

# **Ethical Climate Type, Self-Efficacy, and Capacity to Deliver Ethical Outcomes in Public Sector Human Resource Management**

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## **Abstract**

**Background** – In recent years, ethical behaviour within public sector workplaces has been of increasing interest. One way to describe the ethical characteristics of workplace environments is the multidimensional construct ethical climate. Workplaces may be divided into different types of ethical climate environment on the basis of similarity of profile across climate dimensions.

**Purpose** – The purpose of the study is to examine how different types of public sector ethical climate environment affect both human resource practitioner (HRP) perceived capacity to act and their self-efficacy when faced with ethical dilemmas.

**Design/methodology/approach** – Two hundred and seventy six public sector HRPs were classified as working in one of five types of ethical climate using the typology of Shacklock, Manning and Hort (2011). Each practitioner was presented with 15 hypothetical scenarios. Each scenario contained an ethical dilemma, and each required some degree of non-compliance by the HRP to produce an ethical outcome. For each scenario, the HRPs were asked to judge: perceived realism of the scenario in their organisation; degree of self-efficacy they would have in achieving an ethical outcome; and level of non-compliance to the scenario from three perspectives (a) the ideal response, (b) their own response, and (c) the 'typical' HRP response.

**Findings** – Significant differences were found between HRPs operating in the different ethical climate environment types for (a) perceived realism of the scenarios, (b) the level of HRP non-compliance judged to be typical, and (c) the level of self-efficacy respondents judged they would have in achieving an ethical outcome were they to be confronted with the dilemma.

**Conclusions** – The findings of this study support the notion that different types of ethical climate in organisations will affect both HRP's self efficacy and their capacity to deliver ethical outcomes when faced with ethical dilemmas.

**Key words:** ethical climate; climate type; public sector; human resource management; self-efficacy.

## Introduction

Ensuring good ethical behaviour within the Australian Public Sector has been the subject of increasing interest (Shacklock 2006). From a theoretical perspective, Kurt Lewin's (1975) field theory proposes a person's behaviour to be a function of the psychological field within which they operate. The multidimensional construct of ethical climate represents an attempt to operationalise the psychological field, or at least those aspects of the field relating to the ethical aspects of employee behaviour (Shacklock, Manning & Hort 2011). Understanding the types of ethical climate environment that exist within the public sector, and the influence they may have on decision making, may lead to a greater understanding of the drivers of ethical and unethical behaviour.

Recently Shacklock et al. (2011) presented a typology of ethical climate environments within public sector human resource management (HRM). This was achieved by identifying homogenous groups of public sector human resource practitioners (HRPs) on the basis of their patterns of scores across a set of ethical climate dimensions. In this study, a sample of HRPs, grouped according to the five ethical climate types described by Shacklock et al., are presented with a set of hypothetical scenarios which each contain an ethical dilemma. The study examines whether the five ethical climate environment types, so defined, are associated with: the perceived realism of the scenario occurring in their own organisation; the degree of self-efficacy they would have in achieving an ethical outcome; and the level of non-compliance to an unethical directive, or situation, in the scenario from three perspectives (a) the ideal response, (b) their own response, and (c) the 'typical' HRP response.

This study makes several contributions. First, it represents one of the few studies of ethical climate within the Australian public sector HRM. Second, although the issue of different *types* of ethical environment is often discussed, very few studies have applied an appropriate statistical method to identify different environments and examine the relationship of environment type to other variables. This study uses an appropriate statistical method to classify work environments into different ethical types and examines the relationship of the typology to several other variables. Third, this study examines the psychological construct of self-efficacy. This construct is one which is potentially relevant to ethical behaviour but rarely investigated in studies of ethical decision making.

## Literature review

Lewin (1975) proposed the behaviour of a person to be a function of the person's psychological field *as perceived by them*. In business research, the psychological field of the workplace has been operationalised by the multidimensional construct of *organisational climate* (Jones & James 1979).

### ***Organisational climate***

Organisational climate, following the ideas of Lewin (1975), provides a profile of the current social environment of the workplace in terms of a multidimensional description of the current state of the psychological field. From Lewin, measuring the climate of a workplace does not require an understanding of the past of the organisation or its development. The usual methodology applied to measure organisational climate is to present employees with a bank of questions designed to encompass all aspects of the workplace psychological environment (e.g. Jones & James 1979; Manning 2010). The data, so derived, are then subjected to factor analysis (typically principal components analysis, PCA) to derive a small set of underlying climate dimensions. This procedure provides a score for each individual on each of the dimensions (that individual's *psychological climate*)

and aggregation of scores across individuals within a workgroup provides the organisational climate for that group and that workplace environment.

Although many studies have used this approach to measure the whole workplace psychological field Schneider (1975) argued in research the definition of climate should be more restrictive and tied to a particular dependent variable. He later wrote with Parkington and Buxton ‘Organisations may have many climates, including a climate for creativity, for leadership, for safety, for achievement, and/or for service. Any one research effort probably can not focus on all of these but the effort should be clear about its focus’ (Schneider, Parkington & Buxton 1980, p. 255). This argument has been quite influential and most subsequent research has focussed on a particular domain of the psychological field measuring, for example; *climate for innovation* (Delbcq & Mills 1985); *climate for service* (Schneider, White & Paul 1998); *climate for safety* (Zohar 2000); and *ethical climate* (Victor & Cullen 1987; 1988; Shacklock et al. 2011). The focus of this study is similarly restricted to a particular domain, that of ethical climate.

