

Promoting ethical behavior and organizational citizenship behaviors: The influence of corporate ethical values

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Abstract

In the present study, a model of antecedents and outcomes of ethical behavior in work organizations was developed and tested. Antecedents included are corporate ethical values, organizational justice, and organizational commitment. The outcome of organizational citizenship behaviors was also examined. Data were gathered from 489 members of a regional chapter of the National Association of Purchasing Managers (NAPM). Structural equation modeling was used to test the model. Results indicated the data fit the model well. Implications for managers and directions for future research are discussed.

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1. Introduction

There has recently been an increased focus on workplace ethics for at least two reasons. First, the recent well publicized ethical lapses at companies such as Enron, WorldCom and Tyco illustrate what can occur as the result of an “informal” unethical culture created by top management. Second, recent research has indicated that perceptions of appropriate corporate behavior (e.g., ethical or socially responsible behavior) can positively impact customer purchase behavior (Sen and Bhattacharya, 2001). Accordingly, it is critical for managers to establish an ethical culture in which employees are encouraged to behave in an ethical manner. In doing so, not only would organizations avoid the catastrophes listed above, but the firm’s image among external constituents can be enhanced.

Previous research has investigated the role of a number of influences on ethical behavior (e.g., Dubinsky and Ingram, 1984; Hunt and Vasquez-Parraga, 1993; Schwepker, 2001; Schwepker et al., 1997). Broadly speaking, these influences have been

categorized as either individual or situational. Individual characteristics include things such as stages of cognitive moral development, locus of control (Singhapakdi et al., 1996; Trevino and Youngblood, 1990), and demographic characteristics such as sex, age, and education (Ford and Richardson, 1994). Unfortunately, this body of research has yielded inconsistent findings (Ford and Richardson, 1994). More consistent findings have been generated from situation level variables such as ethics, reward systems, rules (Ferrell and Gresham, 1985; Jones, 1991), social learning (Trevino and Youngblood, 1990), and ethical culture (Babin et al., 2000; Chonko and Hunt, 2000; Hunt et al., 1989; Trevino et al., 1998). It is this area we believe offers promise in better understanding the causes of ethical behavior in organizations. Specifically, we believe that corporate ethical values (CEV), a major dimension of organizational culture (Schein, 1984), can significantly impact the behavior of individuals within the organization. However, the relationship between CEV and ethical behavior may not be direct. It is likely that CEV are manifested through fair and just policies, procedures, and decision making. Working in an environment characterized by these business practices likely promotes feelings of commitment and loyalty by employees. Hence, in the current study we examine organizational justice and commitment as mediating variables that explain the relationship between ethical values and ethical behavior.

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Although a variety of antecedents to ethical behavior have been explored, the outcomes of employee ethical behavior in organizations have rarely been examined. Attempts to enhance ethical behavior would appear to be an appropriate end in and of itself but we also believe that given the effort likely to be expended to enhance ethical behavior there are likely to be other positive outcomes. One potentially important outcome of ethical behavior may be a greater amount of organizational citizenship behaviors (OCB). This is consistent with research reported by Turnipseed (2002) who found a relationship between ethical behavior and OCB. Furthermore, given that OCB have been found to be associated with enhanced unit-level performance (Posdakoff and Mackenzie, 1994) as well as with higher individual productivity (Turnipseed, 2002), we believe that OCB is an important construct to include in our study as an outcome of ethical behaviors.

We believe our research offers a number of potential contributions to the literature. First, we offer a model that incorporates a number of antecedent variables including CEV, organizational justice, and organizational commitment (see Fig. 1). Second, a causal model is proposed and tested using a sample of purchasing agents rather than the oft-used scenario approach. Third, in addition to exploring the antecedents of ethical behavior we propose and test the linkage between ethical behavior and a consequent variable, OCB. It is our proposition that not only are ethical behaviors good in and of themselves, but also that from a teleological perspective, ethical behavior might lead to OCB which have been shown to be related to organizational success (Posdakoff and Mackenzie, 1994).

