Journal of Business Ethics (2008) 77:159–172
DOI 10.1007/s10551-006-9306-z

Ethics Programs, Perceived Corporate Social Responsibility and Job Satisfaction

Sean Valentine
Gary Fleischman

ABSTRACT. Companies offer ethics codes and training to increase employees' ethical conduct. These programs can also enhance individual work attitudes because ethical organizations are typically valued. Socially responsible companies are likely viewed as ethical organizations and should therefore prompt similar employee job responses. Using survey information collected from 313 business professionals, this exploratory study proposed that perceived corporate social responsibility would mediate the positive relationships between ethics codes/training and job satisfaction. Results indicated that corporate social responsibility fully or partially mediated the positive associations between four ethics program variables and individual job satisfaction, suggesting that companies might better manage employees' ethical perceptions and work attitudes with multiple policies, an approach endorsed in the ethics literature.

KEY WORDS: corporate social responsibility, job satisfaction, organizational ethics

Sean Valentine (D.B.A., Louisiana Tech University) is an Associate Professor of Management in the college of Business at the University of Wyoming. His teaching and research interests include business ethics, organizational behavior, and human resource management. He has published in journals such as Behavioral Research in Accounting, Journal of Business Research, Journal of Personal Selling & Sales Management, *and* Journal of Business Ethics.

Gary Fleischman (Ph.D., Texas Tech University) is an Associate Professor and is the McGee Hearne and Paiz Faculty Scholar in Accounting at the University of Wyoming. His teaching expertise is in accounting and entrepreneurship and his research interests are in business ethics and behavioral business research. He has published in journals such as Behavioral Research in Accounting, The International Journal of Accounting *and* Journal of Business Ethics.

Introduction

The efficacy of corporate social responsibility (CSR) efforts initiated by companies is noted in past work (e.g., Clarkson, 1995; Crawford and Gram, 1978; Edmunds, 1977; Fitch, 1976; Keim, 1978; McWilliams and Siegel, 2001; Tuzzolino and Armandi, 1981; Swanson, 1995, 1999; Wartick and Cochran, 1985; Wood, 1991; Zenisek, 1979). CSR involves the ''economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time'' (Carroll, 1979, p. 500). Programs that fulfill these basic expectations are developed to honor economic and social agreements between the organization and the general public, as well as to position the organization as a positive value-driven (or morally-based) entity in society (e.g., Swanson, 1995; Wartick and Cochran, 1985; Wood, 1991). CSR activity may be motivated by self-interest, societal pressures based on institutional economics (e.g., Commons, 1931; Meyer and Rowan, 1991; North, 1992), or by a desire to assist stakeholders when such help is not required and lies outside of traditional profit-making motives (Fitch, 1976; Swanson, 1995; Trevino and Nelson, 2004). Regardless of motivation, CSR efforts focus on establishing ''legitimacy'' (Wood, 1991) and '''fit' between society's expectations of the business community and the ethics of business'' (Zenisek, 1979, p. 362) to ultimately enhance the organization. In other words, social responsibility creates a symbiotic relationship based on ''give and take'' between stakeholders and companies (Tuzzolino and Armandi, 1981).

While external societal obligations drive CSR activity (Zenisek, 1979), internal considerations (or organizational characteristics) should shape a company's response to these obligations. For example, past work suggests that an organization's culture, values, and policies can prompt various actions required to satisfy stakeholders (e.g., Swanson, 1995, 1999). This is most likely accomplished by the presence of value systems and behaviors (manifested in various ethics programs) that create broad interest in ethics (e.g., Swanson, 1995; Wood, 1991; Zenisek, 1979), which enhances support for CSR as a natural extension of this approach.

There is also a growing body of literature suggesting that a firm's involvement in CSR efforts influences stakeholders' generalized reactions to the organization. Outside the company, it is widely recognized that CSR can increase investor interest, customer purchases of products offered, and positive relationships with the government (e.g., Keim, 1978; McWilliams and Siegel, 2001; Trevino and Nelson, 2004; Tuzzolino and Armandi, 1981). Inside the company, attention to CSR should enhance employees' responses to the work environment. According to McWilliams and Siegel (2001, p. 122), "Employees are another source of stakeholder demand for CSR. For example, they tend to support progressive labor relations policies, safety, financial security, and workplace amenities, such as childcare. Workers are searching for signals that managers are responding to causes they support." By satisfying employees' expectations about CSR, as well as business ethics in general, companies should expect improved job attitudes, increased productivity, and reduced turnover (e.g., Trevino and Nelson, 2004; Tuzzolino and Armandi, 1981), quite similar to the positive responses associated with an ethical culture/climate (e.g., Deshpande, 1996; Koh and Boo, 2001; Trevino et al., 1998; Valentine and Barnett, 2003).

The purpose of this study is to empirically investigate various linkages related to employees' perceptions of CSR. Of particular importance to this exploratory study is the probable positive relationship that exists between perceived CSR and corporate ethics programs (i.e., codes of conduct and ethics training). If individuals believe that their organization prescribes ethical principles, then the standards increasing attention to business ethics should prompt greater awareness of company involvement in socially responsible activities. This study also investigates whether

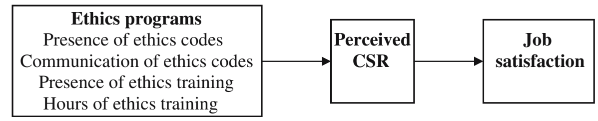

Figure 1. Hypothesized relationships.

ethics programs and perceived CSR positively impact individual work attitudes, namely job satisfaction (e.g., Turban and Greening, 1996). Job satisfaction is associated with many important organizational variables and is usually a central consideration in business research that investigates employee-based phenomena (Spector, 1997). In particular, we believe that CSR should more immediately enhance job satisfaction than will the company's ethics programs because demonstrated social responsiveness directly satisfies the employees' social requirements of the firm (see Figure 1). Assessing these relationships should support the notion that ethics programs are associated with greater perceived CSR activity in a company, and that ethics programs and CSR activity are associated with more satisfied employees.

