Building Ethical Capital: Perceptions of Ethical Climate in the Public Sector

This article examines influences on public servant perceptions of ethical climate in the public sector. The array of beneficial outcomes produced by perceptions of a positive ethical climate, the existence of government programs aimed at improving ethical climate, and implications for government accountability and trustworthiness all argue for a better understanding of the sources of these perceptions. Empirical analyses of survey responses from employees of the U.S. federal executive branch show that individuals in leadership positions perceive the ethical climate more positively. Conversely, work tenure tends to worsen perceived ethical climate, although supervisory status attenuates this negative effect. Ethics training, interaction with ethics officials, and perceived knowledge about ethics topics consistently influence perceptions of ethical climate and advice-seeking behavior in a positive way. A set of results related to advice-seeking behavior serves to reinforce the important role of ethics officials.

This project aims to address the general paucity of research on ethical climate in the public sector. The more specific task is to advance the "fragmented" and "under-researched" literature (Martin and Cullen 2006, 179) on the origins of perceptions of ethical climate. Doing so helps answer one of Cooper's four big questions for public administration ethics: "How can organizations be designed to be supportive of ethical conduct?" (2004, 404). This project also tests assumptions that undergird international anticorruption agreements and government ethics programs.

The next section provides a review and theoretical discussion of the ethical climate concept. A brief discussion of international anticorruption agreements and government ethics programs follows. After specifying hypotheses and discussing the data and methods, the article presents the results of empirical analyses and discusses implications for governance.

Overall, the results of the analyses show that perceptions of ethical climate in the public sector are a function of an employee's place within and history with the organization, perceived knowledge about ethics, perceptions and characteristics of ethics training, and perceptions and behavior related to seeking formal advice about ethics matters. Importantly, these results suggest that public servant perceptions of ethical climate have predictable sources and, as a consequence, public administrators can help shape those perceptions.

Ethical Climate

The distinction between organizational "culture" and "climate" remains subject to some ambiguity, but certain fundamental differences emerge in the literature (see Denison 1996). Researchers tend to discuss organizational cultures as fairly stable, values-based, organization-specific outcomes of symbolic interaction between individuals and environments, while organizational or "work" climates are more temporary, at least in part, from more positive perceptions of ethical climate on the part of public servants.

This project aims to address the general paucity of research on ethical climate in the public sector. The more specific task is to advance the "fragmented" and "under-researched" literature (Martin and Cullen 2006, 179) on the origins of perceptions of ethical climate. Doing so helps answer one of Cooper's four big questions for public administration ethics: "How can organizations be designed to be supportive of ethical conduct?" (2004, 404). This project also tests assumptions that undergird international anticorruption agreements and government ethics programs.

The next section provides a review and theoretical discussion of the ethical climate concept. A brief discussion of international anticorruption agreements and government ethics programs follows. After specifying hypotheses and discussing the data and methods, the article presents the results of empirical analyses and discusses implications for governance.

Overall, the results of the analyses show that perceptions of ethical climate in the public sector are a function of an employee's place within and history with the organization, perceived knowledge about ethics, perceptions and characteristics of ethics training, and perceptions and behavior related to seeking formal advice about ethics matters. Importantly, these results suggest that public servant perceptions of ethical climate have predictable sources and, as a consequence, public administrators can help shape those perceptions.

Ethical Climate

The distinction between organizational "culture" and "climate" remains subject to some ambiguity, but certain fundamental differences emerge in the literature (see Denison 1996). Researchers tend to discuss organizational cultures as fairly stable, values-based, organization-specific outcomes of symbolic interaction between individuals and environments, while organizational or "work" climates are more temporary, at least in part, from more positive perceptions of ethical climate on the part of public servants.

This project aims to address the general paucity of research on ethical climate in the public sector. The more specific task is to advance the "fragmented" and "under-researched" literature (Martin and Cullen 2006, 179) on the origins of perceptions of ethical climate. Doing so helps answer one of Cooper's four big questions for public administration ethics: "How can organizations be designed to be supportive of ethical conduct?" (2004, 404). This project also tests assumptions that undergird international anticorruption agreements and government ethics programs.

Overall, the results of the analyses show that perceptions of ethical climate in the public sector are a function of an employee's place within and history with the organization, perceived knowledge about ethics, perceptions and characteristics of ethics training, and perceptions and behavior related to seeking formal advice about ethics matters. Importantly, these results suggest that public servant perceptions of ethical climate have predictable sources and, as a consequence, public administrators can help shape those perceptions.
Ethical climate is one specific type of work climate. The construct of “ethical climate” or “ethical work climate” has taken a few related forms in the literature. The common threads running through these definitions are the notions (1) that ethical climate involves shared perceptions of group norms related to organizational policies, procedures, and practices and (2) that these norms deal with distinctions between right and wrong behavior (i.e., ethics) within the organization (see Martin and Cullen 2006; Victor and Cullen 1988).