2. Proposed model

Our proposed model is shown in Fig. 1. A conceptual overview along with the rationale for each of the hypothesized relationships is provided below.

2.1. Situational perspective

The theoretical framework driving much of the research on workplace ethics has generally been the long standing person–situation debate (Allport, 1937; Mischel, 1968). Subscribers of the

individual difference perspective hold that one's values, motives, and traits determine ethical behavior while subscribers to the situational perspective hold that characteristics of the situation or the organization's environment account for variances in ethical behavior. Combining these two views is the interactionist perspective in which both individual and situational characteristics contribute to behavior (Lewin, 1951; Schneider, 1983). This perspective underlies Trevino's (1986) model of ethical decision making. Trevino proposed that the relationship between one's stage of cognitive moral development and ethical/unethical behavior was moderated by the individual variables of ego strength, field dependence, and locus of control and by the organizational level variables of job context, culture and characteristics of the work. However, recent work by Trevino et al. (1998) has focused on the context (e.g., culture) in organizations as a predictor of ethical behavior as they state "...the role of contextual factors seems important from a practical perspective because managers have more control over the work environment than they do over individuals' values or moral development" (p. 447).

This suggests that working to create an enhanced level of CEV (i.e., the situation) can significantly impact the behaviors of individuals within the organization. This supposition is based in part on research investigating the impact of culture on the organization. Since ethical values is a major dimension of corporate culture (Schein, 1984), research investigating the impact of culture on individual behavior is relevant. In other words, if organizational culture can impact behavior in the organization, it can be expected that CEV will do so as well as it is a "major dimension of corporate culture." A number of studies have pointed out the impact culture has on performance in high performing organizations (Deal and Kennedy, 1982; Peters and Waterman, 1982; Tichy, 1983).

At the individual level, a number of research studies have provided support for the impact of culture. Singhapakdi and Vitell (1990) found that corporate culture had a significant impact on behavioral intentions and Dubinsky and Ingram (1989) reported that subjective norms, which are a result of the organization's culture, impact intended behavior. Although not explicitly included as a construct in their study, Hunt and Vasquez-Parraga (1993) discuss the role of ethical culture in aiding ethical behavior within the organization.

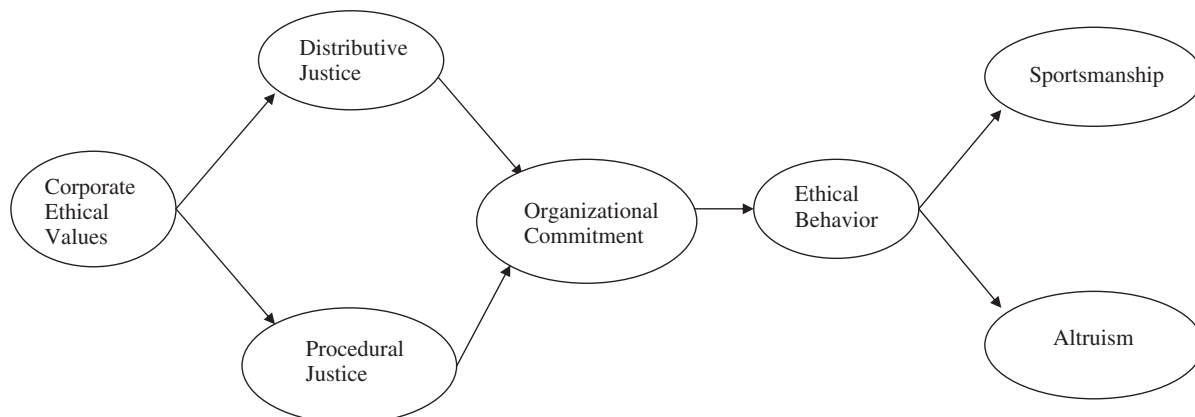


Fig. 1. The research model.

Based on the above, and in agreement with the assertions by Trevino et al. (1998) that the context within the organization has the greater effect on individual behavior, we develop and test a model of ethical behavior utilizing the situationist perspective (Mischel, 1968; Salancik and Pfeffer, 1977). In our particular case the “context” within the organization is conceptualized as CEV. In the following sections, we discuss the variables through which CEV ultimately impacts ethical behavior and OCB.

