Ethical Climates and Attitudes toward Whistle Blowing in Japanese Organizations

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Abstract

- The purpose of this study was to investigate the influence of the ethical climate of the attitudes to whistle blowing in organizations.
- A web survey was administered and 700 Japanese organization employees participated in the study.
- The participants were asked to rate their own organizations on ethical climate scales, as well as their attitudes to whistle blowing.
- The results of multi-regression analysis show that (1) ethical practice and ethical norm in the organization is positively related to the possibility of correcting wrongdoing in organizations; (2) ethical practice and checking practice in the organization are positively related to the possibility of whistle blowing in organizations; (3) ethical norms and rules practice are positively related to the perceived positive norm about whistle blowing in the organization.

Aims of the study

- Many organizational wrongdoing cases have been reported (ex. Enron of the US in 2001; Toyo Tire of Japan in 2015).
- Whistle blowing is a tool to improve compliances in organizations.
- Organizational ethical climate can influence members' attitudes and behavior.
- It is not clear that what aspects of organizational ethical climate have strong relationships with attitudes and behavior about whistle-blowing.
- To investigate the influence of ethical climate on the attitudes toward whistle blowing in organizations using a Japanese sample.

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Method

Participants

A total of 700 Japanese company or other organization employees participated in the survey.

Procedures

- Participants were randomly selected from a web survey company's data pool according to sexes and 5 age groups (20s-60s).
- E-mail messages were sent to those selected members, asking them to access the webpage and answer the survey online.
- Rewards were paid for participation.

Measurements

- 3 organizational ethical climate scales (ECI, ECQ, and EPO), 76 items in total were used. 5-point Likert-type scale.
- 4 items were used to measure the attitude toward whistle-blowing and the possibility of correction of wrongdoing. 5-point Likert-type scale.

Survey date

February 2018.

Table 1. Organizational ethical climate scales

The Ethical Climate Index (Arnaud,2006)	Collective moral sensitivity F2
	Collective moral judgment F3
	Collective moral character F2
	Collective moral motivation F3
Ethical Climate Questionnaire (Victor & Cullen, 1988):	Law and rule F2
	Instrumental F3
	Caring F2
	Independence F2
Ethics Practices for each Orientation (Martineau et al, 2016)	Efficiency practice F2
	Structural practice F1
	Social and environmental practice F1
	Consultation and participation practice F1
	Experiential ethical development practice F1
	Detection practice F1
	Normative practice F1

F1: structural ethics, F2: general ethics
F3: disrespect for ethics

Results & Discussion

- Valid responses from were used in the analysis 654 (age 21-69, mean=44.8, SD=12.7; male: 50.8%, female: 49.2%; service years: mean=15.9, SD=11.7).
- Results of a factor analysis (PCA, Varimax, Cumulative % of variance=61.37) on 15 sub-scales show a 3-factor structure, suggesting EPO is different from ECI and ECQ for measuring different aspects of the climates.
- Stepwise multi regression analysis was conducted to determine the best linear combination of sub-scales of ethical climate for predicting attitude toward whistle blowing and possibility of corrections of wrongdoing.

Table 2. Multiple regression analysis to predict positive attitude towards whistle-blowing.

	B (SE)	Beta
Intercept	.730(0.171)	
Normative practice	.190(0.050)	.210***
Caring	.106(0.046)	.099*
Detection practice	.137(0.049)	.156**
Independence	.111(0.047)	.097*
Experiential ethical development practice	.105(0.038)	.122**
Law and rule	.108(0.043)	.100*
F(6,579)=44.878***, R ² adj = 0.310		

Table 3. Multiple regression analysis to predict the norm about whistle-blowing in the organization.

	B (SE)	Beta
Intercept	.282(0.257)	
Collective moral character	.279(0.064)	.200***
Normative practice	.261(0.036)	.259***
Collective moral sensitivity	.212(0.079)	.134**
Experiential ethical development practice	.148(0.034)	.152***
Collective moral motivation	-.150(0.046)	-.110***
Caring	.144(0.047)	.119**
F(6,611)=104.417***, R ² adj=0.501		

* p <.05, ** p < .01, *** p < .001

Conclusion

- Specific sub-scales of the organizational ethical climates can be used to predict members' attitudes toward whistle blowing, perceived norm, and organization's compliance in a Japanese context.
- It is necessary to confirm if the whistle blowing behavior is influenced by the ethical climates.

Reference

Arnaud, A. (2006). *A new theory and measure of ethical work climate: The psychological process model (PPM) and the ethical climate index (ECI)*. Dissertation, the University of Central Florida.

Martineau, J. T., Johnson, K. J., & Pauchant, T. C. (2016). The pluralist theory of ethics programs orientations and ideologies: An empirical study anchored in requisite variety. *Journal of Business Ethics*, **142**, 791–815.

Victor, B., & Cullen, J. (1988). The Organizational Bases of Ethical Work Climates. *Administrative Science Quarterly*, **33**(1), 101-125.

Table 4. Multiple regression analysis to predict "possibility of whistle-blowing in my organization"

	B (SE)	Beta
Intercept	.778(0.197)	
Normative practice	.328(0.048)	.345***
Collective moral sensitivity	.286(0.058)	.189***
Detection practice	.239(0.048)	.260***
Structural practice	-.172(0.051)	-.169***
Independence	.139(0.045)	.111**
Efficiency practice	-.141(0.042)	-.115***
Law and rule	.111(0.042)	.093**
F(7,617)=55.727***, R ² adj =0.380		

Table 5. Multiple regression analysis to predict "possibility of wrongdoing correction in my organization".

	B (SE)	Beta
Intercept	1.514(0.196)	
Detection practice	.256(0.055)	.275***
Law and rule	.173(0.047)	.146***
Normative practice	.248(0.055)	.260***
Structural practice	-.175(0.059)	-.172**
Independence	.188(0.053)	.149***
Caring	-.146(0.051)	-.125**
F(6,613)=28.370***, R ² adj =0.210		