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INFORMATION SYSTEMS FACULTY PERCEPTIONS OF ETHICAL WORK CLIMATE AND JOB SATISFACTION

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ABSTRACT

This study investigated the relationships among egoistic ethical work climate, benevolent ethical work climate, principled ethical work climate, and job satisfaction as perceived by IS faculty at public institutions of higher education in the Southeastern United States. They study relied on constructs from previous studies to measure ethical work climate and job satisfaction. Statistically significant findings were observed between egoistic ethical work climate, benevolent ethical work climate, principled ethical work climate, and job satisfaction. The development of benevolent or principled ethical work climates has a positive relationship with faculty job satisfaction. In contrast, there is a strong inverse correlation between egoistic ethical work climates and faculty's perception of job satisfaction.

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 and 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 and Victor, 2003).

In considering definitions of ethical work climate, Cullen et al. (2003) defined three basic ethical standards associated with ethical work climates: egoistic (self-interest), benevolent (caring), and principled (rules). 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 and Cullen, 1988). Over the years, numerous articles (e.g., Clinard, 1983; Clinard and Yeager, 1980; Cullen, Maakestad and Cavender, 1987; Victor and Cullen, 1988) have reported on the role that organizational climate plays on influencing employee ethical or unethical behaviors.

Job Satisfaction

Smith, Kendall and Hulin (1975) defined job satisfaction as “the perceived characteristics of the job in relation to an individual’s frames of reference” (p. 12). 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 (Arnold and Feldman, 1982; Sager and Johnston, 1989). 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 and Peterson, 1994; Singh, Verbeke and Rhoads, 1996). 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, and Strickland, 1998; Cohen, 1995; Malloy and 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 and 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 and Schminke, 2008; Andreoli and Lefkowitz, 2009; Cohen, 1995; Malloy and Agarwal, 2003; Scheider, 1975; Victor and Cullen, 1988).

As there are several antecedents that affect 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 Alpkam (2009) discovered a significant negative relationship between the egoistic work climate and high 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 (Joseph and Deshpande, 1997; Woodbine, 2006), 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 (Deshpande, 1996; Jaramillo, Prakash, and Solomon, 2006; Joseph and Deshpande, 1997; Koh and Boo, 2001; Mulki, Jaramillo, and Locander, 2006; Ulrich, O'Donnell, Taylor, Farrar, Danis, and 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, and 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 stated as follows:

H₁: There is a negative relationship between the egoistic ethical work climate and IS faculty job satisfaction.

H₂: There is a positive relationship between the benevolent ethical work climate and IS faculty job satisfaction.

H₃: There is a positive relationship between the principled ethical work climate and IS faculty job satisfaction.

METHODOLOGY

Instrumentation

The instrumentation for this study consisted 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 and 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 and 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. 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).

Participants

The participants for this study included currently employed, full time information systems faculty from 136 institutions of higher education in the Southeastern United States. This study focuses on the Southeastern United States because the study was originally conducted in the Southeast and will be presented at a conference in Georgia. The study can be replicated in other regions of the United States and throughout the world to determine if there are significant differences. These institutions were classified as teaching institutions. The work environment assumed a normal faculty workload of teaching four courses per semester, appropriate scholarly activity, and performance of service to the institution and the community.

Using the National Center for Education Statistics School Search Engine (nces.ed.gov), a total of 136 public institutions of higher education in the Southeastern United States, which offered at least a four-year program in computer science, information technology, information systems, or information sciences were found. Southeastern states were defined as Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. From the total 136 institutions, 85 institutions were randomly selected.

Over 1200 e-mail addresses were collected from the 85 randomly selected institution's online faculty directories. From the collected e-mail addresses up to 10 e-mail addresses were randomly selected from each institution to ensure the sample was fairly representative. This resulted in a total of 700 since not all institutions had 10 faculty in their IS department. Out of the 700 surveys distributed, 99 were received while 15 were incomplete. Therefore the total number of usable questionnaires in this study was 82 with a response rate of 12%. Hair et al. (1998) stated that the appropriate minimum sample size for a research is to have 15 observations for each independent variable. As there are 3 independent variables measuring ethical work climate in this study, a minimum sample size of 45 is needed. Since there were a total of 82 respondents in this study, the sample size for the research is adequate.

Of the total sample, 31.7% were female (N=26) and 61% were male (N=50). Six respondents did not report their gender. The median age range for respondents was 45- 49 years. The majority of respondents (76.8%) indicated that their institution offered some type of graduate level degree.

Procedures

The survey was administered electronically using SurveyMonkey®. The participants were guaranteed confidentiality of responses and assured that their responses could not be used to identify them.

A factor analysis with varimax rotation was performed on the ethical work climate questions. The factors of benevolent ethical work climate, principled ethical work climate, and egoism ethical work climate resulted as expected. One of the ethical work climate questions (#46) loaded into a separate, fourth factor. As a result, it was dropped from the analysis. All questions from the Job Satisfaction survey were used since the research focuses on job satisfaction in general. Using data from the sample of 82 faculty who completed the instrument, Cronbach's alpha was calculated for benevolent ethical work climate ($\alpha = .883$), principled ethical work climate ($\alpha = .797$), egoism ethical work climate ($\alpha = .763$), and job satisfaction ($\alpha = .916$). As these numbers reveal, there was an excellent degree of internal consistency in the responses to each set of items.

