

## **Exploring the Relationship between Ethical Climate and Behavioral Outcomes in the Chinese Public Sector: The Mediating Roles of Affective and Cognitive Responses**

**Min Young Kim**

PhD. Student

Graduate School of Governance

Sungkyunkwan University

**Qing Miao, PhD**

Associate Professor

Management

Zhejiang University

MIT Sloan Management School

Singapore University of Technology & Design

Ljubljana University

**Sung Min Park, PhD**

Associate Professor

Department of Public Administration & Graduate School of Governance

Sungkyunkwan University

Director of Research Center for Public Human Resource Development

### **Abstract**

*This study analyzed ethical and unethical behaviors in the Chinese public sector, and tested hypotheses concerning the main predictors of such behaviors, as well as other contingent factors related to organizational citizenship behavior (OCB) and unethical pro-organizational behavior (UPB). We investigated three specific issues. First, we examined whether ethical leadership and ethical environments exert a significant influence on OCB and UPB. Second, using a Sobel test, we explored the mediating effects among the antecedent and outcome variables. In particular, we suggest that three critical factors—organizational trust, managerial accountability, moral attentiveness—mediate the relationship between ethical leadership, ethical environments, OCB, and UPB. Third, we confirmed how and to what extent organizational trust and managerial accountability affect outcome variables (i.e., OCB and UPB) directly and indirectly. Finally, we suggest implications for research and practice regarding ethics in the Chinese public sector.*

**Keywords:** Ethical Environment, Organizational Citizenship Behavior, Unethical Pro-organizational Behavior, Affective and Cognitive Responses

### **Introduction**

In recent years, the proliferation of corruption scandals in the public sector has led to the formulation of a resolve to take action to foster improved ethics and ethical behaviors. In the last 20 years, scholars have directed more attention toward studying ethical and unethical behaviors in the context of personnel management and organizational behavior, and have generated a research framework that is beneficial and valuable. The purpose of these investigations has been to explore and verify the impact of ethical climate on several organizational outcomes, including increased perceived organization support (POS), high job satisfaction (JS), reduced turnover intention (TI), employee misconduct, deviant behavior, and organizational bullying in the workplace (Mayer et al., 2009; Mayer, Kuenzi, & Greenbaum, 2010; Stouten et al., 2010). Previous research has investigated the role of various influences on ethical behavior (Miao et al., 2013; Ruiz-Palomino & Martinez-Cañas, 2011).

Considerable focus has been placed on the relationship between leadership and ethics (Aronson, 2001; Kanungo & Mendonca, 2001), but limited attention has been directed toward the relationship between ethical climate and ethical or unethical behavior. Such unethical behavior, identified in the literature as unethical pro-organizational behavior (UPB), has been defined as “actions that are intended to promote the effective functioning of the organization or its members, and violate core societal values, mores, laws, or standards of proper conduct” (Umphress & Bingham, 2011, p. 622). Given the theoretical and practical importance of ethics in organizational behavior theory, a set of managerial and empirical research questions about ethical behavior in the Chinese public sector has rapidly emerged. Do ethical leaders increase employees’ ethical behavior or decrease organizations’ UPB? How do we define and identify ethical attitudes and behaviors? To what extent do managerial or organizational characteristics significantly impact ethical attitudes and behaviors in the Chinese public sector? Using Chinese data from a sample of public employees from the Zhejiang province, this study was conducted to test research hypotheses drawing on the theoretical models of ethical climate and ethical behavior. This paper consists of four sections. First, it references two dimensions of ethical behavior as defined in the literature: organizational citizenship behavior (OCB) and UPB. Second, according to the organizational behavior and personnel management theories, we examined and analyzed the antecedents and moderators of OCB and UPB in the Chinese public sector. Consequently, a conceptual model has been provided, followed by a set of hypotheses (see Figure 1). In the third section, we present our findings related to the effects of ethical climate on affective and cognitive responses, and ethical behaviors, which were tested using structural equation modeling (SEM). The moderating impact of affective and cognitive responses on the association between ethical climate and ethical behaviors were also explored by the Sobel test. That is, this study verified how different types of ethical climate effect ethical and unethical behaviors. The last section notes the implications of the research for organizational behavior theory and practice. These findings will enable Chinese public sector employees to help organizations best enhance their ethical behaviors.

### ***Theoretical Perspectives***

#### **The Chinese Cultural Context**

Although traditional Chinese cultural values are not conceptually exhaustive, it has been suggested that some of these elements, such as *guanxi*, Confucianism, and collectivism, can be broadly captured (Lin, 2008). We observed that these traditional values and norms have conflicted with, conflated, or complemented some Western managerial values, especially in the context of public sector organizations that have gone through radical changes and reforms over the course of the last decade, during the so-called Chinese marketization reform era (Zhang, 2009). Hence, we propose that this mixed socio-organizational climate will mirror, shape, moderate, or even modify the current Chinese leadership and trustworthy behaviors, and influence employees’ job attitudes and behaviors, accordingly and comprehensively. Based on the notion that ethics-based interactions should be regarded as more important because certain informal or relational social interactions and communications (e.g., *guanxi*) or traditional cultural values (e.g., Confucianism and collectivism) prevail in Chinese hierarchical structures and cultures, allowing ethical values, affective motives, and trustworthy behaviors to function as invisible but very persuasive norms, rules, and informal regulations for leaders and subordinates will help make public management successful.<sup>1</sup> From a theoretical lens, the predominance of the effect of ethical climate on the interpersonal and reciprocal relationship is also predicted and endorsed by a social exchange theoretical framework, which suggests that when organizational justice and fairness are provided, employees will do their best to achieve their organizations’ missions and goals through more benevolent and altruistic behaviors. This study tested whether such ethical climate, which includes ethical leadership and environment, nurtures positive and constructive social exchange relationships (i.e., organizational trust and organizational citizenship behaviors) between organizational constituents, and deters and diminishes the unethical behaviors of public employees.

#### **Ethical Climate**

Ethical climate has been defined as “the prevailing perceptions of typical organizational practices and procedures that have ethical content” or “those aspects of work climate that determine what constitutes ethical behavior at work” (Victor & Cullen, 1988, p. 101). These researchers suggested nine dimensions of ethical climate, which were based on three philosophical sources (principle, benevolence, and egoism), and three levels of analysis (individual, local, and cosmopolitan). Victor and Cullen (1988), for example, premised that certain types of ethical climate should be associated with concrete normative anticipations. In the present study, we defined ethical climate in terms of leaders and organizations that do or do not support ethical attitudes and behaviors.

Further, ethical climate may be divided into ethical leadership (managerial level) and ethical climate (organizational level). We believe that ethical climate (i.e., ethical leadership and environment) is particularly important and meaningful within the public sector context because public employees are expected to be more accountable to, and responsible and morally oriented towards citizens. In addition, we believe that ethical climate will build social capital, with useful lessons regarding how public sector organizations can ensure that their specific ethical climate would enhance the level of positive affective and cognitive responses. Social capital is the aggregate of intangible assets that could contain human and cultural capital. It has a positive impact on employees' organizational behavioral outcomes by facilitating an organization's mobilization, assimilation, and use of information and knowledge resources. Different types of ethical climate serve as agents fostering an organization's social capital, such as organizational trust and citizenship behaviors. Especially from a social exchange theoretical perspective, we posit that ethical leadership and ethical environment could enormously generate social capital by taking a subordinate's interests into account and treating them well and fairly, and hence make them feel obligated to respond positively (Trevino et al., 2006).