Review of literature

Ethics programs and CSR

Organizational ethics is a company's adoption of desired ethical standards and business practices. Some companies promote an ethical culture/climate by establishing positive values that influence organizational members' ethical beliefs and actions (e.g., Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Hunt et al., 1989; Trevino, 1986; Trevino and Nelson, 2004). Other companies advance organizational ethics with codes that present ethical values and behavioral requirements (e.g., Adams et al., 2001; Farrell and Farrell, 1998; Valentine and Barnett, 2002, 2003). Still other companies develop specialized training to give employees guidance about ethics (e.g., Chen et al., 1997; Loe and Weeks, 2000; Sims, 1991; Valentine and Fleischman, 2004). Regardless of the programs utilized, the overall motivation is to improve employees' execution of work from an ethical standpoint.

A natural extension of organizational ethics is a company's involvement in CSR, which involves answering the requirements of stakeholders, with particular focus on societal issues and challenges (Carroll, 1979; Joyner and Payne, 2002; Turban and Greening, 1996; Wartick and Cochran, 1985). Wood (1991, p. 693) stated that social performance is enhanced by a company's "...configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships." This collection of practices is motivated by a firm's realized responsibilities to both internal and external stakeholders, as well as the desire to achieve competitive advantage through philanthropy (Turban and Greening, 1996).

It therefore stands to reason that ethics programs not only enhance a company's ethical culture, but also its attention to CSR. Indeed, Zenisek (1979, p. 366) claimed that a company's response to the general public's interests was based on a "business ethic" comprised of "organizational behaviors" and the "managerial attitudes as to what constitutes legitimate demands." It can be argued that a company's behaviors include recognized ethics programs (Sims, 1991), and that these programs establish attitudes about the acceptability of a company's broader ethical obligations to society. These attitudes would serve as a reference point in employees' evaluations of a company's involvement in CSR. Wood (1991, p. 700) also states that ethics training ". . . plays a role in establishing the principles that motivate [this] human behavior." Other ethics programs should also increase a company's attention to CSR. Based on these assertions, the following hypothesis is presented:

Hypothesis 1

> Ethics programs are associated with greater perceived CSR activity in a company.

Ethics programs and job satisfaction

Since individuals prefer organizations that promote business ethics (see Jose and Thibodeaux, 1999; Trevino et al., 1998; Trevino and Nelson, 2004), there is reason to believe that specific ethics programs are associated with employee attitudes such as job satisfaction. Valentine and Barnett (2003) found that sales managers' commitment to a company was higher in organizations that had an ethics code than was commitment in those organizations that did not have an ethics code. Somers (2001) also concluded that accountants' organizational commitment was higher in companies that offered an ethics code than was commitment in those companies that did not advance a code. The presence and communication of ethics codes, as well as the availability and amount of ethics training provided to employees, should therefore be positively related to job satisfaction. Based on these ideas, the following hypothesis is presented:

Hypothesis 2

> Ethics programs are associated with greater individual job satisfaction.

Mediating role of perceived CSR

While ethics programs likely enhance employees' job satisfaction, beliefs about company involvement in CSR activities should more directly influence individual responses to work. For instance, dissonance theory suggests that employees experience reduced conflict and greater satisfaction when an employer is considered to be ethical (Viswesvaran et al., 1998). The same should be true when socially responsible strategies are developed by a company to better satisfy the needs of key stakeholders (e.g., Clarkson, 1995; McWilliams and Siegel, 2001). Such efforts establish desirable goals for CSR, which should ideally enhance the congruence between the needs of the company and the needs of employees (Tuzzolino and Armandi, 1981) apart from societal demands. CSR actions should also serve to strengthen the informal contract between employees and the firm by satisfying a company's obligation to provide a desirable employment situation for its employees.

Previous research also indicates that organizational ethics yields increased job satisfaction (e.g., Deshpande, 1996; Koh and Boo, 2001; Singhapakdi et al., 1996; Vitell and Davis, 1990), and in the strong likelihood that a bridge exists between company ethics and CSR, suggests that social mindedness should also relate to such satisfaction. Shafer (2002, p. 263) noted that individuals who are pushed to behave in a questionable manner often experience ''lower levels of organizational commitment and job satisfaction which are further associated with higher turnover intentions'' (Shafer, 2002, p. 263). Additionally, ''managers report frequent pressure to compromise personal ethics to achieve corporate goals and to translate moral considerations into strictly utilitarian terms'' (Chen et al., 1997, p. 855), which can result in increased individual conflict and cognitive dissonance (D'Aquila, 2001; Shafer, 2002). These ethical challenges likely prompt increased role conflict (Sims and Keon, 1999), job strain, and organizational constraint, variables known to be negatively related to work satisfaction (Spector, 1997). Cultivating ''socially desirable'' ethical practices likely reduce such ethical conflicts, creating a work situation that yields a greater connection to the immediate job, as well as the broader organization. Based on these ideas, the following hypothesis is presented:

Hypothesis 3

> Perceived CSR activity will mediate the positive relationship between ethics programs and individual job satisfaction.

Method

Data collection

The information utilized in this study was obtained from individuals registered on Dun and Bradstreet's database that includes a subset with names and addresses of business managers. A random collection of 1,700 accounting, 850 human resources, and 850 sales and marketing professionals was identified, which totaled a working sample of 3,400 persons. These particular individuals were selected for inclusion in our sample because they encounter a variety of ethical situations in their work (e.g., Fleischman and Valentine, 2003; McClaren, 2000; Reynolds, 2000; Shafer, 2002; Wiley, 2000; Wotruba, 1990). A copy of the questionnaire (accompanied by a cover letter and postage-paid return envelope) was mailed to each individual contained in the sample. The survey contained a variety of items that were to be used in several different investigations of business ethics. Two waves of the survey were mailed to the sample members, and these two waves were separated by approximately 7 weeks. Reminder postcards were mailed approximately 8 weeks later to increase the response rate of the research.

