

**ETHICAL CLIMATE AS CONCERN FOR SELF
AND OTHER: MEASUREMENT, ANTECEDENTS
AND CONSEQUENCES**

by

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Submitted

In fulfillment of the requirement of degree of

Doctor of Philosophy

to the



Indian Institute of Technology Delhi

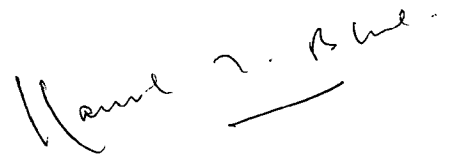
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CERTIFICATE

The thesis titled “**Ethical Climate as Concern for Self and Other: Measurement, Antecedents and Consequences**”, being submitted by **Ms. Pooja Shrivastava** to the **Indian Institute of Technology, Delhi**, for the award of the degree of **Doctor of Philosophy (Ph.D.)**, is a record of bonafide research work carried out by her. She has worked under my supervision, and has fulfilled requirements for the submission of this thesis, which has attained the standard required for Ph.D. degree of the Institute. The results presented in this thesis have not been submitted elsewhere for the award of degree or diploma.

Dated: 18/04/2013



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ACKNOWLEDGEMENTS


I would like to express my sincere gratitude to my guide Prof. Kanika T. Bhal whose valuable guidance and help during the entire doctoral program has enabled me to carry out this research work. This thesis could not have been conceived, designed and delivered without her support.

I am extremely indebted to all other distinguished faculty members of the Department for their encouragement, help and timely support for keeping my spirits high throughout the study to enable its successful completion.

The study would not have been possible without the active participation of the executives and managers. I am indebted to all those individuals, who have spared their valuable time in providing me useful data and information, required for the research work.

I feel obliged to place on record, my thanks to the entire Department, colleagues and friends. Priyanka deserves special thanks for help in the process of my research. The research would of course not have been progressed so far without the encouragement of my father and ever supporting husband Dinesh. My Master Sri Sri Ravishankarji cannot be thanked in words for always holding my hands. Above all, without the blessings of almighty GOD, this endeavor would not have been possible.

Date: 18.4.2013


(Pooja Shrivastava)

ABSTRACT

Given the spate of recent incidents of corporate fraud and cheating, there is much pressure on business to respond to the calls for being ethical and responsible, increasingly what was seen as an “obligation” is becoming good business sense. At the operational level organizations ensure this through ways of systems/processes and codes/conduct, however being ethical at the level of individual managers requires a more enduring and pervasive presence of ethical values in the culture of organization.

The current work conceptualizes a two-dimensional scale of ethical climate, viz., focus on self and focus on others. The starting point (or the motivation) for our research is Jones et al.’s (Jones, Felps & Bigley, 2007) conceptualization of stakeholder climate, where concern for self and concern for other are treated as two ends of a continuum. Using the normative ethical theories and stakeholder theory, we developed a two-dimensional conceptualization of ethical climate, where focus on self and other as two independent dimensions, where self consists of the interests of the shareholders and other consists of the interests of other stakeholders like employees, suppliers and dealers.

Specifically, the research had the following objectives

1. To develop a conceptualization and a scale of ethical climate on the basis of concern for self and concern for others.
2. To assess the impact of ethical codes, reward systems (group & individual), distributive and procedural justice on ethical climate.

3. To study the impact of ethical climate on employee outcomes of satisfaction commitment and OCB (Altruism).
4. To study the mediating impact of trust and perceived organizational support on the ethical climate-employee outcomes relationship.
5. To study the impact of top management perspective on ethical climate, stakeholder salience and CEO values.
6. To study the perception of external stakeholder on ethical climate and stakeholder support.

METHODOLOGY

Details of the Studies

To develop the ethical climate scale, a series of studies were conducted. To begin with data from expert & senior researchers (24 respondents) were collected (study-I), 29 items were generated in two categories which were given to these experts along with the definition of the ethical climate (self and other). The responses were collected on face validity of the items vis-à-vis construct definition which resulted into 8 item scale of ethical climate scale (ECS). Next, data from executives of two Indian Pvt. Companies (N= 169) were collected for construct validity (study-II). Data was subjected to exploratory factor analysis which yielded two factors with the items loading appropriately on each factor.

We termed the studies as IIIa and IIIb because subsequently we used the data (IIIa, N= 220) from 7 companies from employee perspective for matching top management

and external stakeholder perceptions for the same organizations. As study IIIb data from Part-time MBA executives (IIIb=81) was also used. Further a larger data from executives of 7 organizations & executives from diverse organizations pursuing Part-time MBA at a premier Institute contributed to a larger data (N=301) was subjected to confirmatory factor analysis which also provides support for our proposed scale. For analyzing the data, confirmatory factor analysis (CFA) was performed to decide whether the measured variables reliably reflected the hypothesized latent variables (Rouse & Boff 1973). Regression analysis is also used to analyze the data. To addresses objectives 2, 3 and 4 the same data set of 301 respondents was used. This questionnaire was designed with three sections, section-I with personal details, section-II with organizational level variables and section- III with individual level variables from employees of the organization.

To address objective 5, data were collected from the external stakeholders (Study IV, N=70) of the above mentioned seven companies which include suppliers, dealers etc. Questionnaire mainly had personal details, 8 items of ethical climate and two questions on stakeholder supportiveness and receptiveness were taken. The total number of respondents was 70.

To address objective 6, data was collected from the top management of the above mentioned seven organizations (Study VI, N= 28). The questionnaire used in the study mainly had personal details of respondents, items on stakeholder salience, 8 items on ethical climate and 7 CEO.

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