3. Hypothesis development

3.1. Corporate ethical values and organizational justice

Corporate ethical values have been defined as “a subset of organizational culture, representing a multidimensional interplay among various “formal” and “informal” systems of behavioral control” (Trevino et al., 1998, p. 451). These informal systems include the set of beliefs, norms, and practices shared by people within an organization (Key, 1999). In addition to these less formal aspects, CEV can also be displayed through more formal systems such as reward systems, policies, and codes. When employees believe that policies and procedures regarding ethics are followed by managers and other individuals in the organization then higher CEV exist. For example, managers might display these values by being concerned with the issues of ethics in their organization and by acting ethically themselves including rewarding ethical behavior and punishing unethical behavior (Hunt et al., 1989; Jones, 1991; Trevino, 1986).

The logic behind the idea of focusing on ethical values as a means to impact employee ethical behavior is that individuals can be expected to act in a manner consistent with the values in the organization (Hunt and Vitell, 1986; Hunt et al., 1989). Published studies have shown the impact of ethical context on such constructs as job satisfaction, organizational commitment, and turnover intention (Schwepker, 2001), and ethical conflict with supervisors (Schwepker et al., 1997). It logically follows that ethical context should impact other employee behaviors including ethical behavior (c.f., Chonko and Hunt, 1985; Hunt et al., 1984).

In Cohen-Charash and Spector’s (2001) model of the role of justice in organizations, they suggest organizational practices that exemplify ethical behavior enhance perceptions of distributive and procedural justice. Two primary components of organizational justice are procedural and distributive (Moorman, 1991). Procedural justice refers to the fairness of organizational policies used to determine rewards while distributive justice refers to the perceived fairness of actual outcomes or rewards (Greenberg, 1987). Past research has shown high levels of justice are positively related to satisfaction, commitment, and trust (Cohen-Charash and Spector, 2001). Likewise, low levels of justice have been linked to poor performance (Cowherd and Levine, 1992), increased absenteeism and turnover (Hulin, 1991), and higher levels of pay and job dissatisfaction (Folger and Konovsky, 1989; Summers and Hendrix, 1991). Both forms of justice may be conceptually linked with CEV.

Both ethics and organizational justice are rooted in the concept of fairness and involve making judgments about what is

right and what is wrong (Schminke et al., 1997). Similar to the difference between procedural and distributive justice, ethics research has recognized a distinction between utilitarian decision making and formalist decision making (Schminke et al., 1997). Specifically, the focus of the utilitarian view is on rules or processes while the focus of the formalist view is on outcomes. Ethical behavior has been linked to environments that offer a greater degree of formalization of operating procedures, rules and roles (Ferrell and Skinner, 1988) as well as organizations that have stated codes of ethics (Ford and Richardson, 1994). From a utilitarian viewpoint, individuals would likely regard their environment as fair and just to the extent that these rules and procedures are followed.

Using a formalist and distributive justice perspective, individuals are concerned with the fairness of the outcomes that result from organizational policies and procedures. For example, organizations are viewed as ethical to the extent that unethical behavior is punished and ethical behavior should result. Hence, individuals would have perceptions of distributive justice.

Hypothesis 1. Corporate ethical values are positively related to procedural justice.

Hypothesis 2. Corporate ethical values are positively related to distributive justice.

3.2. Organizational justice and organizational commitment

Research examining organizational commitment has recognized two primary forms: continuance and affective. Our study investigates affective commitment which reflects an emotional attachment to the organization (Mowday et al., 1979). A recent meta-analysis of justice in organizations concluded that affective commitment is positively related to both procedural and distributive justice (Cohen-Charash and Spector, 2001). Many of the studies included in the analysis were based on social exchange theory (e.g., Andrews and Kacmar, 2001) in which employees reciprocate fair and just treatment by the organization with feelings of affective commitment. In the context of an ethical environment, employees should also respond with feelings of commitment as they perceive an organization that supports an ethical and fair workplace. Hence, consistent with past research, we predict

Hypothesis 3. Procedural justice will be positively related to organizational commitment.