Considerable research on the private sector has detailed how ethical climate and perceived ethical climate contribute to a variety of important organizational and individual outcomes (see summaries in Martin and Cullen 2006; O’Fallon and Butterfield 2005). Such outcomes include ethical decision making and behavior (e.g., Martin and Cullen 2006; Peterson 2002; Treviño, Butterfield, and McCabe 1998; Vardi 2001; Weber, Kurke, and Pentico 2003) and organizational success in responding to ethical issues (Bartels et al. 1998). Yet other work has linked perceptions of ethical climate to attitudes such as organizational commitment and job satisfaction (see Martin and Cullen 2006), to psychological contracts (Barnett and Schubert 2002), and to moral awareness (VanSandt, Shepard, and Zappe 2006).

The results of more limited research on public organizations largely fit with these private sector findings. For example, employee behavior that reflects the use of an organization’s ethics code is based on a perception that others use the code (Ashkanasy, Falkus, and Callan 2000); this perception would be an element of perceived ethical climate. A stronger ethical climate can also lessen managers’ perceptions of wrongdoing in the organization (e.g., Menzel 1995), while ethics “stress” (i.e., the mismatch between individual ethics beliefs and perceptions of prevailing ethical norms) is associated with lower job satisfaction and greater perceptions that employee turnover is a problem (Menzel 1996). Recent work also suggests that the influence of climate perceptions on the performance of public organizations may be mediated by perceptions of organizational politics (Vashdi, Vigoda-Gadot, and Shlomi 2012).

The findings of the few studies that directly compare the public and private sectors suggest that public managers tend to be less positive about the ethical climates of their organizations (Wittmer and Coursey 1996) and tend to see their organizations as more “political” (Vigoda-Gadot and Kapun 2005) when researchers do the comparing. However, one also must entertain the possibility that ethical sensitivity is greater in the public sector. Public managers almost unanimously reject the direct claim that government morality is lower than business morality in the United States (Bowman 1990; Bowman and Knox 2008).

Some researchers have examined factors that contribute to differing types or individual perceptions of ethical climate. Among the relevant factors observed for the private sector are external organization context, organizational form, and managerial orientations (see Martin and Cullen 2006). The latter includes features such as the moral development of leaders (Schminke, Ambrose, and Neubauer 2005) and supervisor encouragement of ethical behavior (Miller et al. 2005). Based on public sector survey responses, a recent study makes some mention of ethics training and counseling and the existence and use of an ethics code as contributing to a more positive ethical climate (Bowman and Knox 2008).

Though more must be done to establish linkages directly, research also suggests that improved perceptions of ethical climate among public sector employees might improve mass views of governance. Improved mass views might result from better government performance and/or more positive discussions of government ethics in social networks. Consequently, if public servant perceptions of ethical climate have predictable sources, administrators might also have the means to indirectly improve mass views of governance.

A second potential route fits with the recommendation that researchers examine the role of government employees in shaping public attitudes (Kim 2005). Public servants have lives and social networks outside the workplace, and these external connections or “citizen–citizen interactions” (Van de Walle and Bouckaert 2003) should affect how members of the general public evaluate the bureaucracy. Public servants are likely viewed as highly credible sources when discussing their perceptions of public administration, and source credibility is central to message persuasiveness (Lupia and McCubbins 1998).

**Government Programs**

The previously cited research supports the common wisdom that ethical climate affects a range of attitudes and behaviors critical for effective governance, including ethical decision making. The outward manifestations of a positive ethical climate may also enhance
International anticorruption agreements also have encouraged such training and counseling programs. Appendix A lists relevant provisions of international anticorruption agreements and other multilateral documents. Peer review mechanisms to promote fulfillment of agreement obligations have provided further impetus for training programs. For example, the mechanism for the Inter-American Convention against Corruption has made standard training recommendations in each review round and has emphasized the usefulness of counseling in preventing corruption.

The U.S. Office of Government Ethics (OGE) is responsible for helping executive branch employees of the national-level government avoid conflicts of interest. Although individual agencies may develop certain supplemental standards, OGE provides branch-wide direction with a detailed set of regulations (5 C.F.R. Part 2635) that establishes the standards of ethical conduct. OGE also provides education and training and counseling resources to ethics officials, who are then primarily responsible for disseminating such information within their particular agencies. For example, OGE requires that all new employees in the executive branch receive an ethics orientation and that certain categories of employees receive annual ethics training (see 5 C.F.R. Part 2638, Subpart G). As such, OGE is one of the main organizations in the United States fulfilling the provisions of the international agreements just discussed.

Why would ethics training and counseling not improve perceptions of ethical climate? One might ask the same about ethical codes of conduct. However, research on the helpfulness of codes has supplied mixed results (see Ashkanasy, Falkus, and Callan 2000; James 2000), although public employees have increasingly seen codes as effective (Bowman and Knox 2008). Emphasis on ethical rules can be viewed as condescension or hypocrisy, particularly if employees believe that supervisors act unethically. Given the assumed importance of such programs and the public funds being spent on them, subjecting the claims to systematic empirical analysis seems prudent.