### ***Ethical climate and its dimensions***

Following the general approach used by Jones and James (1979) in their measurement of organisational climate, Victor and Cullen (1987; 1988) proposed, *a priori*, a set of nine ethical climate types to exist and generated a set of items designed to capture aspects of each of those climate types to produce their ethical climate questionnaire (ECQ). Using the ECQ Victor and Cullen (1988) obtained responses from 872 employees of four firms (a savings and loan company, a small printing company, a local telephone company, and a manufacturing plant). PCA extracted five components which they labelled: *Caring*, representing the degree to which the workplace is characterised by workers sincerely interested in each others’ well-being; *Law and Code*, representing the degree to which employees strictly adhere to profession and government regulations and codes; *Rules*, representing the degree to which employees strictly adhere to their organisation or subunit’s rules and mandates; *Instrumental*, representing the degree to which employees are driven by self-interest; and *Independence*, representing the degree to which employees are expected to be guided by their personal moral beliefs.

In reference to climate research in general, Manning (2010), citing earlier claims by Davidson, Manning, Timo and Ryder (2001), argues the pattern of relevant dimensions will be different in different industries and will also differ between different types of organisation within a particular industry. This would also appear to be the case for ethical climate research. Wimbush, Shepard and Markham (1997) investigated whether the factor structure of ethical climate described by Victor and Cullen (1988) could be replicated in sample of 639 employees of a ‘national, multiple operating unit, retail, commissioned sales organization’ (p. 69). PCA analysis of responses to the ECQ extracted five components. Of these five, three of the components *Caring*, *Independence*, and *Instrumental*, were essentially the same as three components described for Victor and Cullen’s sample. A fourth, *Law and rules*, represented an amalgamation of two of Victor and Cullen’s components – *Law and codes* and *rules*. The fifth component, *Service*, represented a dimension not described in the earlier study. In a study of administrators of a non-profit organisation (a Canadian provincial sports federation), Malloy and Agarwal (2003) identified five dimensions: *Individual caring*; *Machiavellianism*; *Independence*; *Social caring*; and *Law and code*.

Shacklock et al. (2011) applied PCA analysis to responses to the ECQ of 255 public sector HRP’s. PCA analysis of the data extracted five components. This analysis identified four dimensions previously described by Wimbush et al. (1997): *Caring*; *Law and rules*; *Independence*; and *Instrumental*. A fifth dimension, *Efficiency*, was identified. This

dimension represented the degree to which employees are expected to place efficiency above all other issues.

### ***The influence of ethical climate on employee behaviour***

Ethical climate has been shown to be related to a number of important organizational outcomes. Stewart, Volpone, Avery, and McKay (2011), for example, in their study of warehouse employees in a large American retail organisation found turnover intentions were lowest among workers perceiving both a pro-diversity and highly ethical climate. This supports earlier findings where, for example, Mulki, Jamarillo and Locander (2008) argued the perception of an ethical climate presents employees with a clear guide as to appropriate behaviour, leading to a reduction in role conflict, ambiguity and stress thus resulting in lower turnover intentions. Vardi (2001) in a study of employees of a metal production plant found ethical climates to be negatively related to negative employee behaviours such as, drinking at work, spending time on personal telephone calls and sexually harassing others at work. Ethical climate has also been described to be a significant factor in the level of conflict reported between employees and managers (Schwepker, Ferrell & Ingram 1997).

Martin and Cullen (2006) conducted a meta-analysis of the ethical climate literature and concluded ethical climate is associated with positive job attitudes such as organisational commitment and job satisfaction. They added that the findings of their analysis underlined the importance of ethical climate perceptions for organizational decision makers if they wished to achieve high levels of commitment, satisfaction and psychological well being for their employees.

### ***Types of ethical climate***

It is conceivable to describe different workplaces as belonging to different types of ethical environment. But the description of the workplace in terms of ethical types has been, at times, somewhat confused in the literature. This, in part, stems from Victor and Cullen's (1988) description of their PCA climate dimensions as representing different 'types' of ethical environment. This incorrect interpretation has been accepted by several other researchers (e.g. Flannery & May 2000). As Wimbush et al. (1997) write of this confusion;

Victor and Cullen state that the different ethical climates are types; however, the climate literature suggests that Victor and Cullen are more appropriately referring to *dimensions* of a type of climate, ethical climate...Even Victor and Cullen's methodology, factor analysis, was used to identify dimensions of a type of climate which is now known as ethical climate. (p. 1715)

Several researchers have used dimensions derived from factor analysis to develop an ethical climate typology by simply categorising a workplace into a category on the basis of the particular climate dimension with the highest score (e.g. Fritzsche 2000; Upchurch & Ruhland 1996). There are two significant difficulties with such an approach. First, it is statistically crude as it simply identifies the climate dimension with the highest score for each case and, therefore, throws away much of the rich information in the data. Second, it rests on the assumption that a single ethical climate dimension dominates each environment - regardless of how close the score of the second (or third) highest climate dimension might have been. This assumption is untested, and is, logically, not likely.