### **Ethical Leadership**

Ethical leadership is defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown et al., 2005, p. 120). Ethical leaders, who would be more self-disciplined and responsible, make followers understand what ethics are, establish clear ethical standards and evaluation, and make decisions related to ethical principles. Thus, ethical leaders are seen as legitimate role models due to their high level of trustworthiness (Walumbwa & Schaubroeck, 2009). Based on two qualitative studies conducted by Trevino et al. (2003), ethical leaders are viewed as honest, trustworthy, and principled, and appear to care about public value beyond organizational needs. In this study, ethical leadership was characterized by two aspects, namely the concepts of a moral person and a moral manager. A moral person is a leader who is perceived to have altruistic intentions and personal characteristics. The concept of a moral manager relates to ethical leadership. Ethical leadership denotes how a leader's behavior influences his/her followers' ethical conduct. Ethical leaders create ethical environments by modeling ethical behavior, and display concern regarding ethical conduct by implementing rewards and discipline systems (Brown et al., 2005). A leader's ethical behaviors stand out as salient against an organizational backdrop that is often ethically neutral at best (Trevino et al., 2003).

Prior research has identified that ethical leadership is highly related to subordinates' behaviors such as in-role performance (Piccolo et al., 2010; Walumbwa et al., 2011), extra-role behaviors that contribute to organizational effectiveness (Avey et al., 2011; Piccolo et al., 2010; Ruiz-Palomino et al., 2011), and misconduct and deviant behavior in the workplace (Avey et al., 2011; Mayer et al., 2009, 2010). Moreover, ethical leadership should affect employees' pro-social behavior or OCB through social learning (Bandura, 1986). The social learning theory (Bandura, 1986) helps to explain how and why ethical leadership affects organization members' ethical attitudes and behaviors. As Bandura (1986) put forth, "if models do not abide by what they preach, why should others do so?" (p. 344). Thus, the social learning theory posits that an individual's learning is affected by paying attention to, and emulating, the attitudes and behaviors of role models. With reference to the literature on ethical leadership, we verified that leaders' characteristics and traits enhanced the affability and confidence of those who consider them as models. Therefore, ethical leaders become attractive role models who focus employees' attention on their appropriate ethical standards and behaviors. Thus, ethical leaders should promote employees' ethical behavior, as well as help employees to identify and emulate the leader's ethical behavior. In addition, the social learning theory manifests itself through employees' comparisons with other organizations' reward or discipline structures. Indeed, making these comparisons helps employees recognize the ethical and unethical behaviors in their own company, and consequently, organization members naturally regulate their own behaviors. Therefore, leaders are crucial role models in an organizational context, whereby their moral behavior can increase organizational performance (Bandura, 1986).

### **Ethical Environment**

The ethical environment is viewed as "enacted" (e.g., setting the extent of wrongdoing behavior in an organization), "having observable entities" (e.g., determining codes of ethics, and rules/guidelines for ethical behavior), and "containing attitudes and values that structure, in some consistent fashion, right and wrong behavior" (Menzel, 1995, pp.251-252).

In other words, an ethical environment can be constructed from the consciousness, attitudes, and cultural context related to right and wrong behaviors. More specifically, the leader's ethical environment is the most essential element in ever-changing circumstances. The overarching idea of an ethical environment has several components. Ford and Richardson (1994) revealed factors that influence the ethical environment, such as mission and value, leadership and management influence, peer group influence, procedures, rules and codes of ethics, ethics training, and rewards and sanctions. They argued that these factors are directly related to ethical decision making, and strongly affect the ethical environment and the level of ethical decision making. Such environments are well formulated to influence leaders' decision making, and are associated extensively with employees' ethics through a broadly cognitive ethical context (Sims & Keenan, 1998; Trevino et al., 1998). Thus, irrespective of the degree of ethical inference, a more ethical environment encourages leaders to behave according to their organization's interest. Similarly, these circumstances allow leaders to behave opportunistically when organizations encounter certain problems. Organizations make their ethical cultures concrete by diffusing their ethical environments, which ultimately create organizations that are more ethical (Arnold et al., 2000). However, the mere existence of these norms cannot boost ethical standards. To enhance the ethical environment, leaders must actively communicate with their organizational members. Consistent with previous research, we suggest that ethical behavior by leaders is more common than is opportunistic behavior, and that it is associated with the attributes of the organizational culture, more than it is with the attributes of individual employees (Booth & Schulz, 2004).

### ***Behavior Outcomes: Organizational Citizenship Behavior and Unethical Pro-organizational Behavior***

#### **Organizational citizenship behavior (OCB)**

The voluntary behaviors that are beyond one's assigned task, become a source of organizational effectiveness. Scholars have attempted to define and verify the origins and antecedents of such behaviors, thus constructing the notion of OCB. OCB is defined as "individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that, in aggregate, promotes the effective functioning of the organization" (Organ, 1988, p. 4). Organ (1988) also suggested that additional distinguishable traits of OCB are altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. In addition, empirical work by Farh et al. (2004) suggested 'a concentric model of OCB dimensions' in the context of China. In this model, the traits at the individual level include self-training, taking initiative, and keeping the workplace clean; those at the group level include interpersonal harmony and helping coworkers; those at the organizational level include protecting company resources, voice, and group activity participation; and those at the level of the society include social welfare participation and promoting the company's image. According to previous research, OCB might increase employees' positive attitudes beyond those expected from the informal rules of their organization. In particular, Farh et al. (2004) stated that the "Chinese cultural context differs from that in the West" (p. 241). To analyze the main influence of national culture and structures in the Chinese public sector, the present study focused on confirming the reaction level of OCB developed in the Western sociocultural context.

#### **Unethical pro-organizational behavior (UPB)**

UPB is a recently introduced concept. UPB has been defined as "actions that are intended to promote the effective functioning of the organization or its members, and violate core societal values, mores, laws, or standards of proper conduct" (Umphress & Bingham, 2011, p. 622). UPB consists of acts that are illegal or contravene organizational and social norms and values. UPB has two defining characteristics. The first is *unethical behavior* that is "either illegal or morally unacceptable to the larger community" (Jones, 1991, p. 367). For example, UPB includes acts of commission or omission that conceal information about risks, and that are seen as negative by the community. Second, UPB consists of *pro-organizational behavior*, i.e., doing whatever is necessary to help the organization (Umphress et al., 2010). Umphress and Bingham (2011) suggested three boundary conditions that clearly conceptualize UPB behaviors. First, unless they have a specific purpose, unethical behaviors are not classified as UPB. Second, when employees act unethically, if the results of their actions are not related to the original purpose of their behavior, the behavior is not considered UPB. The results of unethical behaviors are crucial to determining whether a given behavior is UPB. Finally, employees' unethical behaviors concerned only with furthering their own self-interest are not considered as UPB. UPB is grounded in the social exchange theory (Blau, 1964).