**Influences on Perceptions of Ethical Climate**

The following hypotheses address perceptions of ethical climate in executive branch organizations. The individual-level hypotheses fall under two headings: (1) employee characteristics and (2) information transfer, communication, and knowledge.

**Employee Characteristics**

Previous research has shown that an employee's place in the organizational structure or hierarchy matters for ethics perceptions. One potential explanation is that self-perception biases combine with the climate-establishing role of leaders to produce these differing perceptions. Individuals tend to assume that they are more ethical than others (Bazerman and Tenbrunsel 2011; Bowman and Knox 2008), especially compared to individuals or suborganizations perceived as more “distant” (Fredrickson and Fredrickson 1995; Menzel 1995). Additionally, individuals in leadership positions play a greater role in influencing the ethical climate in that they set the ethical “tone,” serve as visible models for behavior, and establish formal ethics program elements for the organization (Beeri et al., 2012; Treviño 1990; Treviño, Weaver, and Brown 2008). Consequently, individuals in higher positions may believe that their self-assessed superior ethics permeate to the rest of the organization. More positive views of ethical climate may also result from managers’ need to protect the organization’s image and their own identity (Treviño, Weaver, and Brown 2008) or from managers better noticing relevant information based on higher discretion and beliefs about efficacy (see Sutcliffe 2001). Conversely, perceptions of the rank and file may be more negative because they view higher-ups as less ethical than themselves, though particular disdain is reserved for elected officials and political appointees (Bowman and Knox 2008; Menzel 1995). Studies looking directly at the issue of managerial status and perceptions of ethical climate in the private sector find more positive perceptions among managers (Treviño, Weaver, and Brown 2008; Vardi 2001).

Also relevant here are concepts such as “alienation” and “anomie,” which deal with powerlessness, meaninglessness, and perceived normlessness (Seeman 1983). Substantial literatures have linked “locus of control” (Spector et al. 2002) or “self-efficacy” (Bandura 1982) to an array of attitudes in the workplace. The basic idea is that an individual who believes that he or she has some control over what happens is likely to have a more positive set of attitudes and a more effective set of coping strategies. Additionally, the normlessness of anomie (Cohen 1993) can be the result of an individual’s inability to see norms or a lack of attention to information about norms. Lower-level employees have reason to believe that they have lesser control over the workplace; they may also perceive greater normlessness because of communication and information patterns.

**Hypothesis 1:** Public servants in leadership positions will have more positive perceptions of ethical climate than those in nonleadership positions.

**Emphasis on ethical rules can be viewed as condescension or hypocrisy, particularly if employees believe that supervisors act unethically.**

The length of time one has worked in government may also influence perceptions of ethical climate. Previous research has produced mixed results. While perceptions of a “caring” ethical climate improve with an individual’s work tenure (Victor and Cullen 1988), another study finds a linkage between age and cynicism about ethical climate among college students (Luthar, DiBattista, and Gautschi 1997). Longer-tenured employees may be able to cite a greater number of perceived ethical lapses in the organization.
Self-perception biases may also lead the longer-tenured individual to believe that he or she has run across a greater number of less ethical people in the organization.

**Hypothesis 2:** Longer-tenured public servants will have more negative perceptions of ethical climate than shorter-tenured public servants.

Further analysis will help differentiate among the potential explanations for the leadership and work tenure relationships with perceived ethical climate. In particular, supervisory status and work tenure taken separately do not fully capture the potential effects of alienation and resentment on employee perceptions. The employees most likely to experience these effects are longer-term employees who have not risen to supervisory status.

**Hypothesis 3:** Nonsupervisory status of a public servant will increase any negative impact of work tenure on perception of ethical climate.

**Information Transfer, Communication, and Knowledge**

Researchers often hold up ethics training programs as means of improving ethical conduct in an organization, sometimes indirectly by improving perceptions of ethical climate (LeClair and Ferrell 2000; Valentine and Fleischman 2004). Training offers opportunities to reinforce a positive climate and to provide evidence of leadership commitment. Also important for climate outcomes is the general belief that training works; more than 80 percent of public employees surveyed believe that formal ethics training improves compliance with ethical standards (Bowman and Knox 2008). Studies that have directly examined the relationship between formal training programs and perceptions of ethical climate have found positive linkages in the private sector (Frisque and Kolb 2008; Valentine and Fleischman 2004) and in municipal governments (West and Berman 2004). Training should also contribute to actual and perceived knowledge about ethics issues. This knowledge, in turn, should enable an individual to better understand ethical issues and to see positive markers of the climate.

**Hypothesis 4:** (a) Greater training frequency, (b) greater breadth of training topics, and (c) use of more training methods will improve perceptions of ethical climate among public servants.

**Hypothesis 5:** Greater perceived training effectiveness will improve perceptions of ethical climate among public servants.

**Hypothesis 6:** Public servants with greater self-assessed familiarity with ethics training topics will have more positive perceptions of ethical climate.