A total of 313 completed questionnaires were returned, which yielded an overall approximate response rate of 9.3%. While this rate of return was modest, this did not adversely affect the study's effectiveness because the sample itself was large and included many different personnel and organizations. Furthermore, past research suggests that survey response rates should not always be emphasized over other issues (e.g., Hunt, 1990; Krosnick, 1999; Pew Research Center, 1998; Traugott, Groves, and Lepkowski, 1987; Visser, Krosnick, Marquette, and Curtin, 1996). Indeed, it is generally accepted that no study ''be rejected on the basis of potential nonresponse bias – no matter what the response rate is – unless there is good reason to believe that the respondents do in fact differ from the nonrespondents on the substantive issues in question and that these differences would make the results of the study unreliable'' (Hunt, 1990, p. 174). Key variable differences across the two waves were tested statistically with ANOVA using a $p < 0.10$ benchmark of significance (see Armstrong and Overton, 1977), and only mean differences in gender and job tenure ($p < 0.01$), gross salary ($p < 0.05$), and hours of ethics training ($p < 0.10$) were identified in the comparative analysis. Consequently, nonresponse bias was not considered a key concern in this study.

Participants' ages and salaries averaged approximately 46 years and slightly over $100,000 per year respectively. About 49% of participants were female, and a large segment were white (92%), married (78%), and well-educated (48% had college degrees, 36% had at least some graduate-level schooling). Many of the participants were accountants (61.1%), 20.1% worked in human resource management jobs, 4% worked in marketing jobs, and 14.9% indicated ''other'' for professional classification. More than 34% of the individuals worked in manufacturing/construction, nearly 20% worked in service, and 12% worked in wholesale/retail. Nearly 72% of the individuals were employed in firms that had 99–1,000 workers, and over 19% were employed in firms that had over 999 workers.

Measures

Ethics programs
Respondents indicated whether their company had an ethics code or ethics training with two separate questions that were rated with "1" (no) and "2" (yes). Other studies have utilized similar dichotomous scale formats to determine the presence of various ethics programs (e.g., Valentine and Barnett, 2002, 2003; Valentine and Fleischman, 2004). Individuals indicated the level of ethics code communication in a company by responding to one item, "My organization frequently and effectively communicates an ethics code to its employees." Answers were provided on a scale comprised of "1" (strongly disagree) and "7" (strongly agree). The questionnaire also asked respondents to indicate the number of hours of ethics training provided by their company in the last 3 years.

Perceived corporate social responsibility
Two items were used to measure the degree to which a company was perceived to be socially responsible from a community perspective. These items included "I work for a socially responsible organization that services the greater community," and "My organization gives time, money, and other resources to socially responsible causes." Opinions were indicated using a seven-point scale anchored by "1" (strongly disagree) and "7" (strongly agree), and higher values suggested that a company was thought to be socially responsible. Item scores were summed and divided by the total number of items in the scale. The coefficient alpha of the measure was 0.87. (Please see the appendix for explanation of key statistical terms).

Job satisfaction
Job satisfaction was measured with three items that included "All in all, I am satisfied with my job," "In general, I like working at my company," and "In general, I don't like my job" (reverse scored) (Cammann et al., 1983; Rich, 1997). Individual responses were provided on a seven-point scale comprised of "1" (strongly disagree) and "7" (strongly agree), and higher values suggested increased personal job satisfaction. Item scores were summed and divided by the total number of items in the scale. The coefficient alpha of the measure was 0.86.

Social desirability
Social desirability can be a concern in business ethics research because of the delicate topics explored (Randall and Fernandes, 1991; Zerbe and Paulhus, 1987). A 10-item Marlowe-Crowne Social Desirability Scale was therefore included in the statistical analysis as a control (Crowne and Marlowe, 1960; Fischer and Fick, 1993; Strahan and Gerbasi, 1972). Sample items included "I like to gossip at times" and "I always try to practice what I preach." Statements were coded with "0" (False) and "1" (True), and five of these items were reverse scored. Composite social desirability values were obtained by summing the ten items for a possible range of 0–10.

Other controls
Individual age, sex, and job tenure could affect ethical opinions and job satisfaction. Consequently, these demographic factors were specified as controls in the analysis. The survey contained items that measured each of these factors.

Analysis

An exploratory factor analysis was first performed to determine the factor structure and dimensionality of the CSR and job satisfaction measures. Variable descriptive statistics and correlations were then investigated. Finally, mediated regression analysis was utilized to test the mediating role of CSR in the specified relationships between the four ethics program variables and job satisfaction (Baron and Kenny, 1986). The appendix provides summary descriptions of the key statistical techniques utilized in this study.

Results

Exploratory factor analysis

Results of the exploratory "principal components" factor analysis containing CSR and JS suggested one factor with an eigenvalue of 3.20, and a total of 64.01% of the variance was explained. The factor loadings found in the rotated component matrix were above 0.76. The extraction method was therefore constrained to two factors, and another exploratory factor analysis was initiated. The results of the second model indicated that two factors emerged and a total of 83.77% of the variance was explained. The first factor (job satisfaction) had an initial eigenvalue of 3.20 and explained 64.01% of the variance, while the second factor (CSR) had an initial eigenvalue of 0.99 and explained 19.76% of the variance. All factor loadings in the rotated component matrix were above 0.81, and there were no cross-loadings in this model. Consequently, the CSR and job satisfaction variables were considered distinct contrasts because a two-factor solution seemed reasonably appropriate.