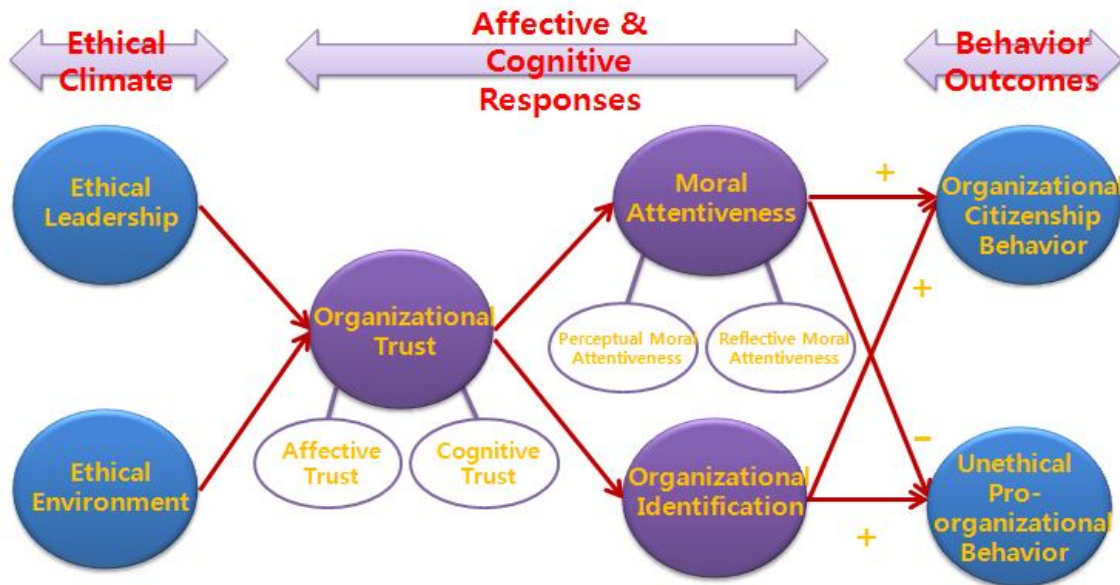
From this perspective, organizations and their members are involved in economic exchange (e.g., extrinsic benefits as rewards for work) and social exchange (e.g., employees reacting to organizational fairness by engaging in behavior such as OCB). Based on the norms of reciprocity, employees and organizations adjust the balance of their behaviors. When treated fairly by their organization, employees reciprocate with positive attitudes and behaviors; in contrast, when they are treated unfairly, employees engage in negative attitudes and behaviors. On these lines, we posit that when employees experience positive treatment from their organization, they are more willing to engage in UPB.

**Research Model & Research Hypotheses**

**Research Model**

Our research model is expressed in Figure 1. The model draws relationships among ethical climate, affective and cognitive responses, and behavior outcomes. Ethical climate consists of ethical leadership and ethical environment. Organizational trust, moral attentiveness, and organizational identification are mediators in this model. The behavioral outcome variables consist of (1) OCB (e.g., providing extra help to coworkers and volunteering for special work activities), and (2) UPB (e.g., objectionable/illegal actions intended to promote the effective functioning of the organization or its members).

**Figure 1. The Research Model**



**Ethical Climate, Organizational Trust, Moral Attentiveness, and Organizational Identification**

Based on the social learning theory, this study hypothesized that a stronger ethical climate (i.e., ethical leadership and ethical environment) supports and encourages employees’ affective and cognitive responses, and maintains employees’ ethical behavior in the Chinese public sector. Numerous empirical studies have employed construct validation studies, confirming the antecedents and consequences of ethical leadership. Bass and Avolio (2000) discovered that ethical leadership is positively related to leader consideration, interactional fairness, and leader honesty. Ethical leadership is also positively associated with affective trust, and negatively associated with abusive supervisors. Walumbwa and Schaubroeck (2009) found that ethical leadership has a positive effect on personality traits such as agreeableness and conscientiousness. Some studies have revealed positive relationships between ethical leadership and conscientiousness, and emotional stability, while controlling for leader-member exchange effects (Kalshoven et al., 2011). Next, we proposed that ethical environments are associated with affective and cognitive responses within the Chinese public sector. Previous research has examined the consequences of ethical environments, such as relating to ethical and deviant behaviors. Martin and Cullen (2006) verified that ethical climate was positively related to organizational commitment and job satisfaction, but negatively related to dysfunctional behavior.

Cullen et al. (2003) found that an ethical climate of benevolence has a positive relationship with organizational commitment, while an egoistic climate is negatively related to commitment. In addition, Mayer et al. (2010) identified that ethical climate is negatively related to employee misconduct. Thus, in order to decrease the risk of misconduct by employees, an ethical environment must be constructed within an organization. According to the study of Jaramillo et al. (2013), ethical climate has a positive relationship with trust in supervisors, and is both directly and indirectly related to organizational commitment and job satisfaction. Further, when employees perceive reciprocal concern and fairness, they trust their supervisor more (e.g., Chen, Aryee, & Lee 2005). Finally, DeConinck & Bachmann (2011) found that an ethical work climate directly affects an employee's job attitudes and behaviors, such as supervisory trust, organizational identification, and turnover intention. Based on these studies, we proposed two hypotheses:

Hypothesis 1a: In the Chinese public sector, ethical leadership is positively and directly associated with organizational trust, and is positively and indirectly related to moral attentiveness and organizational identification.

Hypothesis 1b: In the Chinese public sector, ethical environment is directly and positively associated with organizational trust, and is indirectly and positively related to moral attentiveness and organizational identification.

### **Moral Attentiveness and Behavior Outcomes**

Organizational behavior scholars have long argued that moral attentiveness is a determinant of individual moral situations (Reynolds, 2006). Moral attentiveness is defined as "the extent to which an individual chronically perceives and considers morality and moral elements in his or her experiences" (Reynolds, 2008). This concept of moral attitudes and behaviors was developed in the social cognitive theory (SCT). From an SCT perspective, we can explain and examine the role of individual differences in one's ability to recognize moral issues. Based on the studies of Bandura (1977, 1986), the SCT hypothesizes that individual behaviors are resolved via interactions between cognition, behavior, and environment. Thus, the behavior of people who are sensitive to ethical issues is constructed by those people's interactions with the environment. Some authors have identified the consequences of moral attentiveness. Wurthmann (2013) revealed a positive association between reflective moral attentiveness and the perceived role of ethics and social responsibility (PRESOR). In addition, reflective moral attentiveness was found to act as a mediator in the relationship between education in business ethics and the PRESOR stakeholder view. Whitaker and Godwin (2013) found that moral attentiveness is a component of moral imagination. This reveals that some individuals are more perceptive of moral matters, suggesting that they are more likely to be aware of the moral issues inherent to a given situation. Those findings are consistent with the arguments that ethical decision making is related to an individual's ability to recognize the moral issues in a given set of circumstances (Reynolds, 2008). Therefore, we generated two hypotheses:

Hypothesis 2a: In the Chinese public sector, moral attentiveness is positively and directly associated with OCB, and partially mediates the relationship between organizational trust and OCB.

Hypothesis 2b: In the Chinese public sector, moral attentiveness is negatively and directly associated with UPB, and partially mediates the relationship between organizational trust and UPB.