One-on-one counseling with ethics officials provides yet another route for the positive reinforcement of climate, for supplying evidence of ethical leadership, and for transmitting knowledge. Being aware that ethics officials exist is an important indicator of general cognizance of the ethics program. For those public servants who then seek advice from ethics officials, the perceived quality of the interaction should further influence perceptions of ethical climate. These interactions serve as examples of the ethical climate for the public servant.

**Hypothesis 7:** Public servants (a) who are aware of the existence of ethics officials and (b) who have sought advice from an ethics official will have more positive perceptions of ethical climate.

**Hypothesis 8:** Public servants who (a) perceive ethics officials as more helpful and (b) perceive advice from ethics officials as more useful will have more positive perceptions of ethical climate.

One empirical specification also includes an equation in which having sought the advice of an agency ethics official serves as a dependent variable. This specification is the result of an anticipated reciprocal relationship with perception of ethical climate, as individuals should feel compelled to ask (or at least feel comfortable asking) for formal advice about ethical dilemmas if they see a strong ethical climate. Given space limitations and the secondary nature of this analysis, what follows are brief, informal hypotheses with causal reasoning similar to that already presented. Employees in more complex or visible positions should be more likely to seek advice, partly as a result of having greater need for it. Greater perceived knowledge about ethics topics and greater exposure to training should also have positive impacts on advice-seeking behavior; the U.S. executive branch has designed its ethics training program to prompt employees to seek advice, and individuals with greater perceived knowledge should be more alert to potential ethics problems.

**Organizational Factors**

Data on other organizational characteristics are not available, but a group indicator variable allows for limited exploration of organization-level effects, a deficient area of the literature (Martin and Cullen 2006). The data do not permit controlling for actual organizational ethics practices, but the extensive standardization of the executive branch ethics program provides something of a natural control. The grouping variable allows examination of whether group-level perceptions and behaviors from the foregoing hypotheses affect individual perceptions of ethical climate. Individuals might observe these aggregate patterns and use them in evaluating the overall ethical climate in the organization.

**Hypothesis 9:** More positive group perceptions and behaviors related to (a) training, (b) knowledge, and (c) advice-seeking will make individual-level perceptions of ethical climate more positive.

**Data and Methods**

The data come from surveys completed by 17,248 employees at 16 different organizations in the executive branch of the U.S. federal government.¹ Survey administrators distributed surveys to all unique individual e-mail addresses at the chosen organizations and followed up with two reminder e-mails to individuals who had not responded by particular dates. Respondents completed the surveys between November 2003 and July 2005, with an aggregate response rate of 33 percent of all public servants across the 16 organizations. This response rate appears to be low for a survey gathering individual-level data in the United States (see Baruch and Holton 2008). The primary concern with a low response rate here is possible nonresponse bias (i.e., systematic reasons for nonresponse related to the variables of interest) because it can lead to biased point estimates.
The primary dependent variable used in these analyses is perception of ethical climate. The measure is a summated rating scale (see Jacoby 1991; Spector 1992) of positive/negative evaluations of various elements of an organization’s ethical climate. The 10 items here are very similar to standard items used in business ethics research (see esp. Treviño, Butterfield, and McCabe 1998; Treviño and Weaver 2001; Treviño, Weaver, and Brown 2008; Treviño et al. 1999), but tweaking of some items improved fit with public organizations. The slight changes in item wording here relate primarily to elimination or replacement of terms such as “company,” “management,” and “firm” that are more closely associated with the private sector. The items have been in use for well over a decade (Treviño, Butterfield, and McCabe 1998) and have been subjected to extensive validity and reliability analyses. The particular scale items used in this study appear in table 1.

The narrower set of items employed here seems useful for a population of respondents who find themselves situated within a dominant type of ethical climate, as compared to measurement with a categorization tool such as the Ethical Climate Questionnaire (Victor and Cullen 1988). The highly detailed and regimented nature of the executive branch ethics programs seems to place it relatively cleanly into the “Law & Code” and “Rules” types of ethical climates identified in the Ethical Climate Questionnaire typology.

Descriptions of the other variables used in operationalizing hypotheses appear in appendix B. The supervisory and pay plan variables are operationalizations of whether the respondent is in a leadership position, while the work tenure variable operationalizes time in government. A number of variables capture different characteristics of the training program, including training frequency, training breadth, training effectiveness, training methods, and training needs. The headquarters variable controls for the distance from the information and communication center for the ethical climate, and familiarity operationalizes perceived knowledge. The last set of variables addresses aspects of counseling. This set includes aware of officials, sought advice, official helpful, and advice useful. The filing status variable serves as both a control and as an input for advice-seeking behavior.

