A Longitudinal Study of Shifts and Regional Differences in Workplace Ethics: Opportunities for Conflicts?

Paul L. Sauer, Professor
Department of Marketing & Information Systems
Wehle School of Business
Canisius College
Buffalo, NY 14068
Phone: 716-888-2631, Fax 716-888-3215
E-mail: sauer@canisius.edu

Paul Chao, Professor
Department of Marketing, Owen College of Business
Eastern Michigan University
Ypsilanti, MI 48197
Phone: 734-487-3323, Fax: 734-487-2378
E-mail: paul.chao@emich.edu.

Corresponding Author: paul.chao@emich.edu

ABSTRACT

Changes in workplace ethics have occurred following the financial collapse of large U.S. firms beginning late in the year 2000 that also resulted in criminal indictments of corporate executives of these firms for unethical and illegal practices. Some changes in workplace ethics were mandated while others were voluntary. Building on the value congruence approach, a model is developed to assess the shifts in the congruence between individuals' ethical beliefs and observed workplace misconduct.   Results indicate significant shifts in strengths of individual ethical beliefs as well as in observations of ethical misconduct in the workplace. Despite the general reaction to the financial collapses, perceived incongruence between personal ethical beliefs and observed workplace misconduct is actually found to have increased with respect to certain workplace behaviors, providing increased potential for conflict.

INTRODUCTION

The issue of ethics in the workplace received considerable public attention in the first few years of the twenty-first century (Coombes, 2003; Linstedt, 2003; Murray, 2003; Wriston, 2003).   Abuses of executive power and illegal activities such as manipulation of accounting records resulted in criminal indictments and convictions of top ranking executives as well as increased mistrust of executives by employees (Jacobe, 2002; Jickling & Janov, 2004; Thompson, 2004).   Growing concern was raised regarding ethical issues related to the increased availability and subsequent use or abuse of information technology in the workplace (Oz, 2001; Stone & Henry, 2003).   Information technology continues to improve rapidly and is increasingly becoming more ubiquitous in the workplace, resulting in more opportunities for unethical use by employees. Use of these types of information technology combined with other changes in the business world and workplace environment provide greater opportunities to engage in unethical conduct, possibly facilitating shifts in the personal beliefs of both employees and managers, the likelihood of which is a function of the strength of the ethical culture of the workplace. The purpose of our research is to examine the extent to which any post-financial-collapse shifts occurred in both personal ethical beliefs and observations of unethical behavior in the workplace.   Such shifts could potentially lead to increased conflict caused by increased perceived incongruence between personal beliefs and observed workplace behavior resulting in changes in ethical climate perceptions.

Public and government responses to these well-publicized financial abuses and their impact on personal investments have resulted in legislation designed to curb future abuses. There is also evidence of changes and shifts in personal attitudes toward more ethical workplace behavior as well as in perceptions of organizational workplace enforcement following the financial collapse of late 2000 (Flynn, 2003; National Business Ethics Survey, 2003). According to the 2003 National Business Ethics Survey, despite just recovering from the corporate ethical and legal scandals, American workers at that time were more positive about the ethical environment within their organizations than in the previous survey taken in 2000.

Perceptions of improvements, however, appear to have affected the middle and upper levels of management more than the lower levels of management.   One reason for this may be the fact that the arrests and convictions for illegal and unethical activities have been of top level executives, thus making the impact felt more by middle and upper level managers (Accounting Degree Review. 2015; Brickey, 2005; Crutchley, Jensen, & Marshall, 2007).   An employee at a lower level in the organization would likely find it more difficult to make the connection with respect to his or her own personal ethical values.

These changes and shifts are expected to reveal variations in perceptions of ethical workplace behavior, norms and standards. Such perceptions provide general indicators of the underlying ethical climate in organizations (Victor & Cullen, 1987). Of concern is how changes in the perceptions of workplace ethics interact with changes in personal ethical standards and beliefs to create greater opportunity for internal states of perceived incongruence and potential for ethical conflict.

LITERATURE REVIEW

Revelations of large scale corporate abuses and unethical and illegal conduct having major financial and economic impact began occurring in late 2000 and carried over into 2001. Therefore the year 2001 is used as the defining point in this study for increased emphasis on corporate moral and ethical values. This affected individual investors because it was a time when many lost much of their personal investments and savings. The loss of individual savings made the revelations all the more personal and increased citizen involvement with the issues. The theory of reasoned action (Ajzen & Fishbein, 1980) implies that information such as that regarding consequences of ethical and illegal activities can change ethical beliefs, resulting in changes in attitudes and behavior. Legislation such as the Sarbanes-Oxley Act represents a significant example of post-2001 response to the corporate ethical abuses and illegal activities.

There is also the potential for differences in reactions and responses among different geographic regions of the country. This is because research has shown evidence of regional geographic differences in individuals' consumption habits, lifestyles and values. Using the List of Values (LOV) scale, Kahle (1986) finds evidence of differences between various geographic regions within the United States. Similar studies also support regional differences (Kahle, Liu, & Watkins, 1992; Mittal, Kamakura, & Govind, 2004). More recently Dheer, Lenartowicz, Peterson, and Petrescu (2014) found that cultural regions exist even across contiguous national borders, specifically Canada and the United States. They also found, however, that the variables used to distinguish cultural regions geographically depend upon the cultural variables applied. Values of individuals appear to both influence and be influenced by the ethical organizational culture which is reflected in the perceptions of the ethical climate of organizations.

Ethical Climate and Ethical Culture

Ethical climate is defined as "the shared perceptions of what is ethically correct behavior" (Victor & Cullen, 1987, p. 52). Cullen, Parboteeah, and Victor (2003) further clarify the nature of ethical climate in organizations as being not representative of an employee's ethical norms and standards, but rather perceptions by employees of the ethical nature of the organization's workplace environment. Ethical climate is thus one facet of a multi-faceted organizational climate construct that involves ethical organizational activities (Kuenzi, & Schminke, 2009; Schneider, Ehrhart, Macey, 2013). Climate perceptions of unethical workplace behavior based on observation of misbehavior can lead to dysfunctional behavior in the form if unethical conduct as well as to a diminishing sense to psychological well-being with obvious job performance effects (Martin & Cullen 2006; Peterson 2002). Kuenzi and Schminke (2009) further classify organizational workplace climate into four sub-categories in which ethics is one type of the sub-category of climate that focuses on behavioral guidance. It thus becomes apparent that climate can influence culture and vice versa.

Ethical climate has been shown to be related to organizational corruption (Stachowicz-Stanusch, & Simha, 2013), a major effect of which has been the negative impact on the economy in the beginning of the twenty-first century in the United States. The National Ethics Research Survey applies the term "corruption" to instances wherein the misconduct in organizations has the "potential to impact unusually large numbers of

people and damage the credibility of entire companies" (National Business Ethics Survey, 2013, p. 23). The ability to forge a positive bond between employees and the firm is dependent on managerial promotion of a positive ethical climate (Valentine, Godkin, & Lucero, 2002). There is evidence that ethical climate can be influenced by ethical leadership of managers in organizations (Demirtas, & Akdogan, 2014; Mayer, Kuenzi, & Greenbaum, 2010).   It is "the prevailing perceptions of typical organizational practices and procedures that have ethical content" (Victor & Cullen, 1988, p. 101). Jaramillo, Mulki and Solomon (2006) provide evidence that a high ethical climate reduces role ambiguity as well as role conflict.   Victor and Cullen (1987, 1988) develop a classification of nine types of ethical climate that vary along two dimensions: types of criteria (or ethical criteria) and level of analysis (or locus of analysis). This was further refined and psychometric properties established by Cullen, Victor, and Bronson (1993). Pierce and Henry (2000) show that the climate classifications can be applied to office technology ethics issues such as playing games and doing personal work on the office computer system.