### **Organizational Identification and Behavior Outcomes**

For decades, the concept of organizational identification (OI) has concerned organizational behavior researchers (Cornelissen, 2006). OI is conceptualized as a "perception of oneness with or belongingness to" the organization (Ashforth & Mael, 1989, p. 34) and an "organizational member has linked his or her organizational membership to his or her self-concept, either cognitively (e.g., feeling a part of the organization and internalizing organizational values), emotionally (pride in membership), or both" (Riketta, 2005, p. 361). The theoretical foundation of OI is strongly connected with the social identity theory (Elsbach, 1999). From a theoretical perspective, individuals with high OI are considered to be influenced in terms of their work attitudes or behaviors. However, a person with high OI might still engage in illegal or unethical behaviors. Some OI studies provide insights regarding individual behaviors in relation to organizational outcomes. Carmeli et al. (2007) identified that OI is positively associated with member adjustment, as well as is a mediator of the relationship between perceived social responsibility and the development of member adjustment.

Indeed, this study presents OI as a crucial factor for an organizational member's adjustment. Dick et al. (2007) conducted a multi-sample, multi-level study that examined if there was a relationship between leader and follower OI, and follower OCB and job satisfaction. They confirmed the greater part of their hypothesis. This suggests that a high level of OI encourages an employee's OCB and JS. In addition, Olkkonen and Lipponen (2006) found that OI reduces turnover intention. Finally, Umphress et al. (2010) verified a positive relationship between OI and UPB. More specifically, in accordance with the social identity theory, we assumed that OI is positively related to behavior outcomes (i.e., OCB and UPB) and has a mediating effect between organizational trust and behavior outcomes. Thus, our two hypotheses in this context were as follows:

Hypothesis 3a: In the Chinese public sector, organizational identification is positively and directly associated with OCB, and partially mediates the relationship between organizational trust and OCB.

Hypothesis 3b: In the Chinese public sector, organizational identification is positively and directly associated with UPB, and partially mediates the relationship between organizational trust and UPB.

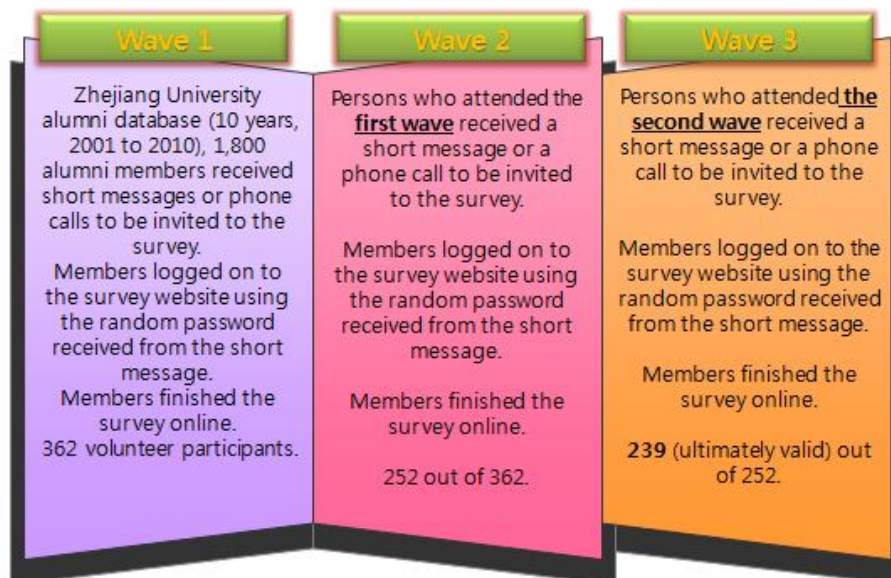
### Research Methods & Measures

We employed an exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) to operationalize our variables, and to confirm latent constructs from responses to the survey questions. To confirm the total, direct, and indirect effects, we employed a full structural equation model (SEM; i.e., a measurement model with a path model) using the AMOS 18.0 (a programming language) to test the interrelationships between variables, and to assess the relative strength of each variable. The full SEM allowed for non-recursive paths and simultaneous tests of the variable relationships (Jöreskog & Sörbom, 1996).

### Samples and Measures

Using the alumni database of the Department of Public Administration, Zhejiang University (from 2001 to 2010), we constructed a survey (in 2011) that measured public employees' perceptions and behaviors in public organizations, with reference to leadership, commitment, HR policies, perceived organizational state, OCB, job tension, and trust (see Figure 2). All the survey items were self-reported. Three rounds of sampling recruited 362, 252, and 239 participants, respectively. The final valid sample size was 239.

Figure 2: The Research Process



A stratified random sampling method was used to ensure the presence of key subgroups in the sample. The survey aimed to investigate Chinese public employees' perceptions about their jobs, work environments, motivations, and leadership. Participants' responses were measured using a five-point Likert scale ranging from (1) "strongly disagree," to (5) "strongly agree." Descriptive statistics for the variables have been presented in Table 1.

**Table 1: Descriptive Statistics**

Model	df	$\chi^2$	$\chi^2/df$	RFI	NFI	IFI	CFI	RMSEA
Suggested cut-off values			<3	>0.90	>0.90	>0.90	>0.90	<0.08
	976	1908.107	1.955	0.810	0.821	0.904	0.903	0.063

\*\* $p < 0.05$ , \*\*\* $p < 0.001$

Variables		Frequency	%	Mean	SD
Sex	Male	151	63.2	1.37	0.483
	Female	88	36.8		
Age (years)	20s	69	28.9	2.13	0.952
	30s	154	64.4		
	40s	115	6.2		
	Over 50	1	0.4		
Position	Public servant	98	41.0	2.14	1.087
	Fundamental leader	37	15.5		
	Middle leader	76	31.8		
	Top leader	28	11.7		
Job tenure	Less than 1 year	30	12.6	2.17	0.760
	2–5 years	154	64.4		
	6–9 years	45	18.8		
	10–13 years	7	2.9		
	14–17 years	1	0.4		
	18–21 years	2	0.8		

Valid N = 239

The questionnaire categories and variables were developed based on the theoretical discussions and empirical research in the foreign literature. The item configuration of the variables was as follows: six items on ethical leadership, eight on ethical environment, nine on organizational trust, seven on moral attentiveness, six on organizational identification, seven on OCB, and three on UPB (Table 2).