A more sophisticated approach to develop a typology of ethical climate environments was applied by Tseng and Fan (2011). Analysing the responses of 297 'in-service employees' (p. 330) the researchers applied hierarchical cluster analysis to scores on the three ethical climate dimensions identified in their study (*self-interest*, *social responsibility*, and

*law/professional codes*). Hierarchical cluster analysis is a statistical technique which classifies cases within a sample into homogenous groups, or ‘clusters’ (Manning & Munro 2007). The number of clusters is not known, or specified, *a priori*. Instead they emerge from the data where the best solution is achieved when cases within a cluster vary little from one another and the cluster centroids (means) vary as much as possible from one another. In applying this technique to ethical climate data, the data consist of the scores on each of the ethical climate dimensions for each case in the sample. The clusters themselves display different profiles across climate dimensions. In their analysis, Tseng and Fan identified two clusters. One cluster group displayed significantly higher means on each of the three ethical climate dimensions than did the other cluster group.

Shacklock et al. (2011), similarly, applied hierarchical cluster analysis to the responses of 255 public sector HRPs. The variables used to classify their sample were the five ethical climate dimensions identified in their PCA: *Caring*; *Law and rules*; *Independence*; *Instrumental*; and *Efficiency*. Five clusters were identified and each was interpreted as representing a different type of ethical climate environment within their sample. Additional multivariate and univariate analyses revealed significant differences between climate types on each of the climate dimensions. The climate types, so derived, were simply labelled: Type I (n = 101), low on the dimension *Instrumental*; Type II (n = 24), high on *Law and rules* and *Caring*, but low on *Independence* and *Instrumental*; Type III (n = 33), high on *Law and rules*, *Caring*, *Independence*, and *Efficiency*; Type IV (n = 76), high on *Instrumental* and *Efficiency*; and Type V (n = 21), high on *Instrumental* but low on *Law and rules*, *Caring* and *Efficiency* (Table 1).

**Table 1**

*Pattern of means for different ethical climate type groups (clusters) across the five Ethical Climate Scales used to establish cluster membership (Shacklock et al. 2011).*

Climate Type (Cluster)	Ethical Climate Scale*				
	Law & Rules	Caring	Independence	Instrumental	Efficiency
I	-	-	-	Low	-
II	High	High	Low	Low	-
III	High	High	High	-	High
IV	-	-	-	High	High
V	Low	Low	-	High	Low

\* *Law & rules*: the degree to which employees strictly adhere to regulations, codes, rules and mandates of their profession, government, organisation, and subunit.

*Caring*: the degree to which the workplace is characterised by workers sincerely interested in each others' well-being

*Independence*: the degree to which employees are expected to be guided by their personal moral beliefs.

*Instrumental*: the degree to which employees are driven by self-interest.

*Efficiency*: the degree to which employees are expected to place efficiency above all other issues.

This study will use the typology of Shacklock et al. (2011) to examine differences between types of ethical climate environment and the potential relationship to several other variables. One of these is self-efficacy which has been seen as one of the important influences on human decision making.

### ***Self-efficacy and ethical decision-making***

The construct of self-efficacy was developed by Bandura as a component of his ‘Social Cognitive Theory’, in which it plays a pivotal role (Bandura 1977, 1982, 1986, 1995). He defined self-efficacy as ‘the conviction that one can successfully execute the behavior

required to produce the outcomes' (Bandura 1977, p. 193). He argued if we are convinced we can perform the behaviours required for a particular task, we are more likely to succeed and, when confronted with failure, we are more likely to persevere longer than if our self-efficacy is low from the outset. Social Cognitive Theory holds that people are very effective self-reactors with an ability to self-direct their behaviour. This contrasts with traditional theories which emphasized experiential learning through trial and error (Bandura 1986).

The inherent paradox is that while people are capable of visualizing accurate predictions about outcomes of their behaviour, they are just as capable of making inaccurate predictions. In individuals with lowered self-efficacy, fears and apprehensions about one's capacity to carry through a particular behavioural option can be inaccurate and lead to excessive risk avoidance. Self-efficacy has been found to be related to successful performance on a range of tasks; jogging, decreasing alcohol consumption, weight loss (Tipton & Worthington 1984); smoking reduction (Colletti, Supnick & Payne 1985); circuit training by coronary patients (Ewart & Stewart 1986); counsellor trainees coping with anxiety (Friedlander, Keller, Peca-Baker & Olk 1986); social skills of patients with problems of depression, social avoidance and distress (Moe & Zeiss 1982); weight reduction (Weinberg et al. 1984); pain reduction (Dolce 1987); fear arousal coping (Bandura, Reese & Adams 1982); treatment of depression (Opazo, Andreani & Allende 1983). Little research has incorporated the concept of self-efficacy as it relates to ethical behaviour. Baggett (2007) has proposed measures of self-efficacy might be used by internal auditors as a basis of gauging the effectiveness of ethics programs. Jensen and Richert (2005) presenting data from of three classes (n = 121) of physical therapists found scores to increase on a 'self-efficacy survey tool' (p. 79) pre- and post-exposure to a formal ethics course.