Ethical climate is similar to ethical culture (Trevino, 1990) with which it shares dimensions that are significantly correlated with perceptions of ethical misconduct in the workplace (Trevino, Butterfield, & McCabe 1998).   Schneider et al. (2013) distinguish between organizational climate as "meanings people attach to interrelated bundles of experiences people have at work" (p. 361) and organizational culture as the "basic assumptions about the world and values that guide life in organization"(p. 361). Climate is based upon perceptions while culture is based on the behavioral reality of the organizational environment. This helps us to understand why Brown and Trevino (2006) refer to climate and culture as similar measures that capture the ethical context of the workplace environment. Culture tends to be a more abstract construct than climate (Kuenzi, & Schminke, 2009). Essentially then the ethical climate is the perception of the workplace environment that is a manifestation of the organization's ethical culture. Our goal is not to test or confirm these ethical dimensions, frameworks or constructs, but simply to position our study with respect to them.

Personal Ethical Values and Beliefs

An individual's personal ethical values and beliefs as to what constitutes right or wrong behavior are developed over time by transition through a series of stages of cognitive development (Trevino, 1986). Individuals proceed from early stages wherein sensitivity to laws and customs of their culture determine their moral and ethical values. Both the local or workplace environment and the cosmopolitan or external to the workplace environment (Victor & Cullen 1987, 1988) can influence an individual's development (Arnaud & Schminke, 2012).   The local or workplace environment is governed by company rules and procedures. It is only when people reach the highest level of development that they rise above their environment and become principled in their personal ethical values and ethical beliefs.   This is where individuals find themselves in the principled-individual dimension of Victor and Cullen's (1988) framework. Conflict may then occur between the principled-individual dimension and the principled-local or workplace environment (Peterson, 2002).

Congruence and Conflict

Any perceived incongruence that exists between an individual's personal ethical values and ethical beliefs and the employing organization's workplace ethical culture perceived as an ethical climate by the employee creates a potential for conflict (Brinkmann, 2002; Schwepker, Ferrell, & Ingram, 1997). "Employees desire consistency between their own ethical value system and the ethical climate of the organization" (Schwepker, et al., 1997, p.100). The goodness of the fit of ethical climate with personal ethical beliefs will influence employee attitudes toward the organization which in turn influences employee behavior (Domino, Wingreen, & Blanton, 2009). Ethical conflict occurs when a person feels organizational pressure to engage in a behavior he or she believes is wrong (Dubinsky & Ingram, 1984). Conflict can also result from vagueness as to whether personal or organizational values apply in a given situation. Virovere, Kooskora, and Valler (2002) cite "unclear work procedures and rules" (p. 78) as one of the top three reasons for conflict, observing that it is very common for organizations to neglect ethical criteria and/or not consider them important, thereby increasing the potential for more conflict.

"Behavioral compliance with a group or organizational climate incongruent with an individual's level of moral development and subsequent ethical beliefs may lead to adaptive reactions such as stress and whistle blowing" (Victor & Cullen, 1988, p. 105). Stress and the resulting coping strategies may distract the employee from focusing on the requirements of the job, resulting in low levels of productivity and motivation (Mudrack & Mason, 1996). When beliefs or judgments are inconsistent with behavior, feelings of guilt may result. Conversely, conflict may be constructive wherein positive improvements occur and the organization or individual advances in ethical standards as a result of the outcome (Virovere, et al., 2002).

Ethics depend upon values in that "ethics is a system of value principles or practices and a definition of right and wrong" (Raiborn & Payne, 1990, p. 879). Behavior is a function of multiple values, sets of which constitute value systems (Liedtka, 1989). Liedtka (1989) proposes that incongruence of value systems can occur within either the individual or organization resulting in what she calls a contending state and creating potential for internal conflict. If both the organization and individual are in a consonant state in which no internal conflict occurs, incongruence of value systems between the individual and the organization may result in external conflict if their value systems are opposed. Thus both the individual and the organization will be in a contending or consonant state, with the interaction of the two states resulting in varying responses to conflict. Conflict is most likely to occur when organizational values are consonant while the individual's values are contending. Posner and Schmidt (1993) note, however, that comfort with one's own personal values can mitigate against the potentially negative consequences of conflicts between personal and organizational values. An advantage of using the value congruence approach is that shifts in individual and organizational values can be measured (Watson, Papamarcos, Teague, & Bean, 2004).

STUDY CONTRIBUTIONS

In situations where conflict exists between an individual's ethical beliefs and the employing organization' workplace's ethical values experienced as the ethical culture and

perceived as the ethical climate, scripted behavior breaks down. Noting that traditional theories fail to explain behavior in this instance, Liedtka (1989) uses image theory to provide a framework for results of conflict. This provides a framework within which our research fits and a theory which provides a sound basis for the framework. Our study contributes to the literature by providing an empirical test related to Liedtka's concept of congruence as a basis for understanding ethical conflict. This study does not attempt to determine the internal consonant or contending state of the individual or organization. Rather, our research is concerned with the external conflict between the individual and the external organization environment.   The different states of congruence and incongruence between the individual and the organization that are possible in our research are shown in Figure 1.

Figure 1: Individual Experience of External Ethical Congruence

	PERSONAL BELIEF	
	Behavior is NOT Wrong	**Behavior is Wrong**
Behavior perceived as "Common in the Workplace"	**1** **Consonant** * BELIEF < 4; MISCONDUCT < 4	**2** **Compelled Incongruence** * BELIEF > 4; MISCONDUCT < 4
Behavior perceived as NOT Common in the Workplace	**3** **Restraint Incongruence** * BELIEF < 4; MISCONDUCT > 4	**4** **Consonant** * BELIEF > 4; MISCONDUCT > 4

* Based on scales of 1 (strongly disagree) to 7 (strongly agree) where 4 is the midpoint. Higher values indicate stronger ethical belief that a behavior is wrong (BELIEF) or the ethical climate perception that the behavior (misconduct) is not perceived as common in the workplace (MISCONDUCT).

    When unethical behavior is perceived as not being common in the workplace, the organization's ethical values are likely high and consonant. Moser (1988) argues that subjective perception is the determinant of whether conflict exists. If the individual does not perceive that same unethical behavior as being unethical, the individual may feel restrained by the organization to comply with a higher standard than their personal standard, thus what we call restraint incongruence (cell 3) occurs. In this situation, the individual may want to engage in a certain behavior, but refrains from doing so because that form of behavior is not perceived as being common in the respondent's workplace. Conversely, when an individual's personal values indicate a certain behavior is unethical

or wrong, but the perception is that such behavior is common in the organization because the organization (or the direct supervisor in the organization) does not proactively prohibit such behavior, the individual may feel compelled to act in what he or she believes to be an unethical way, thus, what we call compelled incongruence (cell 2) occurs. This is likely to be the case when the organization has no code or policy prohibiting such behavior or when the organization has an ethical code of conduct prohibiting such behavior, but enforcement of the code is lacking and behavior of peers reflects the lack of enforcement.

Perceived compelled incongruence is more likely to have an impact on a person's conscience, especially if one transgresses his or her conscience by engaging in unethical behavior which is perceived as common in the workplace but contrary to his or her ethical beliefs. Perceived compelled incongruence between what is perceived to occur in the workplace and what the individual's conscience indicates is correct may alternatively lead to risky behavior such as whistle blowing and other forms of anti-corporate behavior or, more radically, departure from the company (Dubinsky & Ingram, 1984; Liedtka, 1989; Victor & Cullen, 1988).