Hypothesis 4. Distributive justice will be positively related to organizational commitment.

3.3. Organizational commitment and ethical behavior

Affective commitment focuses on the employee–employer bond as an emotional attachment reflecting the strength of the social exchange between the employee and organization (Mowday et al., 1979). In this instance, employees identify with the goals of the organization and remain with the organization out of desire. Given that organizational commitment is predicated

upon CEV and organizational justice, it would appear that the social exchange between the employee and the organization would be based, at least in part, on some belief of shared ethical values. Accordingly, to the extent that employees choose to commit themselves to the organization, one could logically

expect that this would lead to ethical behavior on the part of the employee, leading to

Hypothesis 5. The greater one's organizational commitment, the greater is one's ethical behavior.

Table 1
Results of the measurement analysis

	Composite reliability	Standardized loading	t-value
<i>Corporate ethical values</i>	.79		
Managers in my company often engage in behaviors that I consider to be unethical.		.49 ^a	a
In order to succeed in my company, it is often necessary to compromise one's ethics		.63 ^b	9.05
Top management in my company has let it be known in no uncertain terms that unethical behaviors will not be tolerated.		.78	9.98
If a manager in my company is discovered to have engaged in unethical behavior that results primarily in <i>personal gain</i> (rather than corporate gain), he or she will be promptly reprimanded.		.87	10.21
If a manager in my company is discovered to have engaged in unethical behavior that results primarily in <i>corporate gain</i> (rather than personal gain), he or she will be promptly reprimanded.			
<i>Distributive justice</i>	.83		
My work schedule is fair.		.64 ^a	a
I think my level of pay is fair		.79 ^b	13.34
I consider my work load to be quite fair.		.70	12.29
Overall, the rewards I received here are quite fair.		.82	13.63
I feel that my job responsibilities are fair			
<i>Procedural justice</i>	.94		
Job decisions are made by my supervisor in an unbiased manner.		.86	a
My supervisor makes sure that all employee concerns are heard before job decisions are made.		.91	27.94
To make job decisions, my supervisor collects accurate and complete information.		.90	27.36
My supervisor clarifies decisions and provides additional information when requested by employees.		.86	24.55
All job decisions are applied consistently across all affected employees.		.84	23.99
Employees are allowed to challenge or appeal job decisions made by my supervisor.		.66	16.48
<i>Commitment</i>	.89		
Employees feel as though their future is intimately linked to that of the organization.		.37	a
Employees would be happy to make personal sacrifices if it were important to the organization's well-being.		.52	6.75
The bonds between this organization and its employees are weak (RC).		.80	7.71
In general, employees are proud to work for this organization.		.81	7.73
Employees often go above and beyond the call of duty to ensure this organization's well being.		.77	7.64
Our people have little or no commitment to this organization (RC).		.78	7.68
It is clear that employees are fond of this organization.		.88	7.86
<i>Ethical behavior</i>	.78		
In my job I sometimes compromise my beliefs to do my job the way the company wants me to do it (RC).		.46	a
Sometimes I report only part of the truth to my boss (RC).		.61	7.85
Sometimes I have to alter things (documents, time cards, etc) in order to please the company (RC).		.53	7.32
Sometimes I have to break company policy to do what is necessary (RC).		.56	7.55
Sometimes I say one thing even though I know I must do something else (RC).		.69	8.27
Sometimes I claim to have done something I have not (RC).		.58	7.70
<i>Sportsmanship</i>	.73		
I consume a lot of time complaining about trivial matters (RC).		.68	a
I tend to make "mountains out of molehills" (make problems bigger than they really are) (RC).		.72	10.56
I always focus on what's wrong with my situation, rather than the positive side of it.		.67	10.38
<i>Altruism</i>	.77		
I help orient new employees even though it is not required.		.40	a
I am always ready to help or lend a helping hand to those around me.		.93	7.49
I willingly give my time to others.		.78	8.18

Goodness-of-Fit Statistics: $\chi^2_{(474)}=857.545$, $p<.01$, RMSEA=.0416, CFI=.946, IFI=.947.