The primary method of analysis will be ordinary least squares regression. However, previous discussion made clear that climates are both causes and consequences of many other features in an organization. Therefore, reciprocal causation is a concern. The most likely candidate for a reciprocal relationship in these data is the dichotomous variable of advice-seeking behavior. Consequently, the analysis employs two-stage probit least squares regression (see Alvarez and Glasgow 1999; Keshk 2003), which is designed to deal with situations in which one endogenous variable is continuous and the other is dichotomous. Previous researchers have also identified organizational-level factors as important, and the arrangement of data allows for limited application of multilevel models (see Gelman and Hill 2007).

Results

Table 2 shows consistent results across four separate specifications. The results support the hypothesis that individuals higher in the organizational hierarchy (hypothesis 1) have more positive perceptions of the ethical climate (via supervisory and pay plan). The analyses also take on the alienation hypothesis directly via the work tenure and supervisory variables and their interactive term. Taken jointly, the three coefficients show that longer work tenure worsens perception of ethical climate, but the effect is less pronounced among supervisors (hypotheses 2 and 3).

The findings support hypotheses about training, perceived knowledge, and advice seeking as well. Greater breadth of training topics (hypothesis 4b via training breadth), greater perceived effectiveness of training methods (hypothesis 5 via training effectiveness), and a lesser assessment of training needs (hypothesis 5 via training needs) all serve to improve perceptions of ethical climate. However, the mere frequency of ethics training (hypothesis 4a via training frequency) and the number of different educational methods used (hypothesis 4c via training methods, aside from the reduced-sample equation) do not have a direct effect on perception of ethical climate. Topical coverage and perceived effectiveness are more direct influences here. Greater perceived familiarity with ethics topics (hypothesis 6 via familiarity) similarly improves perception of ethical climate. However, working at the headquarters location, as a measure of proximity to the source of information, has no effect. As anticipated, being aware of the existence of ethics officials (hypothesis 7a via aware of officials) and seeking advice from these officials (hypothesis 7b via sought advice) both improve perceptions of ethical climate.

Specification 2 looks at a more limited sample of individuals who sought ethics advice from a designated ethics official in their organization. The core findings here are substantively the same as those for the fuller-sample specifications. However, this specification adds variables for the perceived helpfulness of the ethics official (hypothesis 8a via official helpful) and the usefulness of the advice provided (hypothesis 8b via advice useful). These findings conform with prior expectations, as greater perceived helpfulness and usefulness lead to more positive perceptions of ethical climate.

Specification 3 deals with the issue of reciprocal causation. Again, the core substantive findings remain unchanged. The
The two-stage probit least squares regression used in this analysis recognizes the potential for reciprocal causation between perception of ethical climate and advice-seeking behavior. The "cleaned" version of the sought advice variable now has an associated p-value of .017, but this level may be reasonable for a cleaned variable in a two-stage model, even with a large number of cases. The variables dealing with helpfulness of the ethics official and usefulness of the advice would perhaps provide better results than the sought advice variable but are not usable here because of identification issues.

The probit analysis for the equation with sought advice as the dependent variable produces findings that fit well with the proposed relationships. Importantly, more positive perception of ethical climate increases the likelihood of seeking advice from an ethics official in the organization. Most of the other independent variables relate to the likelihood that a given employee will need ethics advice. Findings show greater advice-seeking behavior among those employees who are supervisors, are on executive/other pay plans, work at headquarters, file financial disclosure reports, perceive greater training needs, and have worked in the federal government for a shorter period of time. The training goal of increasing sensitivity to ethics topics also seems to be working in that training frequency and the use of additional training methods contribute to greater advice-seeking behavior.

The findings under specification 4 are for a multilevel linear regression analysis. None of the organization-level variables related to training, knowledge, or advice climates (hypotheses 9a–c) proved statistically significant. Consequently, the specification reported here simply controls for the different organizational groupings. Though diagnostic procedures suggest only 7 percent of the variance in perceptions of ethical climate is attributable to organization-level factors, a likelihood ratio test shows statistically significant differences between the single-level and multilevel models ($\chi^2 = 423.73, p \leq 001$). The findings for the multilevel model are rather consistent with the previous findings. The only differences are that the effects for pay plan and sought advice are smaller and the coefficient for filing status here is negative and significant (at $p = .021$).

Figure 1 provides estimates of standardized effects based on the coefficients from the multilevel modeling. The standardized effect sizes are equal to the coefficient for dichotomous variables and equal to a two-standard-deviation change multiplied by the estimated coefficient for continuous independent variables (see Gelman and Hill 2007, 57). For ease of comparability, the figure uses absolute values rather than directional ones and excludes variables with statistically insignificant coefficients. Figure 1 shows that supervisory status diminishes the negative impact of work tenure on perception of ethical climate and that supervisory status has a large positive effect in its own right. The impacts of the perceived effectiveness of