Our study also includes empirical tests of shifts over time in ethical values of both the employees in the form of personal ethical beliefs and the organization as the perceived ethical climate. This is especially important at a time when there have been large scale changes in organizational policies and the general economic environment has experienced the devastating effects of corporate legal and ethical misconduct. In the wake of the economic recession of 2001, evidence from the 2003 National Business Ethics Survey indicates that ethical beliefs are becoming stronger. Also, as a result of corporate response to well-publicized arrests and indictments at firms such as Enron, WorldCom and Adelphia, ethical climates became stronger (Coombes, 2003; Linstedt, 2003; Murray, 2003; Wriston, 2003).

Based on our review of past research, specifically on findings of shifts in beliefs and climates, reports of greater corporate attention to establishing and implementing ethical norms, and the pattern of rising and declining perceptions of misconduct, we hypothesize in our study that:

Hypothesis 1: Ethical beliefs that certain workplace misconduct behaviors are wrong became stronger from pre to post-2001.

Hypothesis 2: The ethical climate perception of the extent to which these workplace misconduct behaviors are common in the workplace declined from pre to post-2001.

These hypotheses imply that both individual and corporate ethical beliefs and values have become stronger. Though somewhat exploratory in nature, if we assume that stronger personal ethical beliefs that certain workplace behaviors are wrong and that perceived business climates become more ethical in that certain behaviors are less frequently observed, we would expect that the potential for perceived compelled incongruence would decline from pre to post-2001. We therefore also hypothesize that:

Hypothesis 3: The potential for compelled incongruence declined from pre to post-2001.

METHODOLOGY

Survey Instrument

There are basically two approaches to measurement used in ethical studies (Oz, 2001). One approach is to describe scenarios in which a situation containing an ethical dilemma may or may not be perceived is presented. Scenarios have been used to detect ethical sensitivity (Sparks & Hunt, 1998), ethical climate (Schwepker, et al., 1997; Stone & Henry, 2003), ethical values (Harris, 1990), ethical judgments (Hansen, 1992; Reidenbach & Robin, 1990) ethical decision-making (Haines & Leonard, 2007) and ethical conflict (Schwepker, et al., 1997). Scenarios have the advantage of presenting the same situation to all respondents rather than allowing the situation to vary depending upon the respondent's personal workplace environment or other environmental setting. Responses, however, may be affected by the differences in situation familiarity of each respondent within the particular scenario employed.

A second approach is to present a series of first-person statements of actions with ethical content representing forms of misconduct in which a person could engage in his or her workplace. This assumes that the person is currently working and that the person is aware of opportunities to observe or engage in the workplace behavior defined in the each statement. Employees are often more sensitive to and familiar with ethical decisions within their more intimate workgroup than in the larger organization in general. If people tend to say that certain behaviors are right or wrong, they will tend to behave accordingly (Oz, 2001). A number of studies have used the statement approach to develop scales to measure ethical beliefs (Daniel, Elliott-Howard, & DuFrene, 1997; Froelich & Kottke, 1991; Jones, 1990; Mudrack, 1993; Mudrack & Mason, 1996; Muncy & Vitell, 1992; Vitell, Lumpkin, & Rawwas, 1991) as has the Ethics Resource Center's National Business Ethics Survey (2003, 2007, 2013). Other than the development of these ethical belief or judgment scales and the work of the Ethics Resource Center, empirical research studies of ethical belief have been somewhat limited (Vitell, Singhapakdi, & Thomas, 2001).

In our study we adopt the statement approach, not because it is superior to the scenario approach, nor is it our intent to compare them, but simply because our measures examine employee perceptions in the real world workplace setting in which each employee works. This perceptual approach conforms to Cullen, Parboteeah and Victor's (2003) concept of ethical climate as being perceptions by employees of the ethical nature of the organizations workplace environment. While there are many forms of dysfunctional behavior or ethical misconduct (Martin & Cullen 2006), we choose to organize misconduct behavior into three sub-categories: use or misuse of office technology; gifts and entertainment; and, truth and lies. These three sub-categoriess were chosen because they represent three areas in which ethical forms of misconduct have been found to exist in studies of organizations' ethical climate. Evidence for differences in personal and corporate judgments of ethicality regarding office technology is found, for example, in Pierce and Henry (2000). Peterson (2002) shows that giving gifts and favors, items that are contained in our gifts and entertainment section, is related to both personal morality and the corporate rules dimensions in Victor and Cullen's (1988) theoretical framework. Peterson (2002) also provides evidence that calling in sick and lying, items that are in our truth and lies section, fall within Victor and Cullen's (1988)

ethical climate dimensions of personal morality and corporate rules. Furthermore, Trevino et al. (1998) provide empirical evidence that both ethical culture and ethical climate are correlated with observation of perceived ethical misconduct in the workplace. Therefore, from a theoretical perspective, the items in our study that measure observations of misconduct can be seen as indicators of perceived ethical climate resulting from the manifestation of specific underlying dimensions of ethical culture found to exist in the workplace.

For each of the fifteen specified behaviors we use two sets of scales, one to measure the strength of personal ethical beliefs based on level of agreement as to whether that behavior is wrong and a second to measure perceived commonality of observing that behavior in the respondent's workplace, that is, perception of an element of ethical climate. All items use a 7-point bi-polar scale with end-points anchored by strongly agree and strongly disagree. This is equivalent to the wording of items and scales used to assess personal ethical beliefs and observed misconduct that are related to dimensions of ethical climate (Victor & Cullen, 1987; Peterson, 2002) and culture (Trevino et al., 1998). Many statement scales such as those found in ethical climate studies ask respondents to rate broad organizational situations such as whether "unethical behavior is tolerated" (Schwepker, 2001, p. 45), if the "most important concern is the good of all the people in the company as a whole" (Victor & Cullen, 1988, p.112), and if "the organization thinks its OK to use CT in any manner to further its interests" (Stone & Henry, 2003, p. 347). We choose, however, to use a less direct approach to assessing climate by using measures detailing behavioral forms of misconduct applicable to their specific workplace within the larger organization and with which respondents are likely most familiar, thereby facilitating more accurate responses. Measuring misconduct by asking respondents to indicate how common they perceive these problems to be in their workplace rather than whether they personally engage in these behaviors themselves also makes these potentially sensitive statements less self-incriminating , likely to elicit more truthful answers, and better able to significantly reduce or eliminate social desirability bias (Randall & Fernandes, 1991).

We operationalize perceived incongruence by subtracting each respondent's perception of observed ethical misconduct rating score from that same respondent's ethical belief rating score for each behavior. A score of zero would indicate a consonant state. The greater the positive difference, the greater is the potential for compelled incongruence. The greater the negative difference, the greater is the potential for restraint incongruence. It should be noted, however, that difference scores such as these have been shown to have psychometric problems in that reliability may be reduced and relationships with other variables affected (Rogosa & Willett, 1983; Willett, 1988).

To correct for any systematic bias caused by using only negative-worded behavior statements for belief measures (Herche & Engelland, 1996), half the respondents were given positive-worded statements. One version used a direct negative statement -- e.g., it is wrong . . . or it is unacceptable to engage in (specify behavior) -- while the other version reversed the polarity of the statement -- e.g., it is not wrong … or it is acceptable to engage in (specify behavior). Responses were rescaled on the reverse-polarized items and pooled with the other responses for analysis purposes. To determine if pooling was appropriate, t-tests of mean differences between versions 1 and 2 were conducted. Only four were significantly different at the 95% confidence level. Of these only one had mean values that spanned the neutral point of the scale, that being for pre-2001 in the northeast. Therefore data for the negative and positive items were pooled.