^a Path was fixed to 1.

^b Item was dropped based on measurement analysis.

3.4. Ethical behavior and organizational citizenship behavior

There is little consistency in the literature on exactly what constitutes ethical behavior. Navran (1992) defines ethical behavior as the individual acting consistently with one's own values. Fraedrich (1993) and Hunt (1990) take a constructionist approach and describe ethical behavior as that which is prescribed by the organization. In this approach, the organization is used as the basis for determining what is right and wrong and any deviance from organizational norms is considered unethical (Fraedrich, 1993). Others have relied upon differential association theory or social network analysis to examine ethical behavior (Brass et al., 1998; Zey-Ferrell and Ferrell, 1982). These perspectives suggest individuals learn to behave ethically or unethically by virtue of their associations with others or where they exist within social networks. Similar to Fraedrich (1993) and Hunt (1990), we utilize the constructionist perspective and define ethical behavior as that which is consistent with organizationally prescribed policies, values and norms.

Organizational citizenship behaviors (OCB) are discretionary behaviors that contribute to organizational effectiveness yet are not explicitly rewarded (Organ, 1988). Examples of OCB are helping coworkers, promoting the organization outside of work, and volunteering for extrajob activities (Organ and Ryan, 1995). Some of the predictors of OCB include organizational commitment, fairness, and job satisfaction (Organ and Ryan, 1995). Turnipseed (2002) found that individuals who scored higher with regard to ethicality also exhibited more OCB. It was his conclusion that OCB could be considered the manifestation of ethical behavior in the workplace. Accordingly, we expect that individuals higher in terms of ethical behavior would exhibit greater OCB. Therefore,

Hypothesis 6. The greater one's ethical behavior, the greater is one's performance of organizational citizenship behaviors.

4. Research method

4.1. Data collection

After presenting an overview of our proposed research, we were granted access to the membership list of a regional chapter of the National Association of Purchasing Managers. This particular chapter includes members from three states and, at the time of our study, the membership list included 2718 names. From this group, we randomly chose 1500 members to include in our study. Prior to the mailing of the survey, a letter from the President of the regional chapter was mailed to each potential respondent. One week after mailing this letter, a mailing was sent to each member which included a letter from the researchers, the questionnaire, and a postage-paid reply envelope. One month after this, a final mailing was made to all respondents which included another letter from the researchers as well as a second copy of the questionnaire and a postage paid return envelope.

A total of 489 useable surveys were returned for a response rate of 32.6%. Non-response bias was estimated by comparing early respondents to late respondents using the procedure sug-

gested by Armstrong and Overton (1977). Those who responded before the second mailing were included in the early respondent group, while those responding after the second mailing were considered late respondents (cf., Sethi, 2000). *T*-tests were conducted across a number of variables including age, tenure with the company and a number of the variables included in the study. There were no significant differences between the groups for any of these tests, thus providing some assurance that non-response bias is not a concern. Approximately two-thirds of the respondents were males (64.4%). The median age for the respondents was 46 years and the median tenure with the current employer was 9 years.

4.2. Measures

All of the constructs included in the research model were measured using multi-item scales drawn from prior studies. The response categories for each item were anchored by Strongly Disagree (1) and Strongly Agree (7). The items used to measure each of the constructs are presented in Table 1.

4.3. Corporate ethical values

Voicing concern over previous attempts to measure CEV as being primarily qualitative in nature, Hunt et al. (1989) developed a five-item scale designed to measure CEV. The authors state that this measure was designed to assess perceptions of: (1) the extent to which employees perceive that managers act ethically in their organization, (2) the extent to which employees perceive that managers are concerned about the issues of ethics in their organization, and (3) the extent to which employees perceive that ethical behavior is rewarded (punished) in their organization.