Bandura (1977) proposes that self-efficacy for a task develops and is modified through the processes of symbolism and modelling. If this is the case then the ethical climate of a work environment should serve to shape the self-efficacy of HR practitioners to deal with ethical dilemmas within that environment.

## **The present study**

This study will examine the responses of 266 public sector HRPs presented with a set of vignettes - each comprising a scenario containing an ethical dilemma. Each vignette was worded so that it required an action from the HRP. The use of vignettes within ethics research has the advantage of affording the researcher a high measure of control over the independent variables and thereby enhance internal validity (Lysonski & Gaidis 1991; Lau 2010).

Each of the HRPs was classified as working in one of five types of ethical climate environment based on the typology described by Shacklock et al. (2011). The relationship of climate type to three aspects of the HRP responses was investigated. First, the relationship between climate type and the perceived likelihood of the scenario occurring within the HRP's own organisation was examined. Second, the relationship between climate type and the HRP's chosen action in response to the scenario was examined. Given the inherently artificial nature of a study requiring responses to vignettes, there exists the likely possibility of response-bias as participants select responses closer to an ideal response, than to that which they would actually select if actually presented with the dilemma in the workplace. For this reason, participants were asked to respond to each scenario from three perspectives – the ideal response, their own response, and the response of a 'typical' HRP. This latter measure might be expected to represent a more realistic response of the HRP to a real-life ethical dilemma. Third, the relationship between climate type and the HRP's self-efficacy in achieving an ethical outcome if faced with the scenario was examined

## Research method

### *Sample and climate type groups*

Two hundred and seventy seven questionnaires were available for analysis. Of these, 255 had complete data sets. Of the remaining 22 participants, one participant failed to respond to 9 items of the ECQ. This respondent was excluded from all analyses. Of the remaining 21, 20 respondents had a single missing value for items of the ECQ and a single respondent had two missing values for the ECQ. To maximise the available information in the data set, the most conservative approach to data imputation was followed with each missing value estimated by using the grand mean for that item (Manning & Munro 2007). This procedure meant that for any individual respondent, the maximum number of data points imputed and used to calculate the linear composite to represent a climate dimension was one. This procedure provided a sample comprising 276 senior HRP practitioners from 50 agencies of the Western Australian Government (n = 80), 45 agencies of the Queensland Government (n = 94), and 57 agencies of the Federal Government (n = 102). Fifty two per cent of the sample reported they had worked in HR for more than 10 years, and 78% had worked in HR for more than 5 years. Fifty five per cent of the sample was female, and 45% male. Each participant was assigned to a climate type group via cluster analysis on the basis of their profile across the 5 climate dimensions (Shacklock et al. 2011); Type I (n = 108), Type II (n = 27), Type III (n = 35), Type IV (n = 78), and Type V (n = 28).

### *Materials*

*Ethical climate instrument:* Ethical climate was measured using the ECQ of Victor and Cullen (1987; 1988). On each item, participants responded on a 6-point Likert-type scale the degree to which the statement was true for their work environment. Minor changes in wording of items (originally developed for use in large private sector organisations) were made to make them consistent with the terminology used within the Australian public sector. In addition, several items recording demographic data were included.

*Ethical dilemma vignettes:* Following a review of the literature, a preliminary set of 30 vignettes comprising scenarios designed to present an ethical dilemma to a public sector HRP. Each scenario comprised approximately one short paragraph. Each was worded such that they required an action choice by the respondent. An example of one such scenario is presented in Table 2.

**Table 2**

*Example of scenario containing an ethical dilemma.*

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#### *Scenario 4*

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Your agency is about to undergo a downsizing exercise. At this stage it has been kept confidential and you have been asked to identify likely contenders to be offered redundancy packages in a voluntary severance process. Your unwritten riding instructions have included comment that there are a number of people who should be "gotten rid of" through this process, because they are poor performers. You know that some of these people have been previously considered for action under existing inefficiency provisions.

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Refinement of the instrument was facilitated by a panel of 60 advisors comprising a mix of academics, consultants and public sector managers who have expertise in the areas of ethical decision making, public sector ethics, and social learning theory. The feedback

resulted in a reduction of the number of scenarios from 30 to 25. These 25 scenarios were then presented to 46 HR experts. This group was chosen to exclude anyone whose current role would have allowed them to be inadvertently re-surveyed during the main study. Substantial input was received from these experts and considerable refinement of the instrument occurred including a reduction in the number of scenarios from 25 to 15. A set of questions accompanied each scenario. One item asked whether the scenario had an ethical dimension (dichotomous Yes/No response). Another item asked whether the scenario was a realistic occurrence within their own organisation. Responses to this item were on a 7-point Likert-type scale (“Highly unlikely” to “Highly likely”).

The next three items presented the respondent with five possible action choices, ranging from most compliant to the least compliant with an unethical direction or expectation (Table 3). Each of these items required a response from a different perspective; the ideal response, the response of a ‘typical’ HRP, and their own response.