Research Design

The study employs a 2-by-2 between-subjects design. One between-subjects treatment variable is the geographic location of survey administration while the second is time frame for administration. The survey was administered in two different geographic regions to working professionals enrolled in part-time management programs: one operated by a private university in the Northeastern region of the United States; and, the second by a public university in the Midwest. Respondents worked for companies in a variety of industries. The two time frames for administration were a pre-2001 and a post-2001 period. These time frames were chosen to provide a sample from before and a sample from after the ethical scandals that were revealed in 2001. The pre-2001 surveys were administered during the first half of calendar year 2000 while the post-2001 surveys were administered in the spring and fall of 2003.

Data Analysis

To test the three hypotheses, we used independent sample t-tests. We tested for differences in means of beliefs (H1), climate (H2) and perceived congruence (H3) between pre and post-2001 responses for each geographic region separately. Because a value of a perceived congruence mean that differs from zero indicates a deviation from the consonant state, we tested whether these means differed from zero using a one-sample t-test.

RESULTS

Ethical Beliefs

Table 1 shows the number of respondents and demographic characteristics for each of the four sample conditions. The values of the pre-2001 and post-2001 strength of ethical belief means are shown in Table 2. Except for post-2001 Midwest respondents' belief that use of company e-mail for personal reasons is not wrong ($m_{post\text{-}2001} = 3.43$), they believe that all other behaviors pertaining to use or misuse of office technology are wrong. For Midwest respondents, two significant shifts occur, all in the direction of weaker ethical beliefs, the opposite of what is predicted in hypothesis H1. These two shifts are for use of office equipment for child or spouse schoolwork ($m_{pre\text{-}2001} = 5.12$; $m_{post\text{-}2001} = 4.34$) and use of the office computer for Internet shopping ($m_{pre\text{-}2001} = 6.18$; $m_{post\text{-}2001} = 5.16$).   In contrast, Northeast respondents record three significant shifts, all in the direction of stronger ethical beliefs in support of hypothesis H1. The three shifts are use of company e-mail for personal reasons ($m_{pre\text{-}2001} = 3.02$; $m_{post\text{-}2001} = 3.78$), use of office equipment for child or spouse schoolwork ($m_{pre\text{-}2001} = 3.80$; $m_{post\text{-}2001} = 4.65$), and use of the office computer to visit pornographic websites ($m_{pre\text{-}2001} = 6.46$; $m_{post\text{-}2001} = 6.93$).

Table 1: Demographics Characteristics of Sample

	Northeast pre-2001 %	Northeast post-2001 %	Midwest pre-2001 %	Midwest post-2001 %
Gender				
Male	68.5	72.4	87.9	74.4
Female	31.5	27.6	12.1	25.6
Age				
Under 30	63.0	57.6	12.1	31.8
30 – 40	27.8	37.3	21.2	20.5
41-50	9.3	5.1	36.4	27.3
Over 50			30.3	20.5
Education				
High School	1.9		51.5	18.2
Bachelor Degree	77.8	86.2	33.3	79.5
Master Degree	20.4	13.8	15.2	
PhD Degree				2.3
Religion				
Catholic	81.1	59.6	30.3	34.1
Christian	11.3	24.6	60.6	59.1
Other		7.0	6.1	4.5
None	7.5	8.8	3.0	2.3
Total (n)	54	59	33	44

No significant shifts occur in strength of ethical beliefs about gifts and entertainment for Northeast respondents, but one significant shift occurs for Midwest respondents. Winning \$75 at a raffle at a suppliers' shifts from a belief that it is wrong ($m_{pre-2001}$ = 4.09), to a belief that it is not wrong ($m_{post-2001}$ = 3.27), the opposite to what is hypothesized in H1. None of the other gifts and entertainment misbehaviors shifted significantly in either direction from the pre-2001 to the post-2001 survey. For all other gifts and entertainment misbehaviors, Midwest respondents in both pre and post-2001 believe them to be wrong. Northeast respondents, on the other hand, believe that all gifts and entertainment misbehaviors are not wrong, both prior to and after 2001. The "reference price or value" at which a gift to a supplier or a client becomes troubling is significantly higher at the 95% confidence level in both pre-2001 and post-2001for Northeast respondents ($m_{pre-2001}$ = \$121.76; $m_{post-2001}$ = \$154.71) than for Midwest respondents ($m_{pre-2001}$ = \$21.00; $m_{post-2001}$ = \$43.95).

No significant shifts in strengths of ethical beliefs occur for the truth and lies items. Respondents in both pre and post-2001, however, believe that these two behaviors are unethical, but Midwest respondents appear to believe more strongly that these two behaviors are wrong than do Northeast respondents.

Table 2: Means of Strength of Ethical Beliefs about Misconduct Behaviors in the Workplace by Region and Year of Survey

Survey Item	Year	Midwest	Northeast
Use of Office Technology			
Use of Company E-mail	Pre-2001	4.00	3.02**
	Post-2001	3.43	3.78**
Office equip for child or spouse schoolwork	Pre-2001	5.12**	3.80***
	Post-2001	4.34**	4.65***
Play Computer games during workday	Pre-2001	6.12	5.41
	Post-2001	6.30	5.97
Office computer for Internet shopping	Pre-2001	6.18**	5.24
	Post-2001	5.16**	5.27
Blame my error on Tech glitch	Pre-2001	5.55	5.13
	Post-2001	5.57	5.63
Office computer to visit porno websites	Pre-2001	6.64	6.46**
	Post-2001	6.80	6.93**
Gifts and Entertainment			
$50 gift to Boss	Pre-2001	5.73	3.98
	Post-2001	5.23	3.64
$50 gift from boss	Pre-2001	5.58	3.50
	Post-2001	5.34	3.07
$200 football tickets from supplier	Pre-2001	6.18	3.54
	Post-2001	5.98	3.65
$120 theatre tickets from supplier	Pre-2001	6.27	3.80
	Post-2001	5.98	3.87
$100 food basket from supplier	Pre-2001	6.15	3.30
	Post-2001	5.70	3.57
$25 gift certificate from supplier	Pre-2001	5.67	2.91
	Post-2001	5.18	2.72
$75 prize at raffle at supplier conference	Pre-2001	4.09*	2.06
	Post-2001	3.27*	2.27
Value at which a gift becomes troubling	Pre-2001	$21.00	$121.76
	Post-2001	$43.95	$154.71
Truth and Lies			
Lie about sick days due to on-job pressure	Pre-2001	6.09	4.52
	Post-2001	5.91	4.92
Take credit for someone's work	Pre-2001	6.76	6.20
due to job pressure	Post-2001	6.64	6.20

Legend: * 90%   ** 95%   *** 99%

Observed Ethical Misconduct

Items measuring ethical climate perception of the common extent of unethical misconduct behaviors in the workplace are rescaled so that a higher value indicates unethical behavior is less common. Two significant shifts in observed ethical misconduct

with respect to use of office technology occur (Table 3). First, Midwest respondents indicate that use of company e-mail for personal reasons is significantly more common in post-2001 ($m_{post-2001} = 2.31$) than in pre-2001 ($m_{pre-2001} = 3.09$), the opposite to what was hypothesized in hypothesis H2. This shift, however, parallels the significant shift in ethical beliefs for Midwest respondents. In addition to this item, Midwest respondents perceive that all other unethical uses of office technology are not common before or after 2001, except for post-2001 use of office equipment for child or spouse schoolwork.