Variable descriptive statistics and correlations

Results indicated that more than half of the individuals were at companies that had an ethics code ($M = 1.56$, $SD = 0.50$), less than half were at firms that had ethics training ($M = 1.28$, $SD = 0.45$), and an average of 3.73 h of ethics training was offered. Results also showed that individuals believed their companies communicated a code relatively well ($M = 4.61$, $SD = 1.82$), with perceived high CSR ($M = 5.52$, $SD = 1.51$), and that individuals were also relatively satisfied with their work ($M = 5.86$, $SD = 1.30$). The presence of social desirability was only moderate ($M = 6.00$, $SD = 2.12$). The correlation analysis ($N = 232$) showed that age was negatively related to sex ($r = -0.21$, $p < 0.01$) and positively related to job tenure ($r = 0.54$, $p < 0.001$), social desirability ($r = 0.17$, $p < 0.05$), and job satisfaction ($r = 0.19$, $p < 0.01$). Respondent sex was also negatively related to job tenure ($r = -0.20$, $p < 0.01$), while job tenure was positively related to both hours of ethics training ($r = 0.14$, $p < 0.05$) and job satisfaction ($r = 0.14$, $p < 0.05$). The ethics program variables were highly interrelated (correlations ranged from 0.24 to 0.48, $p < 0.001$), suggesting that many companies offered a portfolio of ethics programs. The ethics program variables were also positively related to CSR (correlations ranged from 0.21 to 0.68, p values ranged from 0.000 to 0.002), indicating that such programs might enhance employees' perceptions of company support for social responsibility. Job satisfaction was also positively related to the presence of an ethics code ($r = 0.20$, $p < 0.01$), communication of an ethics code ($r = 0.43$, $p < 0.001$), hours of ethics training ($r = 0.14$, $p < 0.05$), and CSR ($r = 0.49$, $p < 0.001$), suggesting that work contentedness is partly associated with a company's demonstrated emphasis on business ethics. Respondent age was the only variable related to the social desirability measure ($r = 0.17$, $p < 0.05$), further indicating that such bias was not severe.

Mediated regression analysis

The results of the first mediated regression analysis are presented in Table I. These equations tested the mediated framework containing the presence of an ethics code variable. Equation 1a showed that the presence of an ethics code and age were positively related to CSR, and Equation 2a showed that the presence of an ethics code, age, and sex were positively related to job satisfaction. Equation 3a indicated that perceived CSR, age, and sex were positively related to job satisfaction, and that the link between an ethics code and job satisfaction was not significant in this model with a reduced effect of 0.301 ($Z = 4.11$, $p < 0.001$). Consequently, CSR fully mediated the link between the presence of an ethics code and job satisfaction.

Table II contains the results for the mediated model containing the communication of ethics code variable. Equation 1b showed that communication of an ethics code was associated with increased perceived CSR, and Equation 2b showed that communication of an ethics code, age, and sex (being female) were positively related to job satisfaction. Equation 3b showed that communication of an ethics code, perceived CSR, age, and sex were positively related to job satisfaction, but that the relationship between the communication variable and job satisfaction was weakened with a reduced effect of 0.135 ($Z = 4.45$, $p < 0.001$). These findings indicated partial mediation of the communication of ethics code-job satisfaction linkage by perceived CSR.

Table III provides a summary of the mediated regression analysis of the framework containing the presence of the ethics-training variable. Equation 1c indicated that the presence of ethics training and age variables were positively associated with CSR, and Equation 2c indicated that ethics

TABLE I

Results of mediated regression analysis for presence of ethics code, perceived CSR, and job satisfaction

Equation	Dependent variable	Independent variables	*b*	s.e.	*B*	*t*-Value	Adj. R^2	*F*-Value
(1a)	Perceived CSR	Presence of ethics code[a]	0.83	0.17	0.28	4.82***	0.08	5.74***
		Age[b]	0.02	0.01	0.16	2.31*		
		Sex[c]	0.06	0.17	0.02	0.35		
		Job tenure[b]	0.00	0.01	0.02	0.37		
		Social desirability	−0.02	0.04	−0.03	−0.52		
(2a)	Job satisfaction	Presence of ethics code[a]	0.49	0.14	0.19	3.38***	0.09	6.56***
		Age[b]	0.03	0.01	0.22	3.22**		
		Sex[c]	0.35	0.15	0.14	2.41*		
		Job tenure[b]	0.01	0.01	0.05	0.71		
		Social desirability	0.04	0.03	0.07	1.24		
(3a)	Job satisfaction	Presence of ethics code[a]	0.19	0.14	0.07	1.37	0.26	17.40***
		Perceived CSR	0.36	0.05	0.43	8.00***		
		Age[b]	0.02	.01	0.15	2.44*		
		Sex[c]	0.33	0.13	0.13	2.50*		
		Job tenure[b]	0.01	0.01	0.04	0.61		
		Social desirability	0.05	0.03	0.08	1.62		

Notes. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$; $N = 286$.
[a]1 = no, 2 = yes.
[b]In years.
[c]1 = male, 2 = female.

TABLE II

Results of mediated regression analysis for communication of ethics code, perceived CSR, and job satisfaction

Equation	Dependent variable	Independent variables	*b*	s.e.	*B*	*t*-Value	Adj. R^2	*F*-Value
(1b)	Perceived CSR	Communication of ethics code	0.52	0.04	0.63	13.35***	0.39	37.31***
		Age[a]	0.01	0.01	0.04	0.79		
		Sex[b]	0.06	0.14	0.02	0.40		
		Job tenure[a]	0.00	0.01	0.02	0.35		
		Social desirability	−0.05	0.03	−0.07	−1.46		
(2b)	Job satisfaction	Communication of ethics code	0.30	0.04	0.43	8.17***	0.23	18.51***
		Age[a]	0.02	0.01	0.14	2.26*		
		Sex[b]	0.35	0.13	0.14	2.61**		
		Job tenure[a]	0.01	0.01	0.05	0.74		
		Social desirability	0.03	0.03	0.05	0.87		
(3b)	Job satisfaction	Communication of ethics code	0.17	0.05	0.24	3.69***	0.29	20.34***
		Perceived CSR	0.26	0.05	0.30	4.74***		
		Age[a]	0.02	0.01	0.13	2.12*		
		Sex[b]	0.33	0.13	0.13	2.59*		
		Job tenure[a]	0.01	0.01	0.04	0.67		
		Social desirability	0.04	0.03	0.07	1.31		

Notes. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$; $N = 288$.
[a]In years.
[b]1 = male, 2 = female.