**Table 3**

*Action choices (Scenario 4) made from three perspectives: ideal, typical, and own.*

<i>Action choice</i>	<i>Ideal response</i>	<i>Typical HR response</i>	<i>Your own response</i>
1. Go ahead and identify the poor performers to be offered voluntary redundancy packages, without comment.			
2. Advise your boss that it is inappropriate to pay out people who are undeserving and who should be dealt with under inefficiency provisions.			
3. Tell your boss that you are not happy to do this and instead will make two lists, one for redundancy and another for action under inefficiency provisions, presuming that appropriate records have been kept which would allow the latter to occur.			
4. Advise your boss that, if the organisation decides to proceed with paying out poor performers, you would have to disassociate yourself from the process, in writing.			
5. Flatly refuse to play any part in this process.			

The area of HRM covered by each of the 15 scenarios is presented in Table 4. For each of the 15 scenarios, participants also responded to an item designed to measure their self-efficacy. The item requested a response on a 7-point Likert-type scale indicating the degree of confidence (ranging from “not at all confident” to “very confident”) they had of achieving an ethical outcome through the action they had personally chosen for that scenario.

### ***Procedure***

This research was assisted by some central government agencies of these jurisdictions including; the Office of the Public Sector Standards Commissioner in Western Australia, and the Office of the Public Service in Queensland. Discussions with these agencies, and other sources, led to the development of mailing lists of appropriate HR practitioners within each jurisdiction. Questionnaires were distributed via mail accompanied by return envelopes addressed to the university of the first author. All responses were confidential.



## Results

### *Perceived realism of the Scenarios in different Ethical Climates*

For each of the 15 scenarios, participants were asked to rate (a) whether the scenario had an ethical dimension (Yes/No response) , and (b) the degree of realism associated with the scenario occurring within the participant's own organization (7-point Likert-type response) (Table 4).

**Table 4**

*Percentage of participants responding that the scenarios have an ethical dimension and the perceived realism of scenarios occurring within participants own organisation.*

<i>Scenario</i>	<i>HRM topic</i>	<i>Ethical dimension</i>	<i>Mean rating of realism within own organisation</i>
1	Staff Selection	96.7%	4.72
2	Enterprise Bargaining	97.1%	3.87
3	Staffing Requirements	92.6%	3.68
4	Downsizing (of organisation)	83.6%	5.29
5	Safety	93.8%	3.49
6	Performance Management	97.1%	2.81
7	Redeployment	92.6%	4.06
8	Recruitment	94.5%	3.61
9	Workers Compensation	83.1%	2.55
10	Substance Abuse	89.1%	2.77
11	Equity/Merit	92.8%	2.61
12	Staff Reductions	95.6%	2.60
13	Performance Pay	91.6%	3.47
14	Consultant Contracting	96.3%	3.82
15	Downsizing (of the local HR area)	72.9%	4.22

There was strong support for the notion the scenarios contained an ethical dimension with 91.1% affirmative response across the 15 scenarios. Eleven scenarios scored above 90% and only one scenario received a positive response of less than 80% (scenario 15, relating to downsizing the local HR area). Considerable variation was found in terms of the perceived realism of scenarios occurring in the respondents' own organisation, ranging from a rating of 2.6 (staff reductions) to 5.29 (downsizing of the organisation). The issues which rated as less likely to represent realistic dilemmas included some in which some stringent legislative and regulatory actions have been taken in order to remove options and enforce certain actions, thus rendering the variety of decision making action options and the ethical challenges less of an issue. These include areas such as equity/merit, workers compensation, and retrenchment.

**Table 5**

*Means and standard deviations for respondents in the five climate types to each of the 15 scenarios in response to the degree to which the scenario was realistic within their organisation.*

Scenario	Ethical Climate Type				
	I (n = 108)	II (n = 27)	III (n = 35)	IV (n = 78)	V (n = 28)
	M (S.D.)	M (S.D.)	M (S.D.)	M (S.D.)	M (S.D.)
1	4.65 (1.63)	3.59 (2.00)	4.42 (1.97)	4.99 (1.59)	5.64 (1.31)
2	3.54 (1.66)	2.74 (1.63)	3.71 (1.82)	4.37 (1.56)	5.07 (1.46)
3	3.44 (1.58)	2.63 (1.39)	3.46 (1.75)	4.09 (1.76)	4.82 (1.79)
4	5.27 (1.43)	5.15 (1.23)	4.77 (1.80)	5.32 (1.53)	6.07 (1.11)
5	3.16 (1.72)	2.85 (1.97)	3.26 (1.76)	3.81 (1.74)	4.64 (1.81)
6	2.64 (1.50)	1.70 (0.91)	2.63 (1.59)	3.26 (1.67)	3.52 (1.87)
7	3.87 (1.83)	3.07 (1.92)	4.06 (1.71)	4.34 (1.95)	5.07 (1.88)
8	3.28 (1.77)	2.74 (1.46)	3.66 (1.71)	4.00 (1.67)	4.64 (1.85)
9	2.34 (1.49)	2.07 (1.64)	2.31 (1.39)	2.93 (1.57)	3.07 (1.72)
10	2.60 (1.35)	2.48 (1.37)	2.51 (1.44)	3.09 (1.53)	3.14 (1.51)
11	2.44 (1.54)	1.63 (0.93)	1.97 (1.18)	3.13 (1.79)	3.64 (1.79)
12	2.25 (1.29)	1.81 (1.20)	2.46 (1.50)	3.08 (1.71)	3.54 (1.60)
13	3.14 (1.75)	2.85 (1.83)	3.69 (1.79)	3.78 (1.88)	4.21 (2.01)
14	3.34 (1.80)	3.37 (1.80)	3.37 (1.70)	4.35 (1.76)	5.14 (1.30)
15	3.94 (1.77)	4.23 (1.61)	3.68 (1.61)	4.51 (1.87)	5.22 (1.34)