Table 3: Means of Ethical Climate Perceptions of Common Extent of Ethical Misconduct Behavior in the Workplace by Region and Year of Survey

Survey Item	Year	Midwest	Northeast
Use of Office Technology			
Use of Company E-mail	Pre-2001	3.09**	2.81
	Post-2001	2.31**	2.49
Office equip for child or spouse schoolwork	Pre-2001	4.18*	3.63
	Post-2001	3.62*	3.95
Play Computer games during workday	Pre-2001	4.15	4.85
	Post-2001	4.50	4.72
Office computer for Internet shopping	Pre-2001	4.61	4.76***
	Post-2001	4.29	3.72***
Blame MY error on Tech glitch	Pre-2001	4.52	4.44
	Post-2001	4.69	4.48
Office computer to visit porno websites	Pre-2001	6.00	6.04
	Post-2001	5.86	6.32
Gifts and Entertainment			
$50 gift to Boss	Pre-2001	5.36	4.70
	Post-2001	5.12	4.75
$50 gift from boss	Pre-2001	6.15*	5.00
	Post-2001	5.64*	4.86
$200 football tickets from supplier	Pre-2001	5.58	4.00*
	Post-2001	5.23	4.63*
$120 theatre tickets from supplier	Pre-2001	5.52	4.02
	Post-2001	5.36	4.59
$100 food basket from supplier	Pre-2001	5.42	3.69
	Post-2001	5.18	3.86
$25 gift certificate from supplier	Pre-2001	5.12	3.39
	Post-2001	4.80	3.93
$75 prize at raffle at supplier conference	Pre-2001	4.21	3.25
	Post-2001	4.39	3.82
Truth and Lies			
Lie about sick days due to on-job pressure	Pre-2001	4.30	3.33
	Post-2001	3.93	3.82
Take credit for someone's work	Pre-2001	4.27	4.24
due to job pressure	Post-2001	3.82	4.52

Legend: * 90%   ** 95%   *** 99%

Second, Northeast respondents perceive use of an office computer for Internet shopping to be more common in post-2001 ($m_{post-2001}$ = 3.72) than in pre-2001 ($m_{pre-2001}$ = 4.76), again the opposite of what is hypothesized in H2. Other than the perceived commonality of use of office computer for Internet shopping in post-2001, Northeast respondents both prior to and after 2001 perceive only use of company e-mail for personal reasons and office equipment for child or spouse to be common.

For gifts and entertainment, Midwest respondents perceive receiving a $50 gift from the boss as being significantly more common in post-2001 ($m_{post-2001}$ = 5.64) than in pre-2001 ($m_{pre-2001}$ = 6.15), again the opposite of hypothesis H2. The high value for each mean, however, indicates that while a shift occurred, this unethical behavior is not perceived as being common either before or after 2001. Northeast respondents' perception of receiving $200 football tickets from a supplier is significantly less common after 2001 ($m_{post-2001}$ = 4.63) than before 2001 ($m_{pre-2001}$ = 4.00) in support of hypothesis H2. The only behaviors perceived as common by Northeast respondents include the $100 food basket, the $25 gift certificate and the $75 raffle, all from suppliers.
No significant shifts in misconduct occurred with respect to the two items measuring truth and lies. In post-2001, Midwest respondents perceive both behaviors as common while Northeast respondents only perceive lying about sick days as common.

Incongruent and Consonant Ethical Standards

Mean values of the office technology perceived congruence measures are positive for all respondents, indicating potential for perceived compelled incongruence. For Northeast respondents, prior to 2001, only three of the six office technology perceived congruence variables -- playing computer games during the workday, shopping the Internet using the office computer and blaming a personal error on a technological glitch -- are significantly different from zero, while after 2001 all six are. For Midwest respondents, all perceived congruence measures are significantly different from zero both before and after 2001.

Results of the independent sample t-tests of perceived congruence shifts are shown in Table 4, revealing increases in potential for perceived incongruence for three behaviors for Northeast respondents. Perceived compelled incongruence increased for use of company e-mail ($m_{pre-2001}$ = 0.20; $m_{post-2001}$ = 1.25) and use of the office computer for Internet shopping ($m_{pre-2001}$ = 0.48; $m_{post-2001}$ = 1.47), the opposite of what was hypothesized in hypothesis H3. Perceived restraint incongruence increased for a $25 gift certificate from a supplier ($m_{pre-2001}$ = -0.48; $m_{post-2001}$ = -1.34). The only significant change in perceived congruence for Midwest respondents is an increase in perceived restraint incongruence for a $75 raffle prize at a suppliers' conference ($m_{pre-2001}$ = -0.12; $m_{post-2001}$ = -1.11)

All gifts and entertainment perceived congruence measures are negative for Northeast respondents, indicating potential for perceived restraint incongruence. Four of the seven gifts and entertainment perceived congruence variable means are significantly different from zero prior to 2001, while six of the seven are significantly different after 2001. For Midwest respondents, however, only two perceived congruence measures are negative, the $50 from the boss and the $75 raffle prize at a suppliers' conference. All other items are positive indicating potential for perceived compelled incongruence. Both

prior to and after 2001 four of the seven measures are significantly different from zero, though not the same four.

For both Northeast and Midwest respondents, both of the truth and lies perceived congruence measures are positive, quite large, and significantly different from zero for both pre and post-2001 data, indicating potential for perceived compelled incongruence. There were no significant shifts from pre to post-2001. The two behaviors in truth and lies have among the highest means, thus most likely to be conducive to conflict.

Table 4: Means of Ethical Congruence by Region and Year of Survey

Survey Item	Year	Midwest	Northeast
Use of Office Technology			
Use of Company E-mail	Pre-2001	0.91	0.20**
	Post-2001	1.05	1.25**
Office equip for child or spouse schoolwork	Pre-2001	0.94	0.17
	Post-2001	0.69	0.63
Play Computer games during workday	Pre-2001	1.97	0.56
	Post-2001	1.79	1.21
Office computer for Internet shopping	Pre-2001	1.58	0.48***
	Post-2001	0.81	1.47***
Blame MY error on Tech glitch	Pre-2001	1.03	0.69
	Post-2001	0.83	1.07
Office computer to visit porno websites	Pre-2001	0.64	0.43
	Post-2001	0.93	0.61
Gifts and Entertainment			
$50 gift to Boss	Pre-2001	0.36	-0.72
	Post-2001	0.21	-1.07
$50 gift from boss	Pre-2001	-0.58	-1.50
	Post-2001	-0.30	-1.70
$200 football tickets from supplier	Pre-2001	0.61	-0.46
	Post-2001	0.75	-0.98
$120 theatre tickets from supplier	Pre-2001	0.76	-0.26
	Post-2001	0.61	-0.75
$100 food basket from supplier	Pre-2001	0.73	-0.39
	Post-2001	0.52	-0.36
$25 gift certificate from supplier	Pre-2001	0.55	-0.48**
	Post-2001	0.39	-1.34**
$75 prize at raffle at supplier conference	Pre-2001	-0.12**	-1.17
	Post-2001	-1.11**	-1.67
Truth & Lies			
Lie about sick days due to on-job pressure	Pre-2001	1.79	1.19
	Post-2001	1.98	1.09
Take credit for someone's work due to job pressure	Pre-2001	2.48	1.96
	Post-2001	2.82	1.68

Legend: * 90%   ** 95% *** 99%

DISCUSSION

This study offers an examination of shifts in strength of ethical beliefs, perceived ethical workplace climate measured as observed workplace misconduct and perceived congruence between individuals' ethical beliefs and perceived workplace ethical climates. Severe events such as corporate executive misconduct and resulting economic and financial trauma serve as catalysts for dramatic ethical and organizational change such as what occurred at Siemens (Racanelli, 2012). Despite indications that shifts in personal ethical beliefs and office ethical climate are likely toward higher and stronger ethical values as are incorporated in our hypotheses, our empirical results provide mixed support. Results with respect to shifts toward stronger ethical beliefs indicate that there is some change with respect to office technology, but essentially none with respect to gifts and entertainment or truth and lies. Though many means are numerically different, most differences are not significant. This non-significance may for some measures be a result of limited sample size.