---

### Table 2: Regressions on Individual Perception of Ethical Climate

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coeff.</td>
<td>S.E.</td>
<td>Coeff.</td>
<td>S.E.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.157*** 0.024</td>
<td>0.153*** 0.020</td>
<td>0.219*** 0.014</td>
</tr>
<tr>
<td></td>
<td>Supervisory</td>
<td>0.167*** 0.015</td>
<td>0.152*** 0.015</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pay plan</td>
<td>0.166*** 0.016</td>
<td>0.182*** 0.025</td>
<td>0.155*** 0.020</td>
</tr>
<tr>
<td></td>
<td>Headquarters</td>
<td>0.001 0.011</td>
<td>0.001 0.021</td>
<td>-0.009 0.013</td>
</tr>
<tr>
<td></td>
<td>Filing status</td>
<td>0.012 0.013</td>
<td>0.076** 0.025</td>
<td>-0.101*** 0.005</td>
</tr>
<tr>
<td></td>
<td>Training frequency</td>
<td>0.071*** 0.012</td>
<td>0.071*** 0.012</td>
<td>-0.013** 0.012</td>
</tr>
<tr>
<td></td>
<td>Training breadth</td>
<td>0.078** 0.020</td>
<td>0.078** 0.020</td>
<td>0.059*** 0.012</td>
</tr>
<tr>
<td></td>
<td>Tenure*supervisory</td>
<td>0.142*** 0.010</td>
<td>0.111*** 0.019</td>
<td>0.135*** 0.010</td>
</tr>
<tr>
<td></td>
<td>Familiarity</td>
<td>0.005 0.006</td>
<td>0.014 0.013</td>
<td>0.007 0.006</td>
</tr>
<tr>
<td></td>
<td>Training methods</td>
<td>0.001*** 0.003</td>
<td>0.014* 0.006</td>
<td>0.010*** 0.003</td>
</tr>
<tr>
<td></td>
<td>Training effectiveness</td>
<td>0.022*** 0.007</td>
<td>0.041** 0.015</td>
<td>0.016** 0.006</td>
</tr>
<tr>
<td></td>
<td>Aware of officials</td>
<td>0.186*** 0.007</td>
<td>0.152*** 0.015</td>
<td>-0.028*** 0.004</td>
</tr>
<tr>
<td></td>
<td>Sought advice</td>
<td>0.002 0.002</td>
<td>0.010** 0.004</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Official helpful</td>
<td>-0.026*** 0.003</td>
<td>-0.040*** 0.007</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Advice useful</td>
<td>0.020*** 0.023</td>
<td>0.014*** 0.018</td>
<td>0.147*** 0.037</td>
</tr>
<tr>
<td></td>
<td>Constant</td>
<td>0.142*** 0.020</td>
<td>0.158*** 0.093</td>
<td>0.056* 0.023</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.114*** 0.018</td>
<td>0.243*** 0.087</td>
<td></td>
</tr>
</tbody>
</table>

Notes: The sample size for specifications 1, 3, and 4 is 16,311, and for specification 2 is 4,104. Robust standard errors are used for specifications 1, 2, and 3 because of a problem with heteroskedastic errors. Specification 4 uses bootstrapped standard errors. $R^2$ values (for 1–3) are 0.250, 0.319, and 0.249. Pseudo $R^2$ for the probit portion of specification 3 is 0.124. Log likelihood for the multilevel model is $-16874.794$. The sought advice and perception of ethical climate independent variables reported for specification 3 are the "cleaned" versions produced by first-stage regressions. All equations use the mean-centered work tenure variable (and its interactive term, where applicable). **p ≤ .01; *p ≤ .05.
The concept of ethical capital captures the idea that these positive outcomes produced by more positive perceptions of ethical climate influence public servants’ decisions. The findings suggest that public servants are encouraged in international anticorruption agreements and receiving public revenues. The findings suggest that public servants in leadership positions in the executive branch of the U.S. government tend to think more highly of the ethical climate; the results also show that work tenure tends to diminish perceptions of ethical climate, although this effect is more pronounced for nonsupervisors. Ethics training, interaction with ethics officials, and the perceived knowledge produced by these information transfers have consistently positive influences on perceptions of ethical climate and on advice-seeking behavior throughout the empirical analyses. However, the mere frequency of training and diversity of educational methods are not causally important when one also considers the topical breadth and perceived effectiveness of training. The latter seems particularly forceful. Findings related to advice-seeking behavior reinforce the importance of ethics officials, as views concerning the helpfulness of these officials and the usefulness of their advice affect perceptions of ethical climate.

The empirical findings do not produce significant surprises, but this lack of surprise usefully suggests two things: (1) that public servant perceptions of ethical climate have certain logical, manageable sources and (2) that researchers might be able to import pieces of a well-developed literature on ethical climate from the business and organizational management literatures. Many of the individual-level findings mirror previous private sector findings; this correspondence makes sense when one considers the psychological nature of many of the causal mechanisms. However, the data also suggest that processes influencing ethical climate do not change much across organizations of the executive branch, which would stand in contrast to differences across private sector organizations. The centralized direction provided by OGE and the existence of branch-wide standards likely contribute to this uniformity.