**Table 2: Summary of Measurement Variables**

Variable	Item	
Ethical Leadership	<ol style="list-style-type: none"> <li>1. Conducts his/her personal life.</li> <li>2. Has the best interests.</li> <li>3. Makes fair and balanced decisions.</li> <li>4. Can be trusted.</li> <li>5. Discusses business ethics or values.</li> <li>6. Does not define success by results alone.</li> </ol>	
Ethical Environment	<ol style="list-style-type: none"> <li>1. The top managers of this organization represent high ethical standards.</li> <li>2. People of integrity are rewarded in this organization.</li> <li>3. The ethics code serves only as “window dressing” in this organization.</li> <li>4. Top managers of this organization regularly show that they care about ethics.</li> <li>5. Top managers of this organization are models of unethical behavior.</li> <li>6. Ethical behavior is the norm in this organization.</li> <li>7. Ethical behavior is rewarded in this organization.</li> <li>8. Ethics code requirements are consistent with informal organizational norms.</li> </ol>	
Organizational Trust	Affective Trust	<ol style="list-style-type: none"> <li>1. A sharing relationship.</li> <li>2. Can talk to this individual freely about difficulties.</li> <li>3. Would feel a sense of loss if one of us was transferred.</li> <li>4. Would respond constructively and caringly.</li> <li>5. Made a considerable emotional investment.</li> </ol>
	Cognitive Trust	<ol style="list-style-type: none"> <li>1. Approaches his/her job with professionalism and dedication.</li> <li>2. No reason to doubt his/her competence and preparation.</li> <li>3. Rely on this person not to make my job more difficult.</li> <li>4. More concerned about, and monitor his/her performance.</li> </ol>
Moral Attentiveness	Perceptual Attentiveness	<ol style="list-style-type: none"> <li>1. I regularly face decisions that have significant ethical implications.</li> <li>2. My life has been filled with one moral predicament after another.</li> <li>3. Many of the decisions I make, have ethical dimensions.</li> <li>4. I rarely face ethical dilemmas (reverse scored).</li> </ol>
	Reflective Attentiveness	<ol style="list-style-type: none"> <li>1. I often find myself pondering about ethical issues.</li> <li>2. I often reflect on the moral aspects of my decisions.</li> <li>3. I like to think about ethics.</li> </ol>
Organizational Identification	<ol style="list-style-type: none"> <li>1. When someone criticizes (name of school), it feels like a personal insult.</li> <li>2. I am very interested in what others think about (name of school).</li> <li>3. When I talk, I usually say “we” rather than “they.”</li> <li>4. Their success is my success.</li> <li>5. When someone praises this organization, it feels like a personal compliment.</li> <li>6. If a story in the media criticized the organization, I would feel embarrassed.</li> </ol>	
OCB	<ol style="list-style-type: none"> <li>1. I volunteer to do things.</li> <li>2. I help orient new employees.</li> <li>3. I attend functions that help (what).</li> <li>4. I assist others in this group.</li> <li>5. I get involved to benefit (what).</li> <li>6. I help others in this group.</li> <li>7. I help with their work responsibilities.</li> </ol>	
UPB	<ol style="list-style-type: none"> <li>1. Provide a good recommendation on behalf of (whom).</li> <li>2. Withhold issuing a refund to a customer.</li> <li>3. Conceal information from the public.</li> </ol>	

## Analyses & Findings

First, we employed an EFA and CFA to operationalize the variables and confirm latent constructs from the relevant survey questions. Second, to confirm the total direct and indirect effects of the main variables, as well as to test the interrelationships among variables and to assess the relative strength of each variable, we adopted a full SEM (i.e., a measurement model with a path model). Third, designating organizational trust, moral attentiveness, and organizational identification as the key mediators in the SEM, we hypothesized that the mediator variables among the Chinese public employees are influenced by the effects of the ethical environment. In addition, we proposed that moral attentiveness and organizational identification increase OCB and decrease UPB among the Chinese public employees. Moreover, to assess whether organizational trust, moral attentiveness, and organizational identification mediate the effects of the antecedents on the outcome variables, we used a Sobel Z statistic test and bootstrapping.

## Reliability Tests

In order to verify the reliability of each variable, internal consistency analysis was performed (Table 3). The Cronbach's  $\alpha$  for all constructs was over 0.6, which validates the reliability of the tool.

**Table 3: Verification of Reliability**

Factors	Item	Mean	Cronbach's $\alpha$
Ethical Leadership	6	3.208	.935
Ethical Environment	8	2.952	.955
Organizational Trust	Affective Trust	5	3.116
	Cognitive Trust	4	3.476
Moral Attentiveness	Perceptual Moral	4	2.385
	Attentiveness		
	Reflection Moral	3	3.079
	Attentiveness		.928
Organizational Identification	6	3.709	.868
OCB	7	4.194	.915
UPB	3	2.720	.702

## Correlation Results

We examined the correlations between the main antecedents, three mediators, and two outcome variables. Table 4 shows that OCB was positively and significantly correlated with ethical leadership, ethical environment, organizational trust, and organizational identification; while UPB was positively and significantly correlated with moral attentiveness and organizational identification. The variables of organizational trust and organizational identification were positively correlated with ethical climate, while moral attentiveness was negatively and significantly correlated with ethical climate. Further, organizational trust had the strongest correlation with ethical leadership and environment in the Chinese public sector.

**Table 4: Zero-Order Correlations among Antecedents, Mediators, and Consequences**

	Ethical leadership	Ethical environment	Organizational trust	Moral attentiveness	Organizational identification	OCB	UPB
1	1						
2	.601**	1					
3	.858**	.507**	1				
4	-.275**	-.201**	-.242**	1			
5	.286**	.386**	.265**	.041	1		
6	.361**	.395**	.317**	-.043	.393**	1	
7	.029	.028	.039	.141*	.161*	-.090	1

\* $p < 0.05$ , \*\* $p < 0.01$

## SEM Results

From the SEM analysis, we observed that antecedents, mediators, and consequent variables were directly and indirectly related to one another in a meaningful way.

Figure 4 and Table 5 suggest that although ethical environment did not affect organizational trust significantly, ethical leadership directly, significantly, and positively influenced organizational trust ( $\beta = 1.022^{***}$ ). Second, organizational trust directly, significantly, and positively influenced moral attentiveness ( $\beta = 0.449^{***}$ ), and positively influenced organizational identification ( $\beta = 0.223^{***}$ ). Finally, moral attentiveness, one of the mediators in the present study, was directly, significantly, and positively associated with OCB ( $\beta = 0.362^{**}$ ), and directly, significantly, and negatively associated with UPB ( $\beta = -0.349^{**}$ ). In addition, organizational identification, one of the mediators in this study, was directly, significantly, and positively associated with OCB ( $\beta = 0.415^{***}$ ) and UPB ( $\beta = 0.369^{**}$ ). The overall results suggested that our “ethical climate  $\rightarrow$  affective-cognitive responses  $\rightarrow$  behavioral outcome” model was well defined and accurately hypothesized. Further, all of the research hypotheses in this study were confirmed, except the one that proposed a relationship between ethical environment and the mediators and outcomes.

Figure 3: The Complete Structural Equation Model (SEM)