Interestingly, the direction of significant shifts in office and technology ethical belief means differed by geographic region. Midwest respondents reported significant shifts toward weaker beliefs opposite to what was hypothesized, while Northeast respondents report shifts toward stronger beliefs as hypothesized. Does this mean that Midwesterners are becoming more relaxed about ethical standards? Possibly, yet except for use of company e-mail for personal reasons, all ethical misbehaviors were perceived as wrong by respondents in both regions in the post-2001. The lower strength of ethical belief observed for the use of company e-mail for personal reasons than for other office technology behaviors is consistent with our finding that perception of the use of company e-mail has become more common. The perceived commonality of this e-mail behavior increased in the workplace for both Midwest and Northeast respondents, though the increase was only significant for Midwest respondents. This is consistent with the study by Flynn (2003) indicating that while more workplace ethics policies may have been in place, management enforcement had not kept pace.

Another unexpected finding occurred in the area of gifts and entertainment. Of the four significant shifts, only the shift toward a stronger ethical climate regarding the $200 football ticket from a supplier as reported by Northeast respondents supported hypothesis H2. Midwest respondents, however, had stronger beliefs that gift and entertainment behaviors are wrong and perceive them as less common in the workplace than do Northeast respondents. This geographical difference in beliefs can be explained by the "reference" price or value difference at which a gift becomes troubling. For Midwest respondents this value (Pre-2001 = $121.76; post-2001 = $154.71) exceeds the dollar value in the other gifts and entertainment items except for the $200 football tickets, while for Northeast respondents (Pre-2001 = $21.00; post-2001 = $43.95) it does not, except for the $25 gift certificate in post-2001. This should not be taken to mean, however, that "reference" value is the only reason for the geographical difference. It may also reflect differences in ethical standards for different employing organizations and/or cultural differences in ethical standards for different regions of the United States and/or situational differences with respect to individual respondents (Trevino, 1986). Kahle (1986) using the LOV scale to measure values finds that Midwesterners value warm relationships with others, being well-respected and having a sense of belonging more than do Northeasterners, while Northeasterners value self-respect and self-fulfillment

more than Midwesterners. Further research is needed to determine how values differ in relationship to ethical workplace behavior and whether they can be used to explain regional differences in ethical workplace beliefs and behavior.

Perhaps the most disturbing results are those that not only fail to support hypotheses H3 but indicate shifts in the opposite direction. Despite anticipated improvements in both ethical beliefs and ethical climates (National Business Ethics Survey, 2003), perceived incongruence appears to abound. Of particular concern is perceived compelled incongruence that is most likely to foster conflict and more radical behavior such as whistleblowing. In spite of the fact that no significant shifts occur with respect to truth and lies behaviors, these forms of ethical abuse appear to provide the most fertile ground for perceived incongruence and conflict. Personal beliefs are very strong that these two behaviors are wrong, yet the perception is that they are generally common in the workplace, especially after 2001.

Our study has contributed to development of more personally-specific behavior-based statement items useful in studies of ethical climates and ethical workplace incongruence. Items in past studies of ethical climate tend to be broader-based, asking respondents to rate beliefs regarding the entire organization (Stone & Henry, 2003) and to rate organization-wide observed misconduct with which they are less likely to be fully familiar. On the other hand, by having a respondent rate observed behaviors within their individual workplaces, with which even lower level employees are likely to be familiar, we decrease the portion of variance that is attributable to uninformed judgment and obtain a more accurate measure of belief and observed misconduct with respect to each specific behavior. Our study also differs from past studies (Jones, 1990; Mudrack, 1993; Oz, 2001) in that we use a two-item pair for each behavior to measure ethical beliefs and perceived ethical climate based on observed ethical workplace misconduct. This enables us to assess individual perceived congruence more objectively. Potential for conflict can then be determined with respect to each behavior specified in the survey items. Items that have high intercorrelations offer an opportunity for use as indicators of more abstract measures of facets of ethical workplace climate. Taken together across behaviors, the ratings provide the basis for general perceptions of misconduct engendered by the ethical culture and experienced by workers experiencing the workplace environment on a regular basis with the potential for incongruence and resulting conflict.

Study Limitations

Due to the differences in response patterns between geographic locations, one has to be careful in generalizing results to the broader population. Furthermore, in this study we include only measures of deontological beliefs. Though deontological beliefs tend to dominate formation of ethical judgments, teleological beliefs have been found to play a lesser but significant role. Teleological beliefs are concerned with consequences of ethical decisions. One of the consequences, for example, is monetary reward. Future research should include teleological measures that are behavior specific (Hunt and Vitell 1986) and address the reference values that form ethical thresholds. The dollar value at which a gift becomes troubling, for example, would seem to establish a monetary basis for deciding whether a behavior is ethical or not. There may be other reference criteria as well that dictate whether a behavior is ethical or not.

It is possible that some individuals simply do not associate the personal behaviors used in this study with the higher corporate level of illegal and unethical behavior. This may explain why the mean response to some survey items remained relatively constant across time. As the pre-2001 and post-2001 data came from using two different samples of respondents in a between-subjects design, there is no way for us to know if any given individual's perceptions and beliefs have changed over time. We are only able to report the changes in the aggregate sample means. This may also explain why some of the significant differences were in the direction opposite to what was hypothesized. The solution is to use a within subjects design that applies the survey instrument to the same respondents across the two time periods. One way to achieve this would be to confine the study to employees in one or two companies. This should improve the internal validity of the results.

CONCLUSION

Epilogue

Since the time of our study in which the ethical and legal problems of 2000 – 2001 and their economic impact occurred, a similar, but more severe financial and economic collapse in 2007-2008 referred to as the Great Recession resulted from unethical packaging of derivative investment instruments (Helleiner & Pagliari, 2009; Krugman, 2008; Rhee, 2009). Light is shed on this issue by the National Business Ethics Survey that is administered in the United States every two years. The survey reports the percent of employees who said that they witnessed misconduct on the job. The 2007 National Business Ethics Survey found the following:

"More than five years after Enron and other corporate ethics debacles, businesses of all size, type, and ownership show little — if any — meaningful reduction in their enterprise-wide risk of unethical behavior. The situation is ripe for another major corporate scandal."

"Despite new regulation and significant resources now dedicated to decreasing misconduct and increasing reporting of misconduct, *the ethics risk landscape in business is as treacherous as it was before implementation of the Sarbanes-Oxley Act of 2002.*"

"In the past 12 months, more than half (56 percent) of employees personally observed conduct that violated company ethics standards, policy, or the law." (pg. 1)

In the years following this, the 2013 National Business Ethics Survey results show that reported misconduct had reached an all-time low of 41%. While this may indicate an improved workplace ethical climate, it may also mean that sensitivity as to what is unethical has diminished as individuals' concept of what behavior is unethical has become more corrupt.

Since 2000 the NBES study found a positive relationship between the level of reported misconduct and the economic health of the country as measured by the S&P 500 Index. That relationship was negative, however, between 2011 and 2013 as the observed misconduct continued to decline. Despite that observation, what is perhaps more important is that reported misconduct peaked in both 2000 and 2007, corresponding to the brink of the financial and economic collapses in those same years due to unethical and illegal business activities. In that sense the rise in the level of reported misconduct above 50% as occurred in 2000 and 2007 appears to serve as an indicator of possible

impending dangers of some type of economic crisis similar to those in 2000-2001 and 2007 – 2008. Corresponding data on perceived organizational corruption show a general, though not monotonic, downward trend from 1999 to 2014 (Index, 2014).