The responses to items measuring the perceived realism of scenarios occurring in the respondents' own organisation (Table 5) were entered into a 5 (Ethical Climate Type) x 15 (Scenario) repeated measures ANOVA (Manning & Munro 2007). A significant main effect was found for Ethical Climate Type, indicating a significant overall difference between responses from the five Ethical Climate Type groups,  $F(4,242) = 15.08$ ,  $p < .0005$ . Post-hoc comparisons (Tukey HSD, Manning & Munro 2007) showed Type V ethical climate ( $M = 4.57$ ) to have significantly higher scores than Type IV ( $M = 3.91$ ). Both Type V and IV ethical climates displayed significantly higher means than did Type I ( $M = 3.30$ ), Type III ( $M = 3.27$ ) and Type II ( $M = 2.88$ ). Types I, II and III ethical climates did not significantly differ from one another.

The Ethical Climate Type x Scenario interaction was also significant,  $F(56,3388) = 1.45$ ,  $p < .05$ . To examine this effect, analyses were conducted to examine ethical climate type group differences for each scenario (Table 6). The pattern of results within each of the scenarios was consistent with that of the overall main effect for Ethical Climate Type. The significant interaction reflected the varying degree of disparity of the degree of difference between the 5 climate types for different scenarios.

**Table 6**

*Summary of univariate comparisons and post-hoc comparisons of interaction effect in response to the degree to which the scenario was realistic within their organisation.*

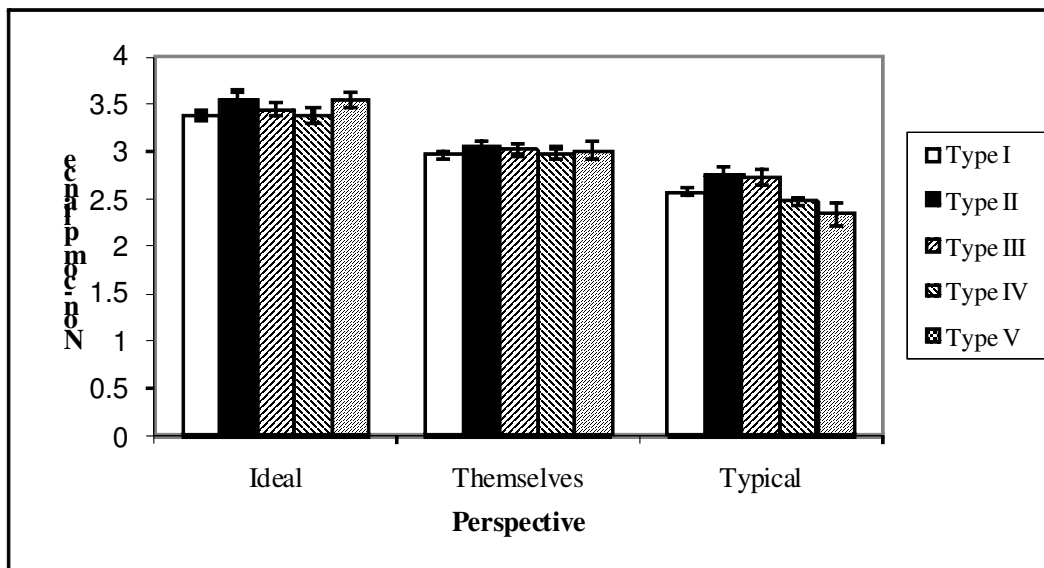
Scenario	D.F.	F ratio	Probability	Post-hoc group differences
1	4,242	5.28	<.0005	Type V > Type II Type IV > Type II
2	4,242	9.52	<.00005	Type V > Type II Type V > Type I Type V > Type III Type IV > Type II Type IV > Type I
3	4,242	7.62	<.00005	Type V > Type II Type V > Type I Type V > Type III Type IV > Type II
4	4,242	7.58	<.01	Type V > Type III
5	4,242	4.42	<.005	Type V > Type II Type V > Type I Type V > Type III
6	4,242	7.28	<.00005	Type V > Type II Type IV > Type II
7	4,242	5.54	<.0005	Type V > Type II Type V > Type I Type IV > Type II
8	4,242	6.35	<.0005	Type V > Type II Type V > Type I Type IV > Type II
9	4,242	2.85	<.05	No two groups differed
10	4,242	2.20	>.05	No two groups differed
11	4,242	9.39	<.00005	Type V > Type II Type V > Type III Type V > Type I Type IV > Type II Type IV > Type III
12	4,242	9.87	<.00005	Type V > Type II Type V > Type I Type V > Type III Type IV > Type II Type IV > Type I Type IV > Type III
13	4,242	3.56	<.01	Type V > Type II Type V > Type I
14	4,242	8.53	<.00005	Type V > Type III Type V > Type I Type V > Type II Type IV > Type I
15	4,242	4.77	<.005	Type V > Type III Type V > Type I