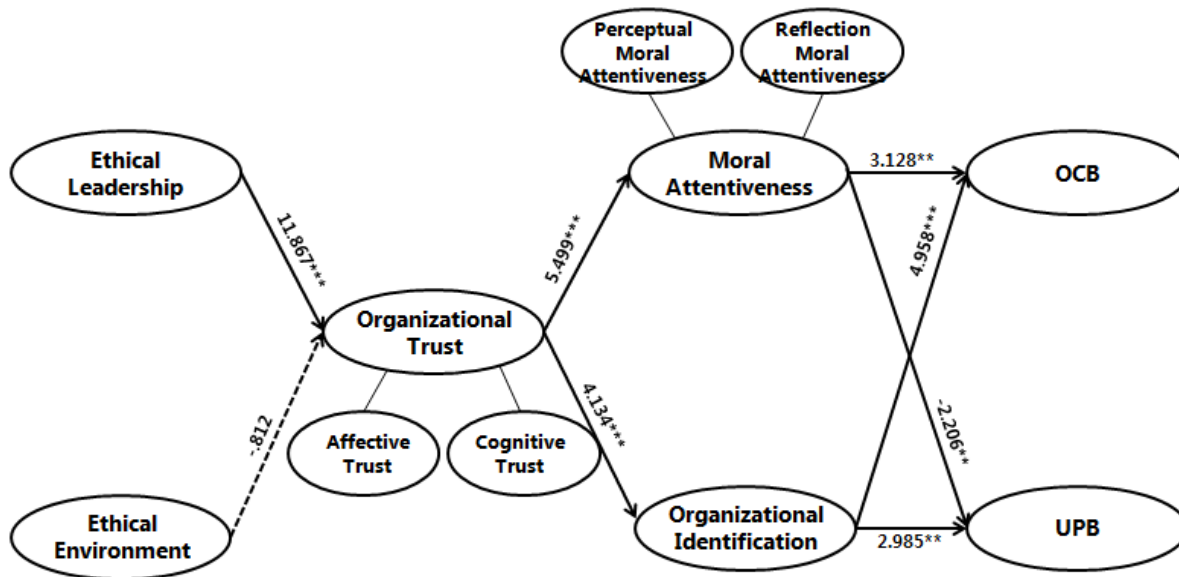


Table 5: Standardized Total and Direct Effects

Path	Standardized estimate ( $\beta$ )	SE	CR	p
Organizational Trust $\leftarrow$ Ethical Leadership	1.022	0.086	11.867	***
Organizational Trust $\leftarrow$ Ethical Environment	-.039	0.048	-0.812	.417
Moral Attentiveness $\leftarrow$ Organizational Trust	0.449	0.082	5.499	***
Organizational Identification $\leftarrow$ Organizational Trust	0.223	0.054	4.134	***
OCB $\leftarrow$ Moral Attentiveness	0.362	0.116	3.128	.002
UPB $\leftarrow$ Moral Attentiveness	-0.349	0.158	-2.206	.027
OCB $\leftarrow$ Organizational Identification	0.415	0.084	4.958	***
UPB $\leftarrow$ Organizational Identification	0.369	0.124	2.985	.003

\*\*\* $p < 0.001$

**Indirect Effects**

Path analyses were performed to identify the indirect effects among latent variables in the structure model (see Table 6). Ethical leadership had an indirect positive effect (0.261) on OCB, and an indirect negative effect (-0.076) on UPB, through the three mediators, namely organizational trust, moral attentiveness, and organizational identification. We also detected indirect associations between ethical environment and OCB (-0.010) and UPB (0.003). These results indicate that the three mediators are important in bridging the conceptual gap between ethical climate and behavior outcomes that maximize or minimize OCB and UPB.

Finally, we also detected an indirect association between organizational trust and OCB via moral attentiveness (0.255). These results indicate that moral attentiveness is an important mediator in bridging the conceptual gap between organizational trust and OCB.

**Table 6: Indirect Effects**

	Ethical leadership	Ethical environment	Organizational trust	Moral attentiveness	Organizational identification	OCB	UPB
Organizational trust	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Affective trust	1.022	-0.039	0.000	0.000	0.000	0.000	0.000
Cognitive trust	0.982	-0.037	0.000	0.000	0.000	0.000	0.000
Moral attentiveness	0.459	-0.017	0.000	0.000	0.000	0.000	0.000
Perceptual MA	0.459	-0.017	0.449	0.000	0.000	0.000	0.000
Reflection MA	-0.155	0.006	-0.152	0.000	0.000	0.000	0.000
Organizational identification	0.228	-0.009	0.000	0.000	0.000	0.000	0.000
OCB	0.261	-0.010	0.255	0.000	0.000	0.000	0.000
UPB	-0.076	0.003	-0.074	0.000	0.000	0.000	0.000

To assess whether organizational trust, moral attentiveness, and organizational identification mediated the effects of the ethical climate of Chinese public officials on the two outcome variables, we used the Sobel Z test. As shown in Table 7, a number of coefficients for the indirect path of the SEM were significant. Particularly, moral attentiveness was indirectly but meaningfully influenced by ethical leadership via organizational trust (test statistic = 4.973;  $p = .000$ ). Similarly, organizational identification was indirectly but meaningfully influenced by ethical leadership via organizational trust (test statistic = 3.900;  $p = .000$ ). In addition, OCB was indirectly but significantly influenced by organizational trust via moral attentiveness (test statistic = 2.771;  $p = .006$ ), and indirectly but significantly influenced by organizational trust via organizational identification (test statistic = 3.168;  $p = .001$ ). Finally, UPB was indirectly but significantly influenced by organizational trust via moral attentiveness (test statistic = -2.048), and indirectly but significantly influenced by organizational trust via organizational identification (test statistic = 2.414;  $p = .015$ ). This analysis of indirect effects clarified the relationships among the antecedent and other variables of this study.

**Table 7: The Results of the Sobel Test**

Path	Test statistic	$p$ ( $p < \alpha = 0.05$ )
1) Ethical Leadership → Organizational Trust → Moral Attentiveness	4.9730	0.000
2) Ethical Leadership → Organizational Trust → Organizational Identification	3.9008	0.000
3) Ethical Environment → Organizational Trust → Moral Attentiveness	-0.8037	0.425
4) Ethical Environment → Organizational Trust → Organizational Identification	-0.7972	0.425
5) Organizational Trust → Moral Attentiveness → OCB	2.7112	0.006
6) Organizational Trust → Moral Attentiveness → UPB	-2.0484	0.040
7) Organizational Trust → Organizational Identification → OCB	3.1685	0.001
8) Organizational Trust → Organizational Identification → UPB	2.414	0.015

### Conclusions & Implications

This study investigated the meaning and role of ethical climate as a cognitive dimension in the enhancement of ethical behavior in Chinese public sector employees. Hypotheses and a research model were designed to determine the antecedents and mediating factors of ethical behavior from the perspective of the social learning theory, social cognitive theory, and social identity theory. To analyze these effects, empirical analysis was carried out using the SEM and mediation analysis. Testing the six hypotheses demonstrated the strong effects of ethical leadership on ethical behavior, which may be influenced by Chinese unique cultural heritage and social institutions (i.e., collectivism, Confucianism, Chinese socialism, etc.). Additionally, organizational trust, moral attentiveness, and organizational identification were confirmed to play critical roles. The theoretical and practical inquiries in the present study were inspired by the question, “Are ethical approaches viable, effective, and feasible for influencing positive or negative job attitudes and behaviors?” First, Hypothesis 1a was confirmed, indicating that ethical leadership, unlike ethical environment, is positively and significantly associated with affective and cognitive responses.

That is, a leader's behavior is an important factor in the ethical behavior of employees, and ethical leaders encourage employees to engage in ethical behaviors. These findings are consistent with those of previous studies (Walumbwa & Schaubroeck, 2009), which suggested that the establishment of an ethical climate, by cultivating ethical leaders, would be a crucial aspect of enhancing ethical behaviors in the Chinese public sector. By testing our model in the context of the social leaning theory, we supported our argument that a stronger ethical climate formed by an ethical leader drives employees' ethical responses. Hence, the results imply that, within the Chinese public sector, establishing a good ethical climate might maintain employees' affective and cognitive responses. As indicated by the results, leaders must take considerable efforts to foster their follower's moral behavior by setting clear moral standards and moral values in overall HRM systems.