4.4. Procedural and distributive justice

These constructs were measured using scales presented by Niehoff and Moorman (1993) which in turn were based on work by Moorman (1991). The six items making up the procedural justice scale were designed to assess the extent to which employees believe that objective and unbiased information was collected concerning issues in the workplace, that employees had an adequate voice, and that an appeals process was in place. Distributive justice is concerned with the extent to which outcomes are perceived as being equitably distributed. The five items used to measure distributive justice, from Niehoff and Moorman (1993), were designed to assess the fairness of different workplace outcomes.

4.5. Organizational commitment

This construct was measured using a seven-item scale first reported by Jaworski and Kohli (1993). The scale was designed to assess affective commitment including the "extent to which a business unit's employees were fond of the organization, saw their future tied to that of the organization, and were willing to make personal sacrifices for the business unit" (Jaworski and Kohli, 1993, p. 60).

4.6. Ethical behavior

The measure of ethical behavior was taken from Fraedrich (1993), who adapted his measure from one originally developed by Ferrell and Skinner (1988). Fraedrich states that the measure is designed to assess the amount of duplicity respondents exhibit within the organization. Since higher scores would indicate a higher probability of acting in an unethical manner, scores for each item were reversed scored.

4.7. Sportsmanship and altruism

The development of these measures is grounded in conceptual work by Organ (1988) and empirical work published by MacKenzie et al. (1993), and Posdakoff and Mackenzie (1994). The sportsmanship scale consists of three items which measure the ability to withstand undesirable circumstances without complaining (Organ, 1988). Altruism is also measured by three items. These items assess the extent to which the employee is willing to aid others in the organization in a discretionary manner.

5. Analysis and results

5.1. Measurement analysis

Our analysis followed the “two-step method” presented by Anderson and Gerbing (1988). As is common practice, we chose to use measures in addition to the chi-square statistic to assess the model fit due to the influence of sample size on the chi-square statistic. Hu and Bentler (1999) suggest that both incremental and absolute fit measures be used to assess the fit of a model. We chose to use CFI and IFI as incremental fit measures and RMSEA as a measure of absolute fit. All of these measures have been widely reported in the marketing literature. Generally, CFI and IFI values of greater than .9 and RMSEA values of less than .06 (Hu and Bentler, 1999) are indicators of good fit of the data to the model being tested. The standardized loadings, *t*-values, and composite reliability values are presented in Table 1. A correlation matrix of the constructs along with means and standard deviations is presented in Table 2.

The initial fit of the data could be characterized as borderline acceptable ($\chi^2_{(539)}=1281.73$, $p<.001$; CFI=.906, IFI=.906,

Table 3

Standardized parameter estimates, *t*-values, and model fit statistics

Structural path	Standardized value	<i>t</i> -value	Hypothesis
Corporate ethical values → distributive justice	.361	5.56	H1
Corporate ethical values → procedural justice	.448	7.09	H2
Distributive justice → commitment	.234	3.97	H3
Procedural justice → commitment	.359	5.48	H4
Commitment → ethical behavior	.231	3.49	H5
Ethical behavior → altruism	.101	1.78	H6
Ethical behavior → sportsmanship	.457	5.77	H6

Fit Statistics: $\chi^2_{(488)}=1041.17$, $p<.01$, RMSEA=.0499, CFI=.922, IFI=.923.

RMSEA=.0613). To try to improve the model fit we followed suggestions by Anderson and Gerbing (1988) and MacCallum (1986) to analyze standardized residual values and modification indices while keeping in mind the conceptual contribution of each item. The highest modification index was found in the Theta–Epsilon matrix between two items which measure distributive justice. The correlation between the two items was .72 and both dealt with similar aspects of compensation. Due to the high correlation and the fact that both seemed to tap into the same aspect of distributive justice, it was decided to delete the poorest performing item and re-estimate the model. The fit improved somewhat to ($\chi^2_{(506)}=1086.13$, $p<.001$; CFI=.922, IFI=.923, RMSEA=.0557). However, one item designed to measure CEV had a relatively high standardized residual as well as large cross-loadings in the modification indices of the Lambda–X matrix. The wording of this item was also a bit different than the other items used in the scale. Given those factors, the item was dropped and the model re-estimated. This led to a significant improvement in model fit and one that is quite acceptable ($\chi^2_{(488)}=857.55$, $p<.001$; CFI=.946, IFI=.947, RMSEA=.0416).