The article provides some suggestions about how to improve views of ethics in government among public servants. Specifically, the findings suggest that ethics programs aimed at leadership may be having the desired effect but that special emphasis should be placed on communicating the importance of ethics to longer-tenured employees (especially of the nonsupervisory variety). The more positive views of ethical climate among organizational leaders further suggest that ethical capital accrues at the leadership level and might be mobilized to improve views throughout the organization. Additionally, it is important for public servants to evaluate ethics training as effective and for training to cover a wider range of topics and to leave public servants feeling familiar with those topics. Similarly, public servants should be made aware of ethics officials, encouraged to seek advice from them, and come away feeling that the officials were helpful and the advice was useful.

A potential limitation of this study is that the nonrandom sample of organizations may restrict the ability to generalize across all executive branch organizations. However, the relatively small variance in the data at the organizational level, the match of these findings with others from the literature, and uniformity in the implementation of the executive branch ethics program all serve to reduce concerns about organizational representativeness. Similarly, the response rate for the electronically distributed survey is perhaps low, but further analysis suggests that nonresponse bias is not problematic. An additional limitation is that the data do not include measures of related climates within the organizations; such data would be useful in understanding relationships and relative impacts of climates (see Vashdi, Vigoda-Gadot, and Shlomi 2012). Finally, the use of a single survey instrument to collect all of the analyzed data from a single sample raises the issue of common method variance. The concern is that relationships between variables in the data might be inflated or attenuated due to their derivation from a common source (individual respondents in this case) and method (a particular survey instrument). Again, the fit of the findings here with previous research that used different sources and methods reduces such concerns.

This article points toward avenues of continued or new inquiry. One such avenue is exploring how to best utilize that ethical capital...
that accrues at the leadership level. Are the traditional routes (e.g., codes of conduct and ethics education) effective enough, or should they be supplemented with other mechanisms? Some researchers of “behavioral ethics” in the business literature (e.g., Bazerman and Tenbrunsel 2011) suggest that traditional ethics programs frequently fail because of basic characteristics of human decision making. Their approach seemingly stands at odds with some of the research cited here. What are the reasons for the discrepancies? Could perceptions of ethical climate be used to identify incongruence between policies and behavior that could lead to trouble based on characteristics of decision making? In other words, could perceptions of ethical climate function as an early-warning tool?

Another potential avenue is further examining how government ethics generally—as administrative process or as part of performance broadly construed—influences mass perceptions of government accountability and trustworthiness. A related line of inquiry would be examining how public servant perceptions influence mass evaluations of procedural democracy through social networks. These potential influences on mass perceptions are consequential, as more positive mass perceptions of ethical behavior in the public administration can lead to greater political participation, satisfaction with public services, trust in governance, and political efficacy (Vigoda 2000; Vigoda-Gadot 2007).

Disclaimer
Eric D. Raile is a special government employee of the U.S. Office of Government Ethics (OGE). However, the views expressed in this article are his own and do not necessarily represent the views of OGE or of the U.S. government.

### Appendix A

Recommenda

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>International Agreement/Guidance</th>
<th>Relevant Provision(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter-American Convention against Corruption (1996)</td>
<td>Article 3.3. “Instruction to government personnel to ensure proper understanding of their responsibilities and ethical rules governing their activities”</td>
<td></td>
</tr>
<tr>
<td>Global Forum I Guiding Principles for Fighting Corruption and Safeguarding Integrity among Justice and Security Officials (1999)</td>
<td>No. 2, “Effective practices include . . . training and counseling of officials to ensure proper understanding of their responsibilities and the ethical rules governing their activities as well as their own professionalism and competence”</td>
<td></td>
</tr>
<tr>
<td>Council of Europe Recommendation No. R (2000) 10 Appendix, Model Code of Conduct for Public Officials (2000)</td>
<td>Article 25.2, “The supervisor who supervises or manages other public officials should take reasonable steps to prevent corruption by his or her staff in relation to his or her office. These steps may include . . . providing appropriate education or training”</td>
<td></td>
</tr>
<tr>
<td>African Union Convention on Preventing and Combating Corruption (2003)</td>
<td>Article 7.2, “Create an internal committee or a similar body mandated to establish a code of conduct and to monitor its implementation, and sensitize and train public officials on matters of ethics”</td>
<td></td>
</tr>
<tr>
<td>Asia-Pacific Economic Cooperation, Course of Action on Fighting Corruption and Ensuring Transparency (2004)</td>
<td>Chapter 1, Article 7. Subparagraph 1.b, “[A]dequate procedures for the selection and training of individuals for public positions considered especially vulnerable to corruption”</td>
<td></td>
</tr>
</tbody>
</table>