In addition, we also confirmed Hypotheses 2a and 2b, indicating that individual moral attentiveness is associated with ethical behaviors. This result implies that if individual moral attentiveness is fostered in Chinese public sector employees, these employees might better recognize moral issues in their organizations. These findings are consistent with previous research that has shown that people who reflect more on ethics and social responsibility show more ethical behaviors (Whitaker & Godwin, 2011; Wurthmann, 2013). Thus, in order to enhance employees' ethical behavior, the Chinese public sector must focus on developing individual moral attentiveness. Emphasis might be placed on employees' ethical training as a lifelong learning process. In particular, as the Chinese public sector lacks training and development experiences, adapting the effective training methods used in the private sector should be fruitful in training and educating the employees of the Chinese public sector. Finally, consistent with Hypotheses 3a and 3b, this study confirmed that OI is positively and significantly related to behavior outcomes, especially, with unethical behavior in the Chinese public sector. The results showed that to boost the level of ethical behaviors among the Chinese public sector employees, the level of employee OI should be balanced in the context of China's collectivist culture. Accordingly, previous research has consistently found that employees who are strongly identified with their organizations are more likely to show OCB (Dick et al., 2007) and suggests that employees' OI, which is derived from a sense of oneness with the organization, may accelerate their OCB. Thus, we can conclude that, in order to increase ethical and positive behaviors in the Chinese public sector, managers have to achieve congruence between individual and organizational visions and goals. In addition, the organization also provides its employees trust, trustworthiness, and credibility.

Although our research results suggested that OI may be a crucial factor to UPB, when mediated by organizational trust, we believe that employees should be engaged in the collective goals and common wealth of the organization. However, managers should be cautioned that the employee who has a strong OI and high loyalty may do more harm to the organization, than good. Thus, public sector managers should focus on cultivating an organizational culture that encourages ethical behaviors by ensuring that their own behavior, which could meet ethical standards, would be recognized and rewarded. In addition, we may predict that leaders who support and uphold the code of ethics could effectively minimize the likelihood of UPB and other types of unethical behavior in the public sector.

### **Implications for Theory and Practice**

A few practical and theoretical implications can be drawn from the present study. First, while we have used survey items that originated from the West, the EFA and CFA results confirmed that the constructs and structures of main variables were valid and reliable in the Chinese context. The results implied that even though unique cultural or institutional factors prevail in the Chinese public organizations, we are convinced that, for example, ethical leadership, moral attentiveness, and OCB practices are latent, yet distinct, universal, significant, and effective. These findings provide strong evidence that these theory-based constructs can be generalized to the Chinese context. Overall, drawing on the socio-organizational perspective, this study confirmed that ethical climate is an important social capital distributor, which enormously contributes to generating and managing important affective, cognitive, and behavioral outcomes. Second, we found that ethical leaders are notable in terms of developing organizational trust, strengthening moral attentiveness, and, in some ways, though maybe indirect, increasing employees' OCB and diminishing UPB. Based on the notion that ethics-based leaders should be regarded as more important because certain informal or relational social interactions and communications or traditional cultural values prevail in the Chinese hierarchical structures and culture, allowing ethical values, affective motives, and trustworthy behaviors to function as invisible but very persuasive norms, rules, and informal regulations for leaders and subordinates will help make public management successful.

This study confirms that ethical leadership is a very effective managerial tool for nurturing positive and constructive social exchange relationships between organizational constituents, and for developing human resources in the public sector. Third, from a mediating analysis, our findings revealed that organizational trust plays an influential role between ethical leadership and moral attentiveness, and organizational identification, and consequently, significantly affects OCB and UPB of the Chinese public sector employees. From a managerial perspective, ethical leaders are more likely to develop strategies to cultivate and boost the level of employees' trust in a way that perceives their attentiveness of morality, and identifies their own goal and missions into those of the organization. Indeed, the moral and emotional congruence between a person and an organization could be optimized through such a trust-building process.

### ***Limitations & Suggestions for Future Research***

Some research limitations exist. As with all previous studies that have investigated the interrelationships among perceived variables using self-reported data, this study shares the potential problems of a mono-method bias and positive response bias, as well as the problems related to relying on subjective measures. Although we collected data in three waves, to reduce the risk of the common method bias, included "social desirability" control variables, and conducted tests for methodological artifacts, the common method bias cannot be fully eliminated. Further research is required to overcome these shortcomings, by using panel data, both comparative and time-series research designs, and by obtaining more objective and reliable attitudinal and behavioral indicators. Future research might include supervisor-rated scales of subordinate work outcomes, such as leadership, OCB, and UPB, to deal with these concerns, and truly establish whether high levels of ethical climate and trust might lead to positive behavioral outcomes for Chinese public sector organizations. Additionally, qualitative research methods, such as focus group interviews, might reduce the potential methodological shortcomings. Second, the "ethical climate factors" used in this study are organizational variables describing the relationships between employees and their organizations. If these variables are conceived at the "person" level, a variance bias and automatic fallacy can occur. To overcome this obstacle, it is necessary to apply a multi-level data-based hierarchical linear model (HLM) that is nested in both individual and organizational dimensions. Third, the limited scope of our sample of Chinese public employees makes it impossible to generalize our findings to all public employees in China. In future research, from a more comparative perspective, researchers may want to probe the similarities and differences of the ethical climates between public and private sectors.

### ***Funding***

This work was supported by the National Research Foundation of Korea Grant funded by the Korean Government [NRF-2014S1A2A2028436].

### ***References***

- Arnold, V., Lampe, J. C., & Sutton, S. G. (2000). Creating an ethically driven organization: a model for fostering an epidemic of ethical intensity. *Advances in Accounting Behavioral Research*, 3, 201-224.
- Aronson, A. R. (2001). Effective mapping of biomedical text to the UMLS Metathesaurus: the MetaMap program. *Proceedings of the AMIA Symposium* (p. 17). American Medical Informatics Association.
- Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Journal*, 14(1), 20-39.
- Avey, J. B., Palanski, M. E., & Walumbwa, F. O. (2011). When leadership goes unnoticed: The moderating role of follower self-esteem on the relationship between ethical leadership and follower behavior. *Journal of Business Ethics*, 98(4), 573-582.
- Bandura, A. (1986). *Social foundations of thought and action*. Englewood Cliffs, NJ: Prentice Hall.
- Bass, B. M., & Avolio, B. J. (2000). *Multifactor leadership questionnaire*. Palo Alto, CA: Mind Garden.
- Blau, P. M. (1964). *Exchange and power in social life*. New Brunswick, NJ: Transaction Publishers.
- Booth, P., & Schulz, A. K. D. (2004). The impact of an ethical environment on managers' project evaluation judgments under agency problem conditions. *Accounting, Organizations and Society*, 29(5), 473-488.
- Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational behavior and human decision processes*, 97(2), 117-134.

