

FEATURE ARTICLES

Culture, Climate, Leadership and Ethical Behavior

Paul Hanges, University of Maryland

Jeff Lucas, University of Maryland

James Dobbs, United States Air Force Academy

Introduction

As the list of incidents that have eroded public trust in institutions in the United States has continued to grow, it has become clear that the cultures and climates of our country's organizations and institutions do not always promote ethical and moral behavior. Together, these incidents point to a crisis in leadership. Understanding how cultures and climates allow for unethical and immoral behavior requires attention to leadership because of the reciprocal relationship that exists between the cultures and climates of organizations and the behavior of leaders. On one hand, through their actions and messages, leaders drive these organizational climates and cultures. On the other, organizational climates and cultures help shape how individuals respond to leaders' behaviors. For the past several years, we have been engaged in a series of projects with colleagues to investigate relationships between culture, climate, and leadership in facilitating ethical behavior.

Paul J. Hanges, Ph.D. is Professor of Industrial/Organizational Psychology at the University of Maryland and is also the academic director of the university's new MPS (Master's in Professional Studies) in IO Psychology program. His research focuses on human resource practices, team/ organizational diversity and organizational climate, leadership, team-processes, and cross-cultural issues, and dynamical systems theory. He has published two books and written over 90 articles and book chapters. His publications have appeared in such journals as *Advances in Global Leadership*, *American Psychologist*, *Applied Psychology: An International Review*, *Journal of Applied Psychology*, *Journal of International Business Studies*, *Psychological Bulletin*, and *The Leadership Quarterly*.

Our Approach

The list of leaders who have broken the public's trust seems endless and cuts across all domains of public life (e.g., political, religious, business, military). While it is clear that unethical activities are occurring, what is needed is a framework that combines prior information and identifies new factors that cause people to commit unethical behavior. Further, while some level of unethical behavior will likely always occur, it is not clear from the literature how to reestablish the public trust destroyed by this behavior.

In our research, we have focused on the roles of organizational climate and organizational culture in facilitating ethical and moral behavior and in response to that behavior. We believed that such a focus had the capacity to contribute significantly to discussions of organizational climate, organizational culture, and leadership, particularly to understanding (a) elements of climate and culture that facilitate ethical behavior; (b) how leaders make ethical decisions and build positive climates; and (c) the behaviors of leaders that engender trust. Our research drew from psychology, sociology, management, and leadership literatures on culture, climate, and ethical leadership. As a result of our attempt to integrate these different literatures, it is important to provide common definitions of our focal terms:

- *Ethics*: Implicit and/or explicit rules of conduct enacted in a culture to guide behavior.
- *Morals*: An individual's value-laden judgments regarding behavior that should be conducted (Hare, 1982).
- *Leadership*: The ability of an individual to influence, motivate, and enable others toward achieving a common goal (House, Hanges, Dorfman, Javidan, & Gupta, 2004).
- *Climate*: A shared perception—influenced by organizational policies, practices, and procedures—that indicates what behaviors will be rewarded, supported, and expected (Ostroff et al., 2003).
- *Culture*: The values, beliefs, and traditions that guide activity in an organization.

While these terms have multiple operational definitions, our purpose in providing these definitions is to facilitate integration of different literatures and drawing conclusions from our work.

Jeff Lucas, Ph.D., is Professor of Sociology and Associate Dean for Research in the College of Behavioral and Social Sciences at the University of Maryland. His research focuses on group processes, decision making, and leadership. For the past five years he has co-led an effort with colleagues at the University of Maryland and the major military service academies to investigate issues around climate, culture, and leadership in the context of sexual assault and harassment.

James M. Dobbs, Ph.D., Lieutenant Colonel, U.S. Air Force, is the Dean of Academics at the United States Air Force Academy Preparatory School in Colorado Springs, CO. He holds a Ph.D. from the University of San Diego in leadership studies and a Master in Arts degree in counseling and human services from the University of Colorado, Colorado Springs. His research and writing addresses leadership development and self-awareness, cynicism, and systems thinking. He has taught courses in leadership, ethics, and organizational theory and behavior.