Future research needs to replicate this study for periods prior to and immediately following economic crises such as those noted here to determine whether the level of observed misconduct can serve as a bellwether of impending economic problems or collapse created by levels of unsustainable corporate corruption (National Business Ethics Survey, 2013, pp. 23-25).

Recent technological developments including various forms of electronic devices coupled with the rise of the availability and use of social media create new opportunities for misconduct in the workplace (National Business Ethics Survey of Social Networkers: New Risks and Opportunities at Work, 2012) that need to be examined.   Not only social networks, but forms of online gaming offer the potential for addictive behavior that will increasingly provide new sources for and forms of ethical temptations that offer to increase workplace misconduct (Kuss, Louws, & Wiers, 2012).

REFERENCES

Accounting Degree Review. (2015). *The 10 Worst Corporate Accounting Scandals of All Time,* Available: *http://*www.accounting-degree.org/scandals/

Ajzen, I., & Fishbein M. (1980). *Understanding Attitudes and Predicting Social Behavior.* Englewood Cliffs, NJ: Prentice-Hall.

Ambrose, M. L., Arnaud, A., & Schminke, M. (2008). Individual moral development and ethical climate: The influence of person–organization fit on job attitudes. *Journal of Business Ethics*, *77*(3), 323-333.

Arnaud, A., & Schminke, M. (2012). The ethical climate and context of organizations: A comprehensive model. *Organization Science*, *23*(6), 1767-1780.

Brickey, K. F. (2005). In Enron's Wake: Corporate Executives on Trial. *J. Crim. L. & Criminology*, *96*, 397.

Brinkmann, J. (2002). Business and marketing ethics as professional ethics. concepts, approaches and typologies. *Journal of Business Ethics, 41*, 159-177.

Brown M.E., Trevino L.K. (2006) Ethical leadership: A review and future directions. *Leadership Quarterly*, *17* (6) , pp. 595-616.

Coombes, A. (2003). E-Termination Employees are getting fired for E-mail Infractions. June 30, 2004. Available: http://www.CBSMarketWatch.com.

Crutchley, C. E., Jensen, M. R., & Marshall, B. B. (2007). Climate for scandal: corporate environments that contribute to accounting fraud. *Financial Review*,*42*(1), 53-73.

Cullen, J. B., Parboteeah, K. P., & Victor, B. (2003). The effects of ethical climates on organizational commitment: A two-study analysis. *Journal of Business Ethics*, *46*(2), 127-141.

Cullen, J. B., Victor, B., & Bronson, J. W. (1993). The ethical climate questionnaire: An assessment of its development and validity. *Psychological Reports*, *73*(2), 667-674.

Daniel, L. G., Elliott-Howard, F.E., & DuFrene, D.D. (1997). The ethical issues rating scale: An instrument for measuring ethical orientation of college students toward various business practices. *Educational and Psychological Measurement, 57*, 515-526.

Demirtas, O., & Akdogan, A. A. (2014). The effect of ethical leadership behavior on ethical climate, turnover intention, and affective commitment. *Journal of Business Ethics*, 1-9. doi:10.1007/s10551-014-2196-6.

Dheer, R., Lenartowicz, T., Peterson, M. F., & Petrescu, M. (2014). Cultural regions of Canada and United States Implications for international management research. *International Journal of Cross Cultural Management*, *14*(3), 343-384.

Domino, M. A., Wingreen, S. C., & Blanton, J. E. (2009). Social cognitive theory: The antecedents and effects of ethical climate fit on organizational attitudes of corporate accounting professionals — a reflection of client narcissism and fraud attitude risk. *Journal of Business Ethics*, 1-15.

Dubinsky, A.J., & Ingram, T.N. (1984). Correlates of salespeople's ethical conflict: an exploratory investigation. *Journal of Business Ethics, 3*, 343-353.

Flynn, N. (2003). 2003 Electronic Policies & Practices Survey. August 6. Available: http://www.epolicyinstitute.com/survey/index.html.

Froelich, K. S. & Kottke, J.L. (1991). Measuring individual beliefs about organizational ethics. *Educational and Psychological Measurement*, *51*, 377-383.

Haines, R., & Leonard, L. N. (2007). Situational influences on ethical decision-making in an IT context. *Information & Management*, *44*(3), 313-320.

Hansen, R. S. (1992). A multidimensional scale for measuring business ethics: a purification and refinement. *Journal of Business Ethics, 11*, 523-534.

Harris, J. R. (1990). Ethical values of individuals at different levels in the organizational hierarchy of a single firm. *Journal of Business Ethics, 9*, 741-750.

Helleiner, E., & Pagliari, S. (2009). The end of self-regulation? Hedge funds and derivatives in global financial governance. *Global Finance in Crisis: The Politics of International Regulatory Change. London: Routledge*, 74-90.

Herath, H. M. P. S., & Wijayanayake, W. M. J. I. (2009). Computer misuse in the workplace. *Journal of Business Continuity & Emergency Planning*, *3*(3), 259-270.

Herche, J. & Engelland, B. (1996). Reversed-polarity Items and Scale Unidimensionality. *Journal of the Academy of Marketing Science*, *24*, 366-374.

Hunt, S. & Vitell, S. (1986). A general theory of marketing ethics. *Journal of Macromarketing, 6*, 5-16.

Index, C. P. (2014). Transparency international. Available: http://www.transparency.org/research/cpi/overview

Jacobe, D. (2002). Warning: corporate scandals may demoralize employees. *Gallup Management Journal,* October 10. Available: http://gmj.gallup.com/gmj_surveys/article.asp?i=245

Jaramillo, F., Mulki, J. P., & Solomon, P. (2006). The role of ethical climate on salesperson's role stress, job attitudes, turnover intention, and job performance. *Journal of Personal Selling & Sales Management*, *26*(3), 271-282. Available: http://www.jstor.org/stable/40472059

Jickling, M., & Janov, P. H. (2004). *Criminal Charges in Corporate Scandals*. Ft Belvoir Va.: Defense Acquisition Univ.

Jones Jr., W. A. (1990). Student views of 'ethical' issues: A situational analysis. *Journal of Business Ethics,* 9, 201-205.

Krugman, P. (2008). The Madoff economy. *The New York Times*, *19*, 45.

Kahle, L. R. (1986).The nine nations of North America and the value basis of geographic segmentation. *Journal of Marketing*, *50* (April), 37-47.

Kahle, L. R., Liu, R., & Watkins, H. (1992). Psychographic variation across United States geographic regions. *Advances in consumer research*, *19*(3), 346-352.

Kuenzi, M., & Schminke, M. (2009). Assembling fragments into a lens: A review, critique, and proposed research agenda for the organizational work climate literature. *Journal of Management*.

Kuss, D. J., Louws, J., & Wiers, R. W. (2012). Online gaming addiction? Motives predict addictive play behavior in massively multiplayer online role-playing games. *Cyberpsychology, Behavior, and Social Networking*, *15*(9), 480-485.

Liedtka, J. M. (1989). Value congruence: The interplay of individual and organizational value systems. *Journal of Business Ethics*, 8, 805-815.

Linstedt, S. (2003). Scandals aside, we're behaving more ethically. *Buffalo News*, June 16, A-8.

Martin, K. D., & Cullen, J. B. (2006). Continuities and extensions of ethical climate theory: A meta-analytic review. *Journal of Business Ethics*, *69*(2), 175-194.

Mayer, D. M., Kuenzi, M., & Greenbaum, R. L. (2010). Examining the link between ethical leadership and employee misconduct: The mediating role of ethical climate. *Journal of Business Ethics*, *95*(1), 7-16.