TABLE III

Results of mediated regression analysis for presence of ethics training, perceived CSR, and job satisfaction

Equation	Dependent variable	Independent variables	b	s.e.	B	t-Value	Adj. R^2	F-Value
(1c)	Perceived CSR	Presence of ethics training[a]	0.71	0.20	0.21	3.52***	0.04	3.55**
		Age[b]	0.02	0.01	0.15	2.17*		
		Sex[c]	0.13	0.18	0.04	0.74		
		Job tenure[b]	0.00	0.01	0.02	0.29		
		Social desirability	−0.01	0.04	−0.02	−0.28		
(2c)	Job satisfaction	Presence of ethics training[a]	0.29	0.17	0.10	1.71^	0.06	4.80***
		Age[b]	0.03	0.01	0.21	3.04**		
		Sex[c]	0.38	0.15	0.15	2.57*		
		Job tenure[b]	0.01	0.01	0.05	0.68		
		Social desirability	0.05	0.04	0.08	1.42		
(3c)	Job satisfaction	Presence of ethics training[a]	0.02	0.16	0.01	0.12	0.25	17.08***
		Perceived CSR	0.38	0.04	0.45	8.51***		
		Age[b]	0.02	0.01	0.14	2.28*		
		Sex[c]	0.33	0.13	0.13	2.50*		
		Job tenure[b]	0.01	0.01	0.04	0.61		
		Social desirability	0.05	0.03	0.09	1.73^		

Notes. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$, ^ $p < 0.10$; $N = 287$.
[a]1 = no, 2 = yes.
[b]In years.
[c]1 = male, 2 = female.

training, age, and sex (being female) were positively associated with job satisfaction. Equation 3c indicated that perceived CSR, age, and sex were associated with increased job satisfaction, and that the link between the presence of ethics training and job satisfaction variables was not significant in this model with a reduced effect of 0.273 ($Z = 3.24$, $p < 0.01$), indicating full mediation of this relationship by CSR.

The results of the final mediated regression analysis are presented in Table IV. These equations tested the mediation related to hours of ethics training. Equation 1d showed that hours of ethics training and age were positively related to perceived CSR, and Equation 2d showed that hours of ethics training, age, and sex (being female) were positively related to job satisfaction. Equation 3d indicated that perceived CSR, age, and sex were positively related to job satisfaction, and that the link between hours of ethics training and job satisfaction was not significant in this model with a reduced effect of 0.017 ($Z = 3.32$, $p < 0.001$). Consequently, perceived CSR fully mediated the link between hours of ethics training and job satisfaction.

Discussion

The results indicated that perceived CSR plays a mediating role in the relationship between ethics programs and job satisfaction. Specifically, this mediated relationship was present in four separate regression tests that included different programmatic variables: *presence of ethics codes*, *communication of an ethics code*, *presence of ethics training*, and *hours of ethics training*. A linkage was established between perceived CSR and efforts that attempt to enhance organizational ethics, which suggests that codes and ethics training might be used to enhance organizational approaches that emphasize CSR. This implication is related to Wood's (1991, p. 698) individual – level "principle of managerial discretion" that highlights an important connection between managerial ethical reasoning and a firm's focus on social performance

TABLE IV

Results of mediated regression analysis for hours of ethics training, perceived CSR, and job satisfaction

Equation	Dependent variable	Independent variables	*b*	s.e.	*B*	*t*-Value	Adj. R^2	*F*-Value
(1d)	Perceived CSR	Ethics training[a]	0.04	0.01	0.24	3.69***	0.05	3.55**
		Age[b]	0.02	0.01	0.16	2.07*		
		Sex[c]	0.20	0.20	0.07	1.03		
		Job tenure[b]	−0.01	0.01	−0.04	−0.51		
		Social desirability	−0.05	0.05	−0.07	−1.04		
(2d)	Job satisfaction	Ethics training[a]	0.02	0.01	0.15	2.22*	0.06	3.78**
		Age[b]	0.02	0.01	0.19	2.48*		
		Sex[c]	0.38	0.17	0.15	2.24*		
		Job tenure[b]	0.01	0.01	0.04	0.53		
		Social desirability	0.02	0.04	0.03	0.44		
(3d)	Job satisfaction	Ethics training[a]	0.01	0.01	0.03	0.55	0.26	14.36***
		Perceived CSR	0.40	0.05	0.46	7.88***		
		Age[b]	0.01	0.01	0.12	1.69^		
		Sex[c]	0.30	0.15	0.12	1.99*		
		Job tenure[b]	0.01	0.01	0.06	0.86		
		Social desirability	0.04	0.04	0.06	1.03		

Notes. ***$p < 0.001$, **$p < 0.01$, *$p < 0.05$, ^$p < 0.10$; $N = 232$.
[a]In hours.
[b]In years.
[c]1 = male, 2 = female.

(or outcomes). The results also indicated that ethics codes, ethics training, and perceived CSR are positively associated with employee job satisfaction, which is consistent with past work suggesting that organizational ethics is related to an individual's positive response to work and the organization (e.g., Deshpande, 1996; Jose and Thibodeaux, 1999; Koh and Boo, 2001; Trevino et al., 1998; Valentine and Barnett, 2003).

Taken as a whole, these findings contribute to the ethics literature by indicating that management should consider invigorating the ethical focus and culture of the organization with ethics codes, training, and CSR activity, which might prompt more positive beliefs about the firm, as well as the immediate work context and culture. However, the ethics literature also suggests that the benefits of these ethical approaches are synergized when supported by sound leadership and reasonable consequences for behavior (e.g., Ferrell and Gresham, 1985; Trevino and Nelson, 2004; Weaver and Ferrell, 1977), implying that perceptions of the organization and job satisfaction might be increased indirectly through the development of individual/managerial ethics. In other words, ethics codes and training signify that the company is institutionalizing an ethical culture by improving individual moral development (Trevino, 1986; Trevino and Nelson, 2004). Trevino (1986) argues that ethics training might help individuals move beyond Kohlberg's (1969) "conventional level" of moral development to a higher "principled level" based on a personal selection of ethical values, which could ultimately increase organizational ethics and CSR as these values impact managerial decisions and actions. It is essential for managers to exercise their own personal ethical beliefs in alignment with organizational ethical goals, consistent with a "principle of managerial discretion" (Wood, 1991, p. 698). Specifically, managers should operate with their own positive ethical standards that encourage them to exercise "human choice and will, focusing on the options and opportunities available" to enhance CSR objectives and outcomes (Wood, 1991, p. 700). The ethical context therefore becomes a critical "shaping element" that guides those employees' who are heavily influenced by group and company norms, and ethics programs that enhance this context might facilitate higher levels of ethical reasoning (Trevino, 1986).