In addition to the analysis presented above, other analyses were conducted to provide more confidence concerning the measurement properties of the scales. To assess discriminant validity, the procedure suggested by Bagozzi et al. (1991) was followed. This calls for two models to be estimated for each pair of constructs — one model in which the correlation between the two variables is allowed to be freely estimated and one model in which the correlation is constrained to be equal to zero. If the χ^2

Table 2

Construct correlations, means and standard deviations

Construct	Mean	Standard deviation	Corporate ethical values	Distributive justice	Procedural justice	Commitment	Ethical behavior	Sportsmanship	Altruism
Corporate ethical values	4.92	1.39	1.00						
Distributive justice	5.09	1.38	.287*	1.00					
Procedural justice	4.54	1.61	.407*	.497*	1.00				
Commitment	4.75	1.67	.417*	.331*	.385*	1.00			
Ethical behavior	5.67	1.04	.284*	.169*	.256*	.194*	1.00		
Sportsmanship	5.90	1.09	.113**	.108**	.110**	.063	.305*	1.00	
Altruism	5.97	.78	.134*	.166*	.193*	.134*	.083	.189*	1.00

* Correlation significant at $p<.05$.

** Correlation significant at $p<.01$.

value of the unconstrained model is more than 3.84 less than that of the constrained model (where 3.84 is the critical value for one degree of freedom) there is evidence of discriminant validity. In all cases the χ^2 for the unconstrained model was significantly less than that for the constrained model.

Given that all the items making up the scales were measured using the same seven-point Likert scale there is the potential for common method variance. To determine the extent to which this might be an issue, we followed a procedure presented by Podsakoff and Organ (1986) (see also Morgan et al., 2004) that calls for a CFA to be conducted in which all items are forced to load on a single factor. Since the fit for this single factor model ($\chi^2_{(495)}=4118.61$, $p<.001$; CFI=.491, IFI=.494, RMSEA=.157) was significantly worse than the seven-factor model identified earlier, there is evidence that common method variance is not an issue.

Finally, the reliability of the scales was assessed via the calculation of composite reliability scores. These scores ranged from .73 to .94 which are all above the cutoff of .6 suggested by Bagozzi and Yi (1988). Based on the results of the preceding analyses which are presented in Table 1, we believe that our measures have sufficient validity and reliability as to allow the testing of the hypotheses presented earlier.

5.2. Structural model estimation

The results of the test of the hypotheses are presented in Table 3. The fit of the data to the proposed model (see Fig. 1) was quite good ($\chi^2_{(488)}=1041.17$, $p<.01$; RMSEA=.0499, CFI=.922, IFI=.923). As predicted, CEV had a positive and significant impact on both distributive (H1; $\gamma=.361$) and procedural justice (H2; $\gamma=.448$). Both distributive and procedural justice were then found to significantly impact commitment (H3_{Distributive}; $\gamma=.234$; H4_{Procedural}; $\gamma=.359$). Providing support for H5 commitment was found to significantly impact ethical behavior (H5; $\gamma=.231$). Finally, ethical behavior was found to significantly impact sportsmanship (H6; $\gamma=.457$) but not altruism (H6; $\gamma=.101$). It should be noted that although the parameter estimate for the relationship between ethical behavior and sportsmanship does not reach the $p<.05$ level of significance, it is in the hypothesized direction with a t -value of approximately 1.78 ($p\approx.76$).

6. Discussion

At the outset of our paper we mentioned a number of recent scandals that have tainted many people's view of business. While this has led to a number of reforms by external groups (e.g., Congress' passage of the Sarbanes–Oxley Act), it is incumbent on organizations to reform themselves from within if they are to truly regain the respect they have long held in our society. This must begin at the top of the organization. The primary contention of this paper, consistent with the situational perspective (Mischel, 1968), is that the organization plays a critical role in the behaviors of the individual employee. Accordingly, the creation of ethical values at the corporate level can, through its effect on other critical organizational variables, lead to higher levels of ethical behavior by individuals within

the organization. While ethical behavior would appear to be an end in an of itself, our research also provided evidence that higher levels of ethical behavior are positively associated with more organizational citizenship behaviors which are desired by the organization.

