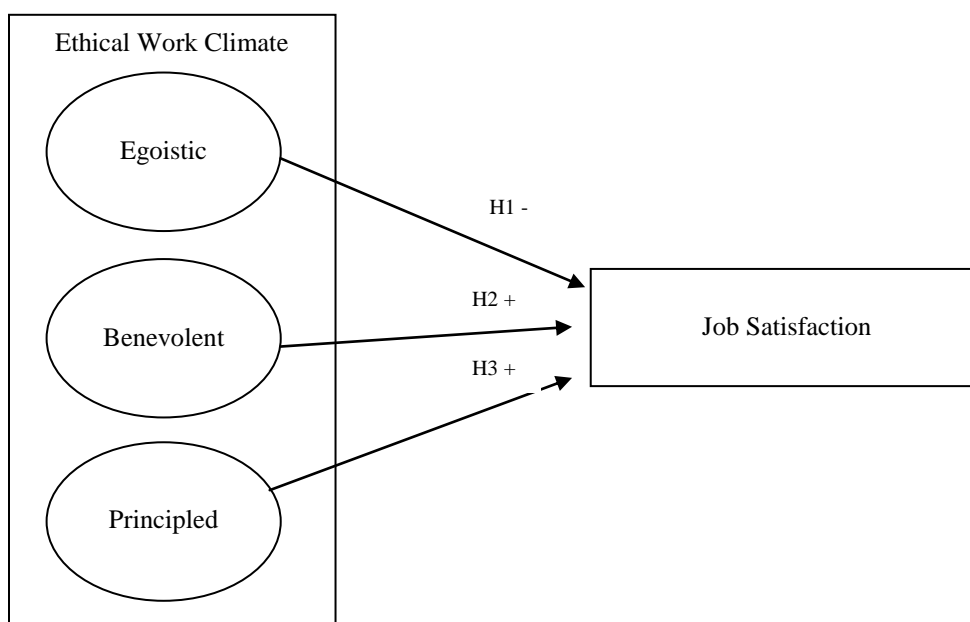
In an egoistic climate decisions are made to benefit the individual's interest, company, social, or economical interest. Research (Woodbine, 2006; Joseph & Deshpande, 1997), has concluded that an egoistic work climate is a strong predictor of job dissatisfaction.

The benevolent work climate focuses on the interests of a social group as a whole. In a benevolent work climate, decisions are aimed to coincide with socially responsible behavior. Deshpande (1996) discovered a higher level of job satisfaction in organizations that fostered a benevolent or caring work climate.

A principled work climate proposes that decisions are made in accordance with the established rules and codes. Deshpande (1996) concludes that in a principled climate law and professional codes lead to a positive overall satisfaction. However, the study fails to support a significant finding when exploring personal morality, which is one of the dimensions of the principled work climate.

Several studies have demonstrated that dimensions of ethical climate lead to more satisfied employees (Babin, Boles, & Robin, 2000; Deshpande, 1996; Herndon et al., 1999; Jaramillo, Prakash, & Solomon, 2006; Joseph & Deshpande, 1997; Koh & Boo, 2001; Martin & Cullen, 2006; Mulki, Jaramillo, & Locander, 2006; Schwepker, 2001; Schwepker & Hartline, 2005; Sims & Keon, 1997; Ulrich, O'Donnell, Taylor, Farrar, Danis, & Grady, 2007). Subsequently, a conflict between an employee's personal ethics and the perceptions of top manager's ethical values has been found to increase stress and reduce job satisfaction. A significant positive relationship exists when there is a caring or benevolent ethical work climate (Ambrose, Arnaud, & Schminke, 2008). Deshpande (1996) found that climate types did not significantly influence satisfaction with pay, but did influence employee's satisfaction with other job facets such as, promotions, supervisors, work, and the overall job. Employees within an organization that exhibited a caring work climate were significantly more satisfied. Our hypotheses are modeled in figure 1 and are stated as follows:

- H<sub>1</sub>: There is a negative relationship between the egoistic ethical work climate and IS faculty job satisfaction.  
H<sub>2</sub>: There is a positive relationship between the benevolent ethical work climate and IS faculty job satisfaction.  
H<sub>3</sub>: There is a positive relationship between the principled ethical work climate and IS faculty job satisfaction.



**Figure 1: Ethical Work Climate and Job Satisfaction Model**

## METHODOLOGY

### Participants

The participants for this study will be currently employed, full time, and tenure-track information systems faculty selected from institutions of higher education in the Southeastern United States. These institutions would be classified as teaching institutions. The work environment assumes a normal faculty workload of teaching four courses per semester, appropriate scholarly activity, and performance of service to the institution and the community.

## Instrumentation

The instrumentation for this study will consist of 34 questions, categorized as follows: sixteen (16) items from the Ethical Work Climate questionnaire used to measure ethical work climate by Victor and Cullen (1987), and 38 items from the Abridged Job Descriptive Index/Job In General (aJDI/JIG) scale (Ironson, Smith, Brannick, Gibson & Paul, 1989). The aJDI/JIG scale is a global scale and measures six facets of job satisfaction: people on your present job, job in general, work on present job, pay, opportunities for promotion, and supervision.

For purposes of this study, the top five-loading questions on the EWC questionnaire (Victor & Cullen, 1987) from the ethical dimensions [benevolence (B), and egoism (E)] and the top six-loading questions from the dimension [principle (P)] will be used to develop the ethical work climate component of the research questionnaire since these dimensions parallel Kohlberg's (1969) stages of individual cognitive and moral development. This includes questions 1-5 (benevolence), questions 8, 10, 11, 14, 15, and 29 (principle), and questions 16-19, and 21 (egoism). This combination of questions includes all of the ethical work climate factors defined by Victor and Cullen (1987).

## Implications

The study hypothesizes that the benevolent and principled ethical work climate is positively related to higher job satisfaction among IS faculty. The most important implication is that job satisfaction among faculty contributes to positive outcomes for students (Hagedorn, 2000). Further, the findings of this study may provide incentive for leadership at institutions of higher education and IS academic units to work to foster and promote more ethical work climates by ensuring that academic departments develop a code of ethics and ethical training programs to encourage that faculty become aware of and comply with professional standards. An environment that promotes team interest, esprit de corps, and social responsibility will likely raise the level of IS faculty job satisfaction. It may also significantly reduce self-centered interests and concerns that are typical in an egoistic ethical work climate.

This study will also strengthen the existing literature on job satisfaction and ethical work climate, particularly in the area of faculty members. The research could also be used as a framework to measure the effects of the ethical work climate in relation to job satisfaction of non-IS higher education faculty members in the Southeastern United States. Additionally, based on the results of the study, there is the opportunity to continue to refine and strengthen the EWC and Job Satisfaction instrument.

## Conclusion

In previous empirical studies, positive correlations were noted between the levels of job satisfaction in organization, and the levels of productivity and efficiency. Employers should seek to increase job satisfaction to improve the operations of the organization. This study will specifically focus on information systems faculty from institutions of higher education in the Southeastern United States. Faculty members that experience higher levels of job satisfaction are more likely to have low levels of absenteeism, higher involvement in their responsibilities as a faculty member, and increased performance. One of the antecedence of job satisfaction is the ethical work climate. This study theorizes that there are three general ethical work climates; egoistic, benevolent, and principled. The study also hypothesizes that there is a negative correlation between the egoistic work climate and job satisfaction and there is a positive correlation between the principled and benevolent work climate, and job satisfaction. The hypotheses will be tested by using a 34 question survey.

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