

REPRESENTING THE PERCEIVED ETHICAL WORK CLIMATE AMONG BOUNDARY SPANNING EMPLOYEES

*Barry J. Babin, The University of Southern Mississippi
James S. Boles, Georgia State University
Donald P. Robin, Wake Forest University*

ABSTRACT

This research is based on the idea that an employee's ethical work climate is ultimately an important determinant of both his or her overall well being *and* the well-being of the firm. The ethical work climate is proposed as a key element in a boundary spanning employee's psychological work climate, and like other climate elements, it plays a fundamental role in explaining important work constructs including job satisfaction, organizational commitment, and turnover (James and James 1989). Thus, just as employees make appraisals concerning the cohesiveness of an organization, they are confronted with appraisals concerning the consistency of work place behaviors with relevant moral standards.

Service environments, in particular, are characterized by job-related elements involving implicit trusts that are confronted by employees daily. Service providers and sales personnel are intimately involved in the exchange process and often are in charge of producing the benefits requested and handling financial matters. Additionally, employees are faced with dilemmas as different stakeholders' (i.e., customers and supervisors) demands conflict. Whereas many service providing jobs are highly stressful to begin with (Babin and Boles 1996), the potential internal confrontations that arise from these job-related elements can exacerbate stress even further.

A few previous marketing studies have raised the issue of the ethical work climate previously (Goolsby 1992; Schwepker, Ferrel, and Ingram 1997). However, previous attempts to operationalize the construct empirically are limited in many of the same ways as are other ethical construct measures (Robin, Reidenbach, and Babin 1997). For example, the measures are often overly simplistic and fail to capture much of the construct domain, or they possess characteristics that prohibit thorough validation, or more commonly, the measures are scenario-based causing a potential for interpretational confounding and inhibiting their generalizability. Qualitative and quantitative research is presented that describes the development and initial validation of a measurement

device designed specifically to assess employee perceptions of the ethical work climate in a selling or service providing work environment.

The results suggest four important dimensions of a service or sales employee's ethical work climate. The first dimension represents the overall *justness* exhibited in the work environment as represented by indications of trust and responsibility. Are employees held accountable for their actions? Are people treated fairly? A second dimension represents employee perceptions of peer behavior. The observation of others can serve to frame work expectations through informational influence and through relativistic construals (Reidenbach, Robin, and Dawson 1991). This dimension represents a potential conflict between one's moral standards and peers' behavior. Are employees bothered by the actions of their peers? A third dimension represents the cognizant awareness (tension), or lack thereof, of rewards and punishments associated with ethical (unethical) behavior. Are employees who act unethically for company benefit punished or rewarded? Finally, a fourth dimension was precipitated significantly by the qualitative research. It represents the dilemma that employees are faced with in selling goods/services that may not truly be in the customers' best interest. Is ethical stress created by policies that are very aggressive with respect to add-on sales or up-selling?

Confirmatory factor analysis is used to provide a preliminary validation based on a diverse sample of service providers and salespeople. Additionally, the potential importance of these dimensions is suggested by significant correlations between the ethical climate dimensions and other important organizational constructs. For example, significant negative correlations are shown between perceived "justness" and role ambiguity and role conflict. In contrast, observation of unethical behavior among peers serves to increase both conflict and ambiguity, while decreasing job satisfaction and organizational commitment. The results suggest further avenues for integrating the ethical climate into theory explaining service providers' work related behavior.

For further information contact:
Barry J. Babin
College of Business Administration
The University of Southern Mississippi
Box 5091
Hattiesburg, MS 39406-5091
Phone: (601) 266-4629
FAX: (601) 266-4630
E-Mail: babinb@cba.usm.edu