The first link in the model tested in this study is that CEV leads to increased perceptions of distributive and procedural justice. One possible implication of this finding is that the enhancement of CEV may be a way for managers to minimize some of the issues associated with increased employee demands. For example, as organizations search for ways to decrease costs in order to maintain profitability, they may find their ability to provide a desired level of rewards to employees is restricted. However, this inability to provide rewards may be alleviated to some extent by ensuring that what rewards are available in the organization are provided in as fair a manner as possible and by the most fair processes possible.

Our research further provides evidence that increasing perceptions of procedural and distributive justice are positively associated with employees' affective commitment to the organization which in turn is associated with lower turnover. In times of increasing employee turnover it may be that this would be a critical factor in reducing this turnover which is often a significant operational cost. As mentioned above, organizations are often unable to provide the level of rewards employees desire. However, higher levels of ethical values may be attractive enough to those employees who strongly share those values that it may mitigate the possibility of turnover.

As organizational commitment increases, particularly among those employees who may strongly share the ethical values espoused by the organization, one would expect ethical behavior to increase. While ethical behaviors may be associated with any number of positive outcomes, particularly among those employees that interact with external constituents (e.g., increased satisfaction, enhanced corporate reputation), one such outcome that may accrue within the organization is an increase in the number of organizational citizenship behaviors performed by employees. As reported by Turnipseed (2002), "individual ethics might be partially responsible for the initiative to engage in extra-role activities" (p. 4).

But beyond that, the enhancement of OCB via higher levels of ethical behavior may actually lead to increased organizational performance. Support for this can be found in part in research by Podsakoff and MacKenzie (1994) who found OCB to be related to sales-unit effectiveness as well as research by MacKenzie et al. (1993) and MacKenzie et al. (1999) who found OCB to be related to salesperson performance evaluations. In addition, Turnipseed (2002) found that higher levels of OCB were associated with higher levels of individual productivity. If one takes these research findings along with the results from our study that ethical behavior leads to increased levels of OCBs, there exists the tentative proposition that ethical behavior \rightarrow greater OCB \rightarrow greater performance. It should be noted that since the Podsakoff and MacKenzie research was conducted at the unit level (individual OCB scores were aggregated to create a "unit" OCB score that was related to unit performance) it might be a bit of a stretch to argue that individual OCB can have

an impact on organizational performance. However, based on Turnipseed's (2002) finding that enhanced levels of OCB could impact individual productivity as well as Podsakoff and Mackenzie's finding that the enhancement of individual level OCB might be expected to impact organizational performance in the aggregate, we believe that there exists the possibility of the linkages proposed above.

6.1. Future research

Based on our findings, we recommend future research be conducted on the relationships between other organization situation/context variables, ethical behavior, and OCB. In light of the recent business environment, showing strong relationships to outcome variables such as ethical behavior and OCB can serve to encourage organizations to focus more on the situational antecedents rather than only looking at personal characteristics of individuals when assessing ethical behavior. In addition, more research should be conducted to better understand the antecedents of ethical behavior and justice within the organization.

Although this paper has taken a situationist perspective, future research should investigate the impact of individual level constructs and how they may act to moderate/mediate the relationships presented in this paper. One such construct might be person–organization fit, which might shed light on the impact of an unethical (ethical) environment on those employees who have a tendency towards ethical (unethical) behavior. These moderating relationships could be investigated in order to provide managers with a more robust understanding of how ethical behavior and OCB can be encouraged within organizations. We also believe the proposed link between ethical behavior, OCB, and firm performance should be explored. As stated previously, while increasing ethical behavior should be a positive outcome in and of itself, any additional evidence of how firms can increase their performance should be explored more fully.

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