Scales for benevolent ethical work climate, principled ethical work climate, egoism ethical work climate, and job satisfaction were formed by averaging responses on the Likert scales for each respondent on the respective items for each construct.

Results

Statistical analysis reveals that there is a negative and significant correlation ($r = -.675$; $p < .001$) between the egoistic ethical work climate and job satisfaction (supporting H1). A positive and significant correlation ($r = .579$; $p < .001$) exists between the benevolent ethical work climate and job satisfaction (supporting H2). In addition, a positive and significant correlation ($r = .395$; $p < .001$), exists between the principled ethical work climate and faculty job satisfaction supporting (H3).

To further distinguish the contribution of ethical work climate on job satisfaction, a regression analysis was performed for ethical work climate with job satisfaction as the dependent variable. The model explained 62.9% of the variance in job satisfaction and its associated F statistics indicated that it was significant at the $p < .001$ level.

IMPLICATIONS AND FUTURE RESEARCH

This study hypothesized that the benevolent and principled ethical work climate is positively related and egoistic ethical work climate is negatively correlated to job satisfaction among IS faculty. One of the most significant findings is the strong indirect

relationship between the egoism ethical work climate and job satisfaction ($r=-.675$; $p<.001$). This suggests that faculty who agree that their work climate is focused on individual's interests, and company, social, or economic interests, tend to disagree that they are satisfied with their jobs.

On the other hand positive and significant correlations were found between both benevolent and principled ethical work climate and job satisfaction. These findings suggest that when faculty perceive the ethical work climate within their academic department to be based on socially responsible behavior or made in accordance with the established rules and codes job satisfaction is high. It is worth noting, however, that the correlation between principled ethical work climate and job satisfaction is only moderate ($r=.395$; $p<.001$), while the correlation between benevolent ethical work climate and job satisfaction is much stronger ($r=.579$; $p<.001$). This suggests that the development of a benevolent ethical work climate that promotes team interest, esprit de corps, communication, and social responsibility will likely empower employees and raise the level of IS faculty job satisfaction more so than a principled ethical work climate based on codes of conduct, ethics training programs, rules, ethics policies, and compliance with professional standards. Parboteeah et al. (2010) explained that through employee empowerment, managers can bolster employees' sense of personal responsibility for individual decision and promote the development of a benevolent ethical work climate and in turn discourage the introduction of an egoistic ethical work climate and consequently reduce the incidence of ethical crises. The development of a benevolent ethical work climate may also significantly reduce self-centered interests and concerns that are typical in an egoistic ethical work climate. Cullen, Parboteeah and Victor (2003) suggested that in a benevolent ethical work climate, employees are more likely to take the benefit of the entire organization into consideration.

Another important implication of this study is that job satisfaction among faculty contributes to positive outcomes for students (Hagedorn, 2000). This may provide further incentive for leadership within IS academic departments to work to foster a more benevolent or principled ethical work climate. Currently, there is little if any, research on job satisfaction and ethical work climate in higher education. This study will strengthen the existing literature on job satisfaction and ethical work climate, particularly in the area of higher education. 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.

While this study did not focus directly on the relationship between principled and benevolent ethical work climate, it is worth noting the significant and positive relationship between the two constructs ($r=.628$; $p<.001$). The strong correlation suggests that almost 40% of the variance in benevolent is related to principled ethical work climate. This may be an indication that principled work climate leads to a benevolent ethical work climate. Future research is needed to further explore this relationship.

LIMITATIONS

This study was restricted by the following limitations. First, causality cannot be confirmed since the research design was cross-sectional in nature. The effect of temporality can be examined in longitudinal studies. Secondly, this study attempted to measure perceptions of the ethical work climate by faculty in higher education. When participants are asked ethical questions it is possible that the respondents may attempt to answer the ethics related questions as they deem to be socially or culturally acceptable. In addition, the sample for this study was limited to faculty at institutions of higher education that teach a technology related discipline within the Southeastern United States. Future works on ethical work climate and job satisfaction can include institutions from other regions of the United States to further validate the outcomes of this study. Finally, the ethical work climate fostered in an institution is not the single factor that correlates with overall job satisfaction. The ethical work climate affects job satisfaction in general as well as the vast number of factors that relate to differing levels of satisfaction for individuals. Future studies could attempt to differentiate individual ethics, organizational ethics, and ethical intention (Elango, Paul, Kundu and Paudel, 2010). This study did not explicitly study personal versus organizational ethics.

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 specifically focused 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 antecedents of job satisfaction is the ethical work climate. This study theorized that there are three general ethical work climates; egoistic, benevolent, and principled. The study also hypothesized 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 were tested by using a 34 question survey. The results indicate a significant and positive relationship between principled ethical work climate and job satisfaction, a significant and positive relationship between benevolent ethical work climate and job satisfaction, and a significant and negative relationship between egoistic ethical work climate and job satisfaction.

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