Ethical Leadership

Defining ethical leadership is not easy. Drawing from philosophical and ethics literatures and from various disciplines, Northouse (2007) identified five general types of behavior that he suggests are important for identifying an ethical leader. First, ethical leaders exhibit respect for others and are active listeners who are emphatic toward others and are tolerant of opposing views. Second, ethical leaders are oriented toward serving others and are follower-centered, placing the welfare of their followers or the broader organization foremost in their minds. Third, ethical leaders are focused on justice. Fourth, ethical leaders manifest honesty and authenticity. Finally, according to Northouse (2007), ethical leaders build community and focus on the common good and their behaviors, thereby increasing the probability that people will work together to complete common goals and purposes.

While these five behaviors appear to be comprehensive standards for ethical leaders, it is not clear that a leader has to exhibit all of these behaviors to be perceived as ethical. Indeed, there are at least three dominant theories of ethical leadership in the scientific literature and each theory defines ethical leadership using a slightly different combination of Northouse's behaviors. For example, according to Heifetz's (1994) theory, ethical leaders use their influence to help followers confront difficult issues at work. In these cases, the leader has to have established an environment that provides followers with the sense of trust, nurturance, and empathy needed to allow them to explore sensitive and threatening issues. Heifetz called this ethical leadership because the leader is focused on follower values and worked to enhance followers' personal growth. With respect to Northouse (2007), Heifetz's ethical leadership construct is a function of the first (i.e., respect for others) and second (i.e., serving others) behaviors.

A second theory of ethical leadership grew out of Burns's (1975) theory of transformational leadership. According to Burns, a leader is a person who pays attention to the values, motives, needs, and interests of followers to accomplish the goals of both the leader and the follower. Transformational leadership is a process by which the leader appeals to the higher ideals and values of followers to form a relationship that raises the level of motivation and morality in both the leader and follower. Transformational leadership can be accomplished either through the personal charisma of the leader, by expounding upon a particular vision, or by creating an ethical climate (Resick et al., 2006; Resick et al. 2009). Burns's (1975) notion of transformational leadership has been expanded into authentic leadership. Authentic leaders are individuals who are "deeply aware of how they think and behave and are perceived by others as being aware of their own and others' values/moral perspectives, knowledge, and strengths; aware of the context in which they operate; and who are confident, hopeful, optimistic, resilient, and of high moral character" (Avolio, Luthans, and Walumbwa, 2004, p. 4). Such leaders are oriented toward follower development (Gardner et al., 2005; Luthans & Avolio, 2003). The behavior of these leaders increases followers' self-awareness and pushes the followers to develop their own authenticity (Gardner et al, 2005). As followers' self-awareness increases, they start to identify with the leader and their trust in the leader grows. Once this identification with the leader begins, the confidence and optimism of the leader becomes reflected in the followers (Aiken & Hanges, 2010).

Using the Northouse (2007) behaviors, Burns's conceptualization as well as the more recent authentic leadership conceptualization seem to focus on the second (i.e., serves others), third (i.e., justice and fairness), fourth (i.e., honesty and authenticity) and fifth (i.e., building community) behaviors.

The final dominant ethical leadership theory in the literature is Greenleaf's (1970) servant leadership theory. Servant leaders are attentive to their followers' concerns and nurture their followers. They facilitate the personal growth of their followers in terms of becoming knowledgeable, autonomous, and ultimately, becoming servant leaders themselves. Interestingly, Greenleaf emphasized that servant leaders would be concerned not only with their own followers but also with any "outcasts" in the organization. True servant leaders are expected to reduce and remove social injustices to allow everyone's involvement in the organization. The ultimate goal would be for all individuals in the

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organization to experience respect and trust. The servant leader accomplishes this by practicing active listening, showing empathy, and offering acceptance of others. Comparing Greenleaf's conceptualization to Northouse's behaviors, servant leadership appears to emphasize the first (i.e., respect for others), second (i.e., orientation toward serving others), third (i.e., justice and fairness), and perhaps fifth (i.e., build community) behaviors.

The Roles Of Culture And Climate

Organizational culture and climate play important roles in determining what sorts of behaviors are deemed unethical and how people respond to unethical decisions from leaders. Each is considered each below.

Organizational/Institutional Climate

When leaders engage in unethical behavior, they do not do so in a vacuum. Unethical behavior among military leaders, for example, occurs in a climate with policies, practices, and procedures that discourage unethical conduct. When leaders behave unethically, do their behaviors set the standard for how followers will behave, or does the organizational or institutional climate interact with the leader's behavior?