- Carmeli, A., Atwater, L., & Levi, A. (2011). How leadership enhances employees' knowledge sharing: The intervening roles of relational and organizational identification. *Journal of Technology Transfer*, 36(3), 257-274.
- Cornelissen, J. P. (2006). Metaphor and the dynamics of knowledge in organization theory: A case study of the organizational identity metaphor. *Journal of Management Studies*, 43(4), 683-709.
- 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.
- DeConinck, J. B., & Bachmann, D. P. (2011). Organizational commitment and turnover intentions of marketing managers. *Journal of Applied Business Research*, 10(3), 87-95.
- Dick, R. V., Michael, W. G., Christ, O., & Wieseke, J. (2006). Identity and the extra mile: Relationships between organizational identification and organizational citizenship behavior. *British Journal of Management*, 17(4), 283-301.
- Elsbach, K. D. (1999). An expanded model of organizational identification. *Research in Organisational Behaviour*, 21, 163-200.
- Farh, J. L., Zhong, C. B., & Organ, D. W. (2004). Organizational citizenship behavior in the People's Republic of China. *Organization Science*, 15(2), 241-253.
- Ford, R. C., & Richardson, W. D. (1994). Ethical decision making: A review of the empirical literature. *Journal of Business Ethics*, 13(3), 205-221.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (eds.). (2004). *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*. Thousand Oaks: Sage Publications.
- Jaramillo, F., Mulki, J. P., & Boles, J. S. (2013). Bringing meaning to the sales job: The effect of ethical climate and customer demandingness. *Journal of Business Research*, 66(11), 2301-2307.
- Jones, T. M. (1991). Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review*, 16(2), 366-395.
- Jöreskog, K. G., & Sörbom, D. (1996). *LISREL8 User's Reference Guide*. Chicago: Scientific Software International.
- Kalshoven, K., Den Hartog, D. N., & De Hoogh, A. H. (2011). Ethical leader behavior and big five factors of personality. *Journal of Business Ethics*, 100(2), 349-366.
- Kanungo, R. N., & Mendonca, M. (2001). Ethical leadership and governance in organizations: A preamble. *Canadian Journal of Administrative Sciences*, 18(4), 241-243.
- Lin, C. (2008). Demystifying the chameleonic nature of Chinese leadership. *Journal of Leadership & Organizational Studies*, 14(4), 303-321.
- 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., Bardes, M., & Salvador, R. (2009). How low does ethical leadership flow? Test of a trickle-down model. *Organizational Behavior and Human Decision Processes*, 108(1), 1-13.
- 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.
- Menzel, D. C. (1995). The ethical environment of local government managers. *The American Review of Public Administration*, 25(3), 247-261.
- Miao, Q., Newman, A., Yu, J., & Xu, L. (2013). The relationship between ethical leadership and unethical pro-organizational behavior: Linear or curvilinear effects? *Journal of Business Ethics*, 116(3), 641-653.
- Olkkonen, M. E., & Lipponen, J. (2006). Relationships between organizational justice, identification with organization and work unit, and group-related outcomes. *Organizational Behavior & Human Decision Processes*, 100(2), 202-215.
- Organ, D. W. (1988). *Organizational citizenship behavior: The good soldier syndrome*. Lexington Books/DC Heath and Com.
- Ruiz-Palomin, P., Ruiz-Amaya, C., & Knörr, H. (2011). Employee Organizational Citizenship Behaviour: The Direct and Indirect Impact of Ethical Leadership. *Canadian Journal of Administrative Sciences*, 28(3), 244-258.
- Piccolo, R. F., Greenbaum, R., Den Hartog, D. N., & Folger, R. (2010). The relationship between ethical leadership and core job characteristics. *Journal of Organizational Behavior*, 31(2~3), 259-278.

- Reynolds, B. (2006). A review of delay-discounting research with humans: Relations to drug use and gambling. *Behavioural Pharmacology*, 17(8), 651-667.
- Reynolds, S. J. (2008). Moral attentiveness: Who pays attention to the moral aspects of life?. *Journal of Applied Psychology*, 93(5), 1027-1041.
- Riketta, M. (2005). Organizational identification: A meta-analysis. *Journal of Vocational Behavior*, 66(2), 358-384.
- Ruiz-Palomino, P., & Martinez-Cañas, R. (2011). Supervisor role modeling, ethics-related organizational policies, and employee ethical intention: The moderating impact of moral ideology. *Journal of Business Ethics*, 102(4), 653-668.
- Sims, R. L., & Keenan, J. P. (1998). Predictors of external whistle blowing: Organizational and intrapersonal variables. *Journal of Business Ethics*, 17(4), 411-421.
- Stouten, J., Baillien, E., Van den Broeck, A., Camps, J., De Witte, H., & Euwema, M. (2010). Discouraging bullying: The role of ethical leadership and its effects on the work environment. *Journal of Business Ethics*, 95(1), 17-27.
- Trevino, L. K., Butterfield, K. D., & McCabe, D.M. (1998). The ethical context in organizations: Influences on employee attitudes and behaviors. *Business Ethics Quarterly*, 8(3), 447-476.
- Treviño, L. K., Brown, M., & Hartman, L. P. (2003). A qualitative investigation of perceived executive ethical leadership: Perceptions from inside and outside the executive suite. *Human relations*, 56(1), 5-37.
- Trevino, L. K., Weaver, G. R., & Reynolds, S. J. (2006). Behavioral ethics in organizations: A review. *Journal of Management*, 32(6), 951-990.
- Umphress, E. E., & Bingham, J. B. (2011). When employees do bad things for good reasons: Examining unethical pro-organizational behaviors. *Organization Science*, 22(3), 621-640.
- Van Dyne, L., Graham, J. W., & Dienesch, R. M. (1994). Organizational citizenship behavior: Construct redefinition, measurement, and validation. *Academy of Management Journal*, 37(4), 765-802.
- Victor, B., & Cullen, J. B. (1988). The organizational bases of ethical work climates. *Administrative Science Quarterly*, 33(1), 101-125.
- Walumbwa, F. O., & Schaubroeck, J. (2009). Leader personality traits and employee voice behavior: mediating roles of ethical leadership and work group psychological safety. *Journal of Applied Psychology*, 94(5), 1275-1286.
- Walumbwa, F. O., Cropanzano, R., & Goldman, B. M. (2011). How leader-member exchange influences effective work behaviors: Social exchange and internal-external efficacy perspectives. *Personnel Psychology*, 64(3), 739-770.
- Whitaker, B. G., & Godwin, L. N. (2011). The antecedents of moral imagination in the workplace: A social cognitive theory perspective. *Journal of Business Ethics*, 114(1), 61-73.
- Wurthmann, K. (2013). A social cognitive perspective on the relationships between ethics education, moral attentiveness, and PRESOR. *Journal of business ethics*, 114(1), 131-153.
- Zhang, M. (2009). China's new international financial strategy amid the global financial crisis. *China and World Economy*, 17(5), 22-35.

---

<sup>1</sup>According to the nine GLOBE cultural competencies, China is categorized into Confucian Asia, along with other countries such as Singapore, Hong Kong, Taiwan, South Korea, and Japan. These countries from Confucian Asia generally tend to demonstrate high scores on the dimensions of 1) in-group collectivism (which reflects the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families), 2) institutional collectivism (which reflects the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources, and collective action), and 3) performance orientation (which refers to the extent to which an organization or society encourages and rewards its group members for performance improvement and excellence) (House et al., 2004). Consequently, we posit that these cultural characteristics of the Chinese society have shaped the importance of ethical leadership and environment within an organization, which would be accordingly and significantly associated with affective, cognitive, and positive or negative behavioral outcomes.