Since the moral development of managers is known to influence CSR activity (Wood, 1991), organizations should deeply consider various leadership issues when promoting personnel. Specifically, companies should not only concentrate on enhancing employees' moral reasoning, but they should also consider the extent to which managerial candidates can effectively react to various work-based ethical situations (Trevino, 1986). Companies should therefore devise training workshops that focus on managerial ethical reasoning, and that utilize situation-centered vignettes and role-playing (Trevino, 1986).

However, organizational policies and programs might not be sufficient toward this aim (Wood, 1991). They must be supported by penalizing ethical indiscretions, rewarding exceptional ethical behavior (e.g., Ferrell and Gresham, 1985; Hunt et al., 1989), and leading by example (Trevino, 1986). Wood (1991) also indicated that a strong culture can enhance employees' ethical reasoning; however, if "individual ethics" are absent, organization-level policies might be insufficient to promote CSR (Wood, 1991). Indeed, "(a) company's social responsibilities are not met by some abstract organizational actor; they are met by individual human actors who constantly make decisions and choices, some big and some small, some minor and others of great consequence" (Wood, 1990; Wood, 1991, p. 699). Consequently, ethics programs should target individual ethical reasoning rather than simply promote more generalized ethical values that generate little efficacy with employees.

Based on the results of this study, an organization may wish to communicate its commitment to CSR by expanding its ethics codes and training to include elements of social responsibility. These elements could include comprehensive corporate social policies that target specific CSR activities that the firm wishes to engage. Enhancing a positive CSR-focused culture designed to encourage supervisory moral reasoning, also consistent with Wood's (1991) principles of "public responsibility" and "managerial discretion," might better influence the attitudes and perceptions of both internal and external constituents. For example, probable outcomes likely include: (1) enhanced legitimacy at the institutional level, (2) improved organizational attentiveness to public responsibility, and (3) more satisfied employees at the individual level. Such policy decisions might also enable organizations to reach higher levels of corporate social responsibility (Trevino and Nelson, 2004). Specifically, organizations would be less concerned with minimal CSR goals such as meeting legal and economic requirements and more interested in higher-level challenges such as satisfying "ethical" and "philanthropic" stakeholder obligations (Trevino and Nelson, 2004).

While this study contributes to the business ethics literature, several limitations need to be addressed. The data for the study were collected with a mailed questionnaire instrument, so same-source bias could be a limiting factor. The survey response rate was also modest, suggesting that non-response rate bias could also be an issue. Only three groups of business professionals were included in the sampling framework (however, others might have been inadvertently included in the sampling frame), which limits the ability to generalize the results to other groups. Social desirability bias was another issue, but a control was included in the analysis to reduce this concern. Finally, only subjective measures of the study's focal variables were used, and individual affect could have influenced the results.

Future research should longitudinally assess company CSR efforts using multiple objective social performance outcomes, as well as other indicators of organizational ethical context and employee job satisfaction. This comprehensive analysis should incorporate and distinguish among Wood's (1991) three principles, namely the institutional-level "legitimacy" factor, the organizational-level "public responsibility" factor, and the employee-level "managerial discretion" factor. Research should also explore the potential relationships between an organization's ethical approaches and other important work outcomes such as employees' commitment to work and the company, ethical reasoning, and performance of work. Such inquiry could shed new light on processes that might improve generalized organizational ethics, corporate CSR efforts, and employees' responses to the work context.

Appendix: Explanation of Key Statistical Terms

The authors recommend the following statistics reference textbook (Hair et al., 1998) that we find to be helpful regarding statistics-oriented questions related to behavioral ethics research. The statistical-tool descriptions provided below are taken from this text:

Hair, J. F., R. E. Anderson, R. L. Tatham, and W. C. Black: 1998, *Multivariate Data Analysis* (Prentice Hall Publishers, Upper Saddle River, New Jersey).

a. ANOVA: Stands for "Analysis of Variance". Generally, this method assesses, "on the basis of one dependent variable, whether samples are from populations with equal means" (Hair et al., 1998, p. 3) or not.
b. Coefficient alpha: This "alpha" is referring to a measure called "Cronbach's alpha," which is a "measure of reliability that ranges from 0 to 1" (Hair et al., 1998, p. 88). Generally, the lower level of tolerance for this statistic is .60.
c. Eigenvalues: The eigenvalue "represents the amount of variance accounted for by a factor" (Hair et al., 1998, p. 89).
d. Exploratory Factor Analysis: Factor analysis "is a statistical approach that can be used to analyze interrelationships among a large number of variables and to explain these variables in terms of their common underlying dimensions (factors)" (Hair et al., 1998, p. 14). In other words, it shows whether or not there are several factors (*CSR* and *Job satisfaction* variables in this paper) that account for significant variance.
e. Factor loading: This represents the "correlation between the original variables and the factors," which facilitates comprehension of the factors (Hair et al., 1998, p. 89).
f. Rotated component matrix: Rotation specifically refers to the "process where the reference axes of the factors are turned about the origin until some other position has been reached," which moves variance to different factors so that a more parsimonious factor pattern can be obtained (Hair et al., 1998, p. 106-107).
g. Mediated regression (Mediated Framework): Mediated regression analysis is a procedure that examines the presence of mediation among a set of variables (see Baron and Kenny, 1986 for discussion). This procedure requires the specification of three different regression equations: 1) independent variable → mediator variable, 2) independent variable → dependent variable, 3) independent variable and mediator variable → dependent variable. The relationships must be significant is the first two equations, as well as the relationship between the mediator variable and dependent variable in the third equations. If the independent and mediation variables are both related to the dependent variable in the third equation, then partial mediation is present if there is a noteworthy reduction in effect in the independent variable. If the independent and dependent variables are not related in the presence of the mediator variable, then full mediation exists.
h. Social desirability bias: This bias can negatively affect ethics research. As such, the measure employed in this study is utilized as a "control" variable to investigate socially acceptable responses.
i. Two-factor solution: This refers to the fact that just two factors were identified, which was based on an assessment of the most explained variance (Hair et al., 1998, p. 103).

References

Adams, J. S., A. Tashchian and T. Shore: 2001, 'Codes of Ethics as Signals for Ethical Behavior', *Journal of Business Ethics* **29**, 199–211.