### ***Degree of non-compliance judged to be; the ideal, typical, and their own, in different ethical climates***

For each scenario, respondents provided judgments regarding the degree of non-compliance, to an unethical directive or situation, associated with (a) the ideal response to the scenario, (b) the typical response that they judged would be presented by a HR practitioner within the public sector, and (c) the response that they would judge themselves to exhibit if they were presented with this ethical dilemma. The scale was such that the lower the score, the higher the level of compliance and so the scale might be thought of as a 'Non-compliance scale'. The responses to these items across the 15 scenarios were analyzed in a 5 (Ethical Climate Type) x 3 (Perspective; Ideal, Typical, and Own) x 15 (Scenario) ANOVA (Figure 1).

**Figure 1**

*Mean Non-compliance scores (and standard errors) in response to ethical dilemmas from respondents in five ethical climate types. Respondents had to respond from each of three perspectives; the ideal response, their own response, the typical HRP's response*



The main effect for Perspective was significant,  $F(2,542) = 239.17, p < .0005$ . Respondents judged the ideal level of non-compliance to be significantly higher ( $M = 3.42$ ) than the level which they judged themselves likely to exhibit,  $M = 2.99, t(276) = 14.40, p < .0005$ , but also judged themselves to be likely to display significantly greater levels of non-compliance than would a typical public sector HR professional,  $M = 2.56, t(276) = 12.87, p < .0005$ .

The main effect for Scenario was significant,  $F(14,3794) = 140.60, p < .0005$ . This result indicates, not surprisingly, that the different scenarios generated significantly different levels of judgments of non-compliance when the sample was taken as a whole.

The main effect for Ethical Climate Type was not significant,  $F(4,271) = 1.79, p > .05$ . The interaction of Climate Type x Perspective was, however, significant,  $F(8,542) = 2.17, p < .05$  (Figure 1). Post-hoc analyses (Tukey HSD, Manning & Munro 2007) found that for each of the Climate Types, the Ideal perspective produced higher mean ratings of non-compliance than did that of their own predicted actions, which in turn produced higher mean ratings than did those judged to be the typical level of non-compliance predicted to be

exhibited by other HR practitioners. Comparisons within each of the three perspectives revealed no significant differences between Climate Types for the level of non-compliance judged to be the ideal. Similarly, there were no significant differences between the five Climate Types in terms of the level of non-compliance they predicted that they themselves would exhibit. There were significant differences, however, between groups in terms of the level of non-compliance they judged the typical HR practitioner would exhibit. The mean level of non-compliance predicted to be exhibited by the typical HR practitioner was significantly lower for Type V ( $M = 2.34$ ), when compared to both Types II ( $M = 2.76$ ) and III ( $M = 2.73$ ) (which did not significantly differ).

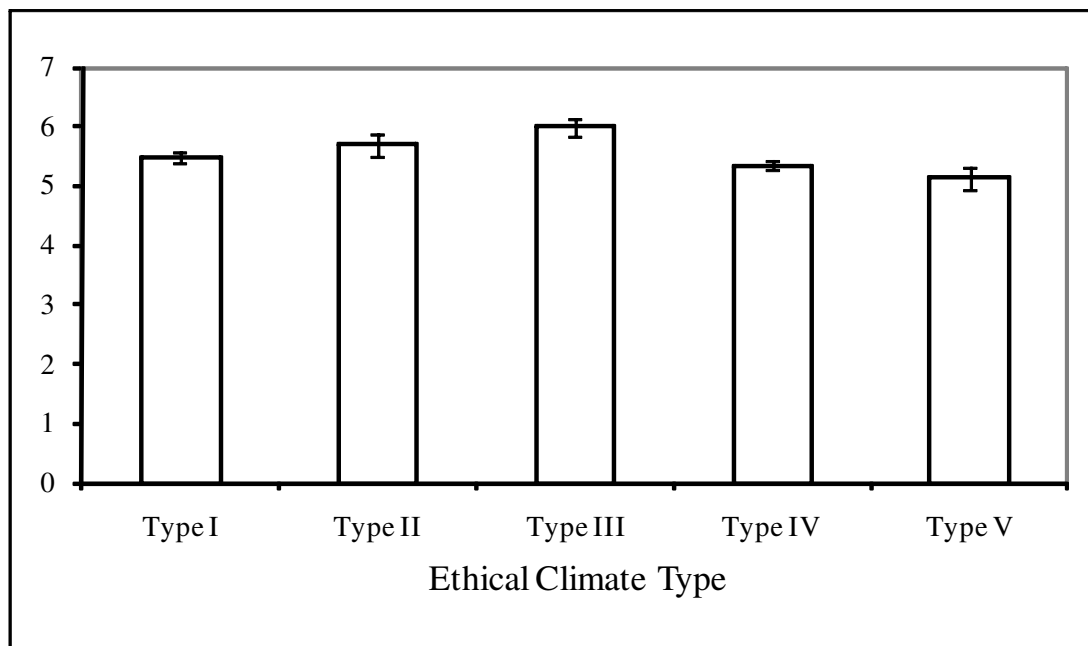
The interaction of Climate Type x Scenario was not significant,  $F(56,3794) = 1.20$ ,  $p < .05$ . The Perspective x Scenario interaction was significant,  $F(28,7588) = 14.74$ ,  $p < .0005$ . The Climate Type x Perspective x Scenario interaction was not significant,  $F(112,7588) = .99$ ,  $p > .05$ .