Mittal, V., Kamakura, W.A., & and Govind, R. (2004). Geographic patterns in customer service and satisfaction: an empirical investigation, *Journal of Marketing*, 68, 48-62.

Moser, M. R. (1988). Ethical conflict at work: A critique of the literature and recommendations for future research. *Journal of Business Ethics*, *7*(5), 381-387.

Mudrack, P. E. (1993). An investigation into the acceptability of workplace behaviors of a dubious ethical nature. *Journal of Business Ethics, 12*, 517-524.

Mudrack, P. E., & Mason, E.S. (1996). Individual ethical beliefs and perceived organizational interests, *Journal of Business Ethics, 15*, 851-861.

Muncy, J. A. & Vitell, S. J. (1992). Consumer Ethics: an Investigation of the Ethical Beliefs of the Final Consumer. *Journal of Business Research, 24*, 297-311.

Murray, A. (2003). Corporate reforms tamed only part of 3-headed beast. *Wall Street Journal,* A-4.

National Business Ethics Survey. (2003). Available: http://www.ethics.org/nbes/past-nbes-research/

National Business Ethics Survey (2007). Available: http://www.ethics.org/nbes/past-nbes-research/

National Business Ethics Survey (2013) Available: http://www.ethics.org/nbes/download-reports/

National Business Ethics Survey of Social Networkers: New Risks and Opportunities at Work, (2012) Available: http://www.ethics.org/nbes/key-findings/social-networking/

Oz, E. (2001). Organizational commitment and ethical behavior: an empirical study of information system professionals. *Journal of Business Ethics,* 34, 137-142.

Peterson, D. K. (2002). Computer ethics: the influence of guidelines and universal moral beliefs. *Information Technology & People*, *15*(4), 346-361.

Pierce, M. A., & Henry, J. W. (2000). Judgments about computer ethics: do individual, co-worker, and company judgments differ? Do company codes make a difference? *Journal of Business Ethics, 28*, 307-322.

Posner, B. Z. & Schmidt, W. H. (1993). Values, congruence and differences between the interplay of personal and organizational value systems. *Journal of Business Ethics,* 12, 341-347.

Racanelli, V. J. (2012). The culture changer. *Barron's, 92*(11), 44-46. Available: http://ezproxy.canisius.edu/login?url=http://search.proquest.com/docview/928524830?accountid=26533

Raiborn, C. A. & Payne, D. (1990). Corporate codes of conduct: a collective conscience and continuum. *Journal of Business Ethics, 9*, 897-889.

Randall, D. M., & Fernandes, M. F. (1991). The social desirability response bias in ethics research. *Journal of Business Ethics*, *10*(11), 805-817.

Reidenbach, R. E. & Robin, D.P. (1990). Toward the development of a multidimensional scale for improving evaluations of business ethics. *Journal of Business Ethics*, 9, 639-653.

Rhee, R. J. (2009). The madoff scandal, market regulatory failure and the business education of lawyers. *J. Corp. L.*, *35*, 363. Available: http://ssm.com/abstract=1407922

Rogosa, D. R., & Willett, J. B. (1983). Demonstrating the reliability the difference score in the measurement of change. *Journal of Educational Measurement*, *20*(4), 335-343.

Schneider, B., Ehrhart, M. G., & Macey, W. H. (2013). Organizational climate and culture. *Annual review of psychology*, *64*, 361-388.

Schwepker, C. H. (2001). Ethical climate's relationship to job satisfaction, organizational commitment, and turnover intention in the salesforce. *Journal of Business Research,* 54, 39-52.

Schwepker, C. H., Ferrell, O.C., & Ingram, T.N. (1997). The influence of ethical climate and ethical conflict on role stress in the sales force. *Journal of the Academy of Marketing Science,* 25, 99-108.

Sparks, J. R. & Hunt, S. D. (1998). Marketing researcher ethical sensitivity: conceptualization, measurement and exploratory investigation. *Journal of Marketing,* 62 (April), 92-109.

Stachowicz-Stanusch, A., & Simha, A. (2013). An empirical investigation of the effects of ethical climates on organizational corruption. *Journal of Business Economics and Management*, *14*(sup1), S433-S446.

Stone, R. W. & Henry, J. W. (2003). Identifying and developing measures of information technology ethical work climates. *Journal of Business Ethics, 46*, 337-350.

Thompson, L. D. (2004). **T**he corporate scandals, why they happened and why they may not happen again, brookings research, Brookings Institution, Available: http://www.brookings.edu/research/speeches/2004/07/13business-thompson on 02/23/2015.

Trevino, L. K. (1986). Ethical decision making in organizations: a person-situation interactionist model. *Academy of Management Review, 11*(3), 601.617.

Trevino, L. K. (1990). A cultural perspective on changing organizational ethics. R. Woodman, Passmore (Eds.), *Research In Organizational Change And Development*, JAI Press, Greenwich, CT (1990), pp. 195–230.

Trevino, L., Butterfield, K. D., & McCabe, D. L. (1998). The ethical context in organizations: influences on employee attitudes and behaviors. *Business Ethics Quarterly*, *8*(3), 447-476.

Valentine, S., Godkin, L., & Lucero, M. (2002). Ethical context, organizational commitment, and person-organization fit. *Journal of Business Ethics,* 41, 349-360.

Victor, B., & Cullen, J. B. (1987). Aa theory and measure of ethical climate in organizations. in W. C. Frederick (ed.) *Research in Corporate Social Performance and Policy* Greenwich, CT.: JAI Press Ltd. 51-71.

Victor, B., & Cullen, J. B. (1988). The organizational bases of ethical work climates. *Administrative Science Quarterly, 33*, 101-125.

Virovere, A., Kooskora, M., & Valler, M. (2002). Conflict as a tool for measuring ethics in the workplace. *Journal of Business Ethics, 39*, 75-81.

Vitell, S. J., Lumpkin, J. R. & Rawwas, M.Y.A. (1991). Consumer ethics: an investigation of the ethical beliefs of elderly consumers. *Journal of Business Ethics, 10*, 365-375.

Vitell, S. J., Singhapakdi, A., & Thomas, J. (2001). Consumer ethics: An application and empirical testing of the Hunt-Vitell theory of ethics. *Journal of Consumer Marketing, 18* (2), 153-178.

Watson, G. W., Papamarcos, S. D., Teague, B. T., & Bean, C. (2004). Exploring the dynamics of business values. *Journal of Business Ethics, 49*, 337-346.

Willett, J. B. (1988). Questions and answers in the measurement of change. *Review of Research in Education*, 345-422.

Wriston, W. B. (2003). A Code of Our Own. *Wall Street Journal,* A-12.

Paul L. Sauer received his PhD degree in Marketing at The Ohio State University in Columbus, Ohio, USA. His research interests are in the areas of information processing and technology, ethical issues in IT use, and in global marketing. He has published articles in a variety of journals including the *Journal of Consumer Research*, the *Journal of the Academy of Marketing Science*, the *Journal of Consumer Marketing*, *Educational and Psychological Measurement*, the *Journal of Advertising, Psychology and Marketing*, the *Journal of International Consumer Marketing*, and the *Journal of Direct Marketing*.

Paul Chao received his Ph.D. (Marketing) from the University of Washington in Seattle, USA. His research has been published in the *Journal of Consumer Research, Journal of International Business Studies, International Marketing Review, Journal of Advertising, Management International Review*, *Journal of Advertising Research*, *Journal of Business Ethics* among others. He is serving on the editorial review board of International Marketing Review and has served as a senior Fulbright Scholar to China in the Fall of 2004 (Sun Yat-sen University in Guangzhou).

(This page is intentionally left blank)