Armstrong, J. S. and T. S. Overton: 1977, 'Estimating Nonresponse Bias in Mail Surveys', *Journal of Marketing Research* **14**, 396–402.

Baron, R. M. and D. A. Kenny: 1986, 'The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations', *Journal of Personality and Social Psychology* **51**(6), 1173–1182.

Cammann, C., M. G. D. Fishman Jenkins and J. R. Klesh: 1983, 'Assessing the Attitudes and Perceptions of Organizational Members', in S. Seashore, E. Lawler, H. Mirvis and C. Cammann (eds.), *Assessing Organizational Change: A Guide to methods, Measures, and Practices* (John Wiley, New York), pp. 71–138.

Carroll, A. B.: 1979, 'A Three-Dimensional Conceptual Model of Corporate Performance', *Academy of Management Review* **4**, 497–505.

Chen, A. Y., R. B. Sawyers and P. E. Williams: 1997, 'Reinforcing Ethical Decision Making through Corporate Culture', *Journal of Business Ethics* **16**, 855–865.

Clarkson, M. B. E.: 1995, 'A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance', *Academy of Management Review* **20**, 92–117.

Commons, J.: 1931, 'Institutional Economics', *The American Economic Review* **21**, 648–657.

Crawford, R. L. and H. A. Gram: 1978, 'Social Responsibility as Interorganizational Transaction', *Academy of Management Review* **3**(4), 880–888.

Crowne, D. P. and D. Marlowe: 1960, 'A New Scale of Social Desirability Independent of Psychopathology', *Journal of Consulting Psychology* **24**, 349–354.

D'Aquila, J. M.: 2001, 'Financial Accountants' Perceptions of Management's Ethical Standards', *Journal of Business Ethics* **31**, 233–244.

Deshpande, S. P.: 1996, 'The Impact of Ethical Climate Types on Facets of Job Satisfaction', *Journal of Business Ethics* **16**, 655–660.

Edmunds, S. W.: 1977, 'Unifying Concepts in Social Responsibility', *Academy of Management Review* **2**(1), 38–45.

Farrell, H. and B. Farrell: 1998, 'The Language of Business Codes of Ethics: Implications of Knowledge and Power', *Journal of Business Ethics* **17**, 587–601.

Ferrell, O. C. and L. G. Gresham: 1985, 'A Contingency Framework for Understanding Ethical Decision Making in Marketing', *Journal of Marketing* **49**, 87–96.

Fischer, D. G. and C. Fick: 1993, 'Measuring Social Desirability: Short Forms of the Marlowe–Crowne Social Desirability Scale', *Educational and Psychological Measurement* **53**, 417–424.

Fitch, H. G.: 1976, 'Achieving Corporate Social Responsibility', *Academy of Management Review* **1**(1), 38–46.

Fleischman, G. and S. Valentine: 2003, 'Professionals' Tax Liability Assessments and Ethical Evaluations in an Equitable Relief Innocent Spouse Case', *Journal of Business Ethics* **42**, 27–44.

Hunt, S. D.: 1990, 'Commentary on an Empirical Investigation of a General Theory of Marketing Ethics', *Journal of the Academy of Marketing Science* **18**, 173–177.

Hunt, S. D. and S. Vitell: 1986, 'A General Theory of Marketing Ethics', *Journal of Macromarketing* **8**, 5–16.

Hunt, S. D., V. R. Wood and L. B. Chonko: 1989, 'Corporate Ethical Values and Organizational Commitment in Marketing', *Journal of Marketing* **53**, 79–90.

Jose, A. and M. S. Thibodeaux: 1999, 'Institutionalization of Ethics: The Perspective of Managers', *Journal of Business Ethics* **22**, 133–143.

Joyner, B. E. and D. Payne: 2002, 'Evolution and Implementation: A Study of Values, Business Ethics and Corporate Social Responsibility', *Journal of Business Ethics* **41**, 297–311.

Keim, G. D.: 1978, 'Corporate Social Responsibility: An Assessment of the Enlightened Self-Interest Model', *Academy of Management Review* **3**(1), 32–39.

Koh, H. C. and E. H. Y. Boo: 2001, 'The Link Between Organizational Ethics and Job Satisfaction: A Study of Managers in Singapore', *Journal of Business Ethics* **29**, 309–324.

Kohlberg, L.: 1969, 'Stage and Sequence: The Cognitive-Developmental Approach to Socialization', in D. Goslin (eds.), *Handbook of Socialization Theory and Research* (Rand McNally, Chicago), pp. 347–480.

Krosnick, J. A.: 1999, 'Survey Research', *Annual Review of Psychology* **50**, 537–567.

Loe, T. W. and W. A. Weeks: 2000, 'An Experimental Investigation of Efforts to Improve Sales Students' Moral Reasoning', *Journal of Personal Selling and Sales Management* **20**, 243–251.

McClaren, N.: 2000, 'Ethics in Personal Selling and Sales Management: A Review of the Literature Focusing on Empirical Findings and Conceptual Foundations', *Journal of Business Ethics* **27**, 285–303.

McWilliams, A. and D. Siegel: 2001, 'Corporate Social Responsibility: A Theory of the Firm Perspective', *Academy of Management Review* **26**(1), 117–127.

Meyer, J. and B. Rowan: 1991, 'Institutional Organizations: Formal Structure as Myth and Ceremony', in P. J. DiMaggio and W. Walter (eds.), *The New Institutionalism in Organizational Analysis* (University of Chicago Press, Chicago and London), pp. 41–62.

North, D. C.: 1992, 'Institutions and Economic Theory', *American Economist* **36**, 3–6.

Pew Research Center. Opinion poll experiment reveals conservative opinions not underestimated, but racial hostility missed. Internet posting, http://www.peoplepress.org/resprpt.htm, March 27, 1998.

Randall, D. M. and M. Fernandes: 1991, 'The Social Desirability Response Bias in Ethics Research', *Journal of Business Ethics* **10**, 805–817.

Reynolds, M. A.: 2000, 'Professionalism, Ethical Codes and the Internal Auditor: A Moral Argument', *Journal of Business Ethics* **24**, 115–124.