### ***Self-efficacy in Different Ethical Climates***

For each of the 15 scenarios, respondents were requested to indicate the degree of confidence that they had regarding their ability to bring about an ethical outcome should they be faced with this situation. The responses to these items were entered into a 5 (Ethical Climate Type) x 15 (Scenario) repeated measures ANOVA. This analysis revealed there to be significant overall differences between responses from the 5 Climate Types,  $F(4,233) = 4.53$ ,  $p < .005$ . Post-hoc comparisons (Tukey HSD, Manning & Munro 2007) found Type II ( $M = 5.70$ ) and Type III ( $M = 5.99$ ) (which did not significantly differ) to have significantly higher scores than Type V ( $M = 5.13$ ), Type IV ( $M = 5.35$ ), and Type I ( $M = 5.48$ ). The Climate Type x Scenario interaction was not significant,  $F(56,3262) = 1.24$ ,  $p > .05$  (Figure 2).

#### **Figure 2.**

*Mean self efficacy scores (and standard errors) in response to ethical dilemmas from respondents in five ethical climate types*



## Discussion

The typology of Shacklock et al. (2011) was used to examine the relationship between ethical environment type and public sector HRPs' responses to a set of hypothetical scenarios - each of which contained an ethical dilemma and required some degree of non-compliance by the HRP to obtain an ethical outcome. Measures comprised: the perceived realism of the scenario occurring in their own organisation; the degree of self-efficacy the HRP would have in achieving an ethical outcome; and the degree of non-compliance the HRP would exhibit if presented with the ethical dilemma. Some degree of positive response bias may be expected in response to the latter (participants indicating a response closer to the ideal than the response they would actually make). Consequently, the HRPs were asked to indicate not only their own response, but also the ideal response, and the action taken by a 'typical' HRP. The data tended to support the notion of response bias with the respondents' rating of their own behaviour falling closer to that of the ideal than did their rating of the likely behaviour of the typical HRP. For this reason, the rating of the likely behaviour of the typical HRP is interpreted as being more representative of the respondent's actual behaviour in the workplace than is their self-description of their own likely action.

One type of ethical climate environment, Type V, was associated with poor outcomes in terms of perceived likelihood of the ethical dilemmas, self-efficacy, and the degree of HRP non-compliance. The Type V environment is characterised by high scores on the *Instrumental* dimension (representing the degree to which employees are driven by self interest) and low scores on the dimensions of *Law & rules* (the degree to which employees adhere to rules provided by profession, government, organisation and subunit), *Caring* (the degree to which workers are sincerely interested in each others' well-being), and *Efficiency* (the degree to which employees are expected to place efficiency above all other issues). This contrasted with two other ethical climate environments, Type II and Type III, which were related with good outcomes across the same measures. Both Type II and III are characterised by high scores on *Law & rules* and *Caring*. The two differ as Type II has low scores on *Independence* (the degree to which employees are expected to be guided by their personal moral beliefs) and *Instrumental*, whereas Type III has high scores on *Independence*, and *Efficiency*.

The results of this study, showing clear differences between climate types on several measures, suggest further investigation of the nature of ethical climate types may potentially lead to a greater understanding of ethical behaviour and attitudes in the workplace. Although there has been some degree of consistency of several climate dimensions across several studies (e.g. Victor & Cullen 1988; Wimbush et al. 1997; Shacklock et al. 2011) there have also been differences. The degree of variation in climate types between types of organisation, even in situations where climate dimensions are replicated, is at this early stage a question which has yet to be answered.

This study incorporated Bandura's (1977) construct of self-efficacy – a central component of his Social Cognitive Theory. Self-efficacy has been used as a measure of efficacy of ethics training (e.g. Jensen & Richert 2005) and in many contexts has been associated with an individual's capacity to act (e.g. Tipton & Worthington 1984). In this study, self-efficacy was found to vary as a function of ethical climate environment type. Social Cognitive Theory would propose self-efficacy has an influence on an individual's performance when confronted with an ethical dilemma requiring action to elicit an ethical outcome. It has been a little investigated construct in the area of ethical decision making and is an obvious variable for inclusion in future research.

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