### Appendix B

Summary of Variables Used in Analyses

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Mean</th>
<th>S.D.</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception of ethical climate</td>
<td>10-item summated (average) rating scale of perceived ethical climate (see table 1 for items)</td>
<td>3.559</td>
<td>0.797</td>
<td>1–5</td>
</tr>
<tr>
<td>Supervisory</td>
<td>Holds a supervisory position</td>
<td>0.199</td>
<td>0.399</td>
<td>0–1</td>
</tr>
<tr>
<td>Pay plan</td>
<td>Executive or non-GS, nonwage pay status</td>
<td>0.114</td>
<td>0.318</td>
<td>0–1</td>
</tr>
<tr>
<td>Headquarters</td>
<td>Works at agency headquarters</td>
<td>0.447</td>
<td>0.497</td>
<td>0–1</td>
</tr>
<tr>
<td>Filing status</td>
<td>Financial disclosure filer last year</td>
<td>0.450</td>
<td>0.498</td>
<td>0–1</td>
</tr>
<tr>
<td>Work tenure</td>
<td>Categories of length of time worked for federal government</td>
<td>4.768</td>
<td>1.262</td>
<td>1–6</td>
</tr>
<tr>
<td>Familiarity</td>
<td>8-item unweighted measure (α = .906) of level of familiarity with different ethics topics</td>
<td>3.371</td>
<td>0.814</td>
<td>1–5</td>
</tr>
<tr>
<td>Training frequency</td>
<td>Categorical frequency of ethics training</td>
<td>4.259</td>
<td>1.313</td>
<td>1–6</td>
</tr>
<tr>
<td>Training breadth</td>
<td>Number of different ethics topics covered in training</td>
<td>4.978</td>
<td>2.838</td>
<td>0–8</td>
</tr>
<tr>
<td>Training effectiveness</td>
<td>Average perceived effectiveness of training methods used</td>
<td>3.188</td>
<td>1.253</td>
<td>0–5</td>
</tr>
<tr>
<td>Training methods</td>
<td>Number of different ethics training methods to which employee exposed</td>
<td>5.471</td>
<td>3.441</td>
<td>0–11</td>
</tr>
<tr>
<td>Training needs</td>
<td>Number of ethics topic areas in which employee perceived further training needs</td>
<td>1.948</td>
<td>1.979</td>
<td>0–8</td>
</tr>
<tr>
<td>Aware of officials</td>
<td>Aware that organization has formal ethics officials</td>
<td>0.915</td>
<td>0.279</td>
<td>0–1</td>
</tr>
<tr>
<td>Sought advice</td>
<td>Sought advice from organization ethics official in last two years</td>
<td>0.254</td>
<td>0.435</td>
<td>0–1</td>
</tr>
<tr>
<td>Official helpful</td>
<td>3-item summated rating scale (α = .916) of helpfulness of ethics official (i.e., in responding to questions, in explaining rationale)</td>
<td>4.240</td>
<td>0.881</td>
<td>1–5</td>
</tr>
<tr>
<td>Advice useful</td>
<td>2-item summated rating scale (α = .889) of usefulness of advice from ethics official (i.e., in making you more aware, in guiding your decisions and conduct)</td>
<td>4.027</td>
<td>0.961</td>
<td>1–5</td>
</tr>
</tbody>
</table>

Notes: Means and standard deviations are calculated based on cases included in the analyses, which is 16,311 for most variables but 4,104 for the final two variables listed.
Notes

1. The data, previously collected by the federal government, do not provide the identities of the executive branch agencies. Officials have confirmed that organizations were not chosen based on particular ethics performance issues and that the sample includes a variety of organizations in terms of size, type, and autonomy.

2. Summated rating scales are most appropriate for a unidimensional trait when the individual measurement items are ordinal (see Jacoby 1991). The underlying trait here is best thought of as a positive/negative or good/bad evaluation of the climate. A proper method for assessing the appropriateness of a summated rating scale is comparison of each item individually against the other items combined (i.e., the “restscores”) with lowess curves to ascertain whether all relationships are monotonic. All items here meet this criterion.

3. The measure stands up well to assessments of its reliability and validity. In terms of reliability, Cronbach’s alpha for the 10 items is .935. The item wording included in table 1 allows for assessment of face validity, while the diversity of ethical climate elements included in the measure argues for its content validity. Factor analyses to establish construct validity (and to test the assumption of unidimensionality) show a strong unidimensional solution for this particular combination of 10 items. Use of a principal factors solution method provides an eigenvalue of 5.969 for the single dimension, with factor loadings ranging from 0.64 to 0.85. Factor loadings produced by a confirmatory factor analysis are virtually identical, with fit indices above generally accepted levels (comparative fit index = 0.97; normed fit index = 0.97). Factor analysis was also used in establishing divergent validity of the summated rating scales. Not surprisingly, the official helpful and advice useful scales shared substantial variance. However, the two measures produced separable impacts throughout the analyses, and variance inflation factor (VIF) values were well within tolerable limits for all variables throughout all analyses.

4. Employing the centered version of the work tenure variable and its interactive term, the supervisory coefficient here represents the impact of supervisory status when work tenure is at its mean value.

5. The 7 percent figure is the result of estimating a multilevel model with only the organizational grouping of data specified and then dividing the variance of the constant by the total variance (in this case, 0.044 / (0.044 + 0.592)) and then multiplying by 100 to produce a percentage.

References