Rich, G. A.: 1997, 'The Sales Manager as a Role Model: Effects on Trust, Job Satisfaction, and Performance of Salespeople', *Journal of the Academy of Marketing Science* **25**, 319–328.

Shafer, W. E.: 2002, 'Ethical Pressure, Organizational Conflict, and Related Work Outcomes among Management Accountants', *Journal of Business Ethics;* **38**, 263–275.

Sims, R. R.: 1991, 'The Institutionalization of Organizational Ethics', *Journal of Business Ethics* **10**, 493–506.

Sims, R. L. and T. L. Keon: 1999, 'Determinants of Ethical Decision Making: The Relationship of the Perceived Organizational Environment', *Journal of Business Ethics* **19**, 393–401.

Singhapakdi, A., S. J. Vitell, K. C. Rallapalli and K. Kraft: 1996, 'The Perceived Role of Ethics and Social Responsibility: A Scale Development', *Journal of Business Ethics* **15**, 1131–1140.

Somers, M. J.: 2001, 'Ethical Codes of Conduct and Organizational Context: A Study of the Relationship Between Codes of Conduct, Employee Behavior and Organizational Values', *Journal of Business Ethics* **30**, 185–195.

Spector, P. E.: 1997, *Job Satisfaction: Application, Assessment, Cause, and Consequences* (Sage press, Thousand Oaks).

Strahan, R. and K. C. Gerbasi: 1972, 'Short, Homogeneous Versions of the Marlowe–Crowne Social Desirability Scale', *Journal of Clinical Psychology* **28**, 191–193.

Swanson, D. L.: 1995, 'Addressing a Theoretical Problem by Reorienting the Corporate Social Performance Model', *Academy of Management Review* **20**(1), 43–64.

Swanson, D. L.: 1999, 'Toward an Integrative Theory of Business and Society: A Research Strategy for Corporate Social Performance', *Academy of Management Review* **24**(3), 508–521.

Traugott, M. W., R. M. Groves and J. M. Lepkowski: 1987, 'Using Dual Time Frame Designs to Reduce Nonresponse in Telephone Surveys', *Public Opinion Quarterly* **51**, 522–539.

Trevino, L. K.: 1986, 'Ethical Decision Making in Organizations: A Person-Situation Interactionist Model', *Academy of Management Review* **11**, 601–617.

Trevino, L. K., K. D. Butterfield and D. L. McCabe: 1998, 'The Ethical Context in Organizations: Influences on Employee Attitudes and Behaviors', *Business Ethics Quarterly* **8**, 447–476.

Trevino, L. K. and K. A. Nelson: 2004, *Managing Business Ethics: Straight Talk about How To Do It Right* 3rd edition (John Wiley and Sons, Publishers, New York).

Turban, D. B. and D. W. Greening: 1996, 'Corporate Social Performance and Organizational Attractiveness to Prospective Employees', *Academy of Management Journal* **40**, 658–672.

Tuzzolino, F. and B. R. Armandi: 1981, 'A Need-Hierarchy Framework for Assessing Corporate Social Responsibility', *Academy of Management Review* **6**(1), 21–28.

Valentine, S. and T. Barnett: 2002, 'Ethics Codes and Sales Professionals' Perceptions of Their Organizations' Ethical Values', *Journal of Business Ethics* **40**, 191–200.

Valentine, S. and T. Barnett: 2003, 'Ethics Code Awareness, Perceived Ethical Values, and Organizational Commitment', *Journal of Personal Selling and Sales Management* **23**, 359–367.

Valentine, S. and G. Fleischman: 2004, 'Ethics Training and Businesspersons' Perceptions of Organizational Ethics', *Journal of Business Ethics* **52**, 381–390.

Visser, P. S., J. A. Krosnick, J. Marquette and M. Curtin: 1996, 'Mail Surveys for Election Forecasting? An Evaluation of the Columbus Dispatch Poll', *Public Opinion Quarterly* **60**, 181–227.

Viswesvaran, C., S. P. Deshpande and J. Joseph: 1998, 'Job Satisfaction as a Function of Top Management Support For Ethical Behavior', *Journal of Business Ethics* **17**, 365–371.

Vitell, S. and D. L. Davis: 1990, 'The Relationship Between Ethics and Job Satisfaction: An Empirical Investigation', *Journal of Business Ethics* **9**, 489–494.

Wartick, S. L. and P. L. Cochran: 1985, 'The Evolution of the Corporate Social Performance Model', *Academy of Management Review* **10**(4), 758–769.

Weaver, K. M. and O. C. Ferrell: 1977, 'The Impact of Corporate Policy on Reported Ethical Beliefs and Behavior of Marketing Practitioners', in B. Greenberg and D. N. Bellenger (eds.), *Contemporary Marketing Thought* (American Marketing, Chicago).

Wiley, C.: 2000, 'Ethical Standards for Human Resource Management Professionals: A Comparative Analysis of Five Major Codes', *Journal of Business Ethics* **25**, 93–114.

Wood, D. J.: 1990, *Business and Society* (Scott, Foresman (Harper Collins), Glenview, Illinois).

Wood, D. J.: 1991, 'Corporate Social Performance Revisited', *Academy of Management Review* **16**(4), 691–718.

Wotruba, T. R.: 1990, 'A Comprehensive Framework for the Analysis of Ethical Behavior, with a Focus on Sales Organizations', *Journal of Personal Selling and Sales Management* **10**, 29–42.

Zenisek, T. J.: 1979, 'Corporate Social Responsibility: A Conceptualization Based on Organizational Literature', *Academy of Management Review* **4**(3), 359–368.

Zerbe, W. J. and D. Paulhus: 1987, 'Socially Desirable Responding in Organizational Behavior: A Reconception', *Academy of Management Review* **12**, 250–264.

Sean Valentine
Department of Management and Marketing,
University of Wyoming,
P.O. Box 3275, Laramie, WY, 82071, U.S.A.
E-mail: valentin@uwyo.edu

Gary Fleischman
Department of Accounting,
University of Wyoming,
P.O. Box 3275, Laramie, WY, 82071, U.S.A.
E-mail: Gflash@uwyo.edu