Brown et al. (2005) argue that social learning is a key mechanism through which ethical behavior affects others. They propose that followers view their leaders as role models through which to identify the proper behavior in work settings. U.S. Air Force pilot Lt Col Arthur "Bud" Holland continually acted unethically and flew his planes outside of guidelines. In a chilling example, Kern (1995) describes how younger pilots began to emulate Holland's maneuvers. Holland ultimately crashed and killed four Air Force personnel. The example of Lt Col Holland demonstrates how behaviors of a leader can shape perceptions of organizational climate.

Climate is a shared perception—influenced by organizational policies, practices, and procedures—that indicates what behaviors will be rewarded, supported, and expected (Ostroff et al., 2003). An ethical climate is one in which there is a shared perception of what is correct behavior and how ethical behavior should be handled in an organization (Victor & Cullen, 1988). We can distinguish between three types of ethical climates: (a) benevolent (a caring and supportive environment), (b) principled (emphasizing standards and rules), and (c) egoistic (self-interested and individual oriented). Ostrof (2013) argues that the strongest effects on followers will occur when

leadership and climate are aligned. However, other research indicates that leaders might have particularly strong effects when they operate outside contextual expectations (House et al., 2004).

We examined relationships between organizational climate and leader behavior to determine how alignment or misalignment of unethical leader behavior with organizational climate drives follower responses to the behavior. It is proposed that organizational climate buffers against deleterious effects of unethical leader behavior.

Organizational Culture

While organizational climate refers to the day-to-day policies, practices, and procedures that guide organizational life, culture is a deeper construct referring to the personality of an organization; it is the norms and values that guide organizational activity. Culture is the foundation upon which an organization is built. The policies, practices, and procedures that reflect organizational climate sit on top of a deeper organizational culture that includes norms, values, and traditions that provide tacit approval or disapproval for various types of conduct. In our work, we independently examined how elements of culture and climate shaped ethical and/or moral behavior, as well as how they influenced responses to that behavior.

The Distinction Between Organizational Climate and Organizational Culture

Organizational climate and organizational culture are two critical concepts in the organizational literature. Both concepts focus on the meanings that organizational members have with regard to their organizations. Specifically, organizational climate has been defined as the shared meaning organizational members attach to the events, policies, practices, and procedures they experience and the behaviors they see being rewarded,

supported, and expected (Ehrhart, Schneider, & Macey, 2014). It refers to a global mental representation that people have regarding their organizational experiences, either direct experiences or observations. Climate can refer to the global representations that people have about their entire organization or their particular unit (Rentsch, 1990). Organizational culture as defined by Schein (2010), on the other hand, refers to the pattern of shared basic assumptions of the entire organization as this entity struggled to solve problems of adapting to environmental pressures as well as problems regarding how best to integrate and structure internally. The solutions to these problems are viewed by organizational leaders and its current members as having worked sufficiently and therefore tapping into some basic assumptions of human nature. So, they are taught to new members so that the new members know the “correct way to perceive, think, and feel in relation to those problems” (Schein, 2010, p18). Organizational culture focuses on the beliefs, ideologies, and values shared by organizational members but it is believed that culture exists beyond the individual (Ehrhart, et al., 2014). It is transmitted through stories and rituals told to newcomers as well as communicated by the experiences that the newcomers have.

Both organizational climate and organizational culture have focused on the abstract shared meanings that the members have. Both constructs focus on the shared meanings that people have regarding the organizational context. Both concepts have taken a gestalt or holistic approach to understanding meaning in that they emphasize the entire pattern among organizational context and they do not focus on a single contextual aspect. Finally, in both literatures, leaders play a central role in forming the context that creates these shared meanings (Schein, 2010).

However, even though these concepts have some similarities, these are historically and conceptually different (Ehrhart et al, 2014). Climate emerged from the psychological literature whereas culture came from anthropology. Climate research has a long history focusing on the strategic connection between climate and important organizational outcomes (e.g., safety, performance, diversity). Indeed, the literature is replete with evidence of significant relationships between organizational climate and organizational outcomes/behaviors. Culture, on the other hand, has classically not taken this strategic focus. Organizational climate focuses on the shared overall impression people that people have with regard to their environment whereas culture focuses on values and beliefs as well as the methods by which these myths and stories are transmitted. Culture is considered to be a broader concept because it includes inferred and observable contextual variables whereas climate focuses primarily on just observables. Finally, climate is seen as more malleable than culture and people are more cognitively aware of what the organizational climate is but they have a harder time expressing the organizational culture.

Questions

A literature review suggests a number of questions that draw from theory and research across multiple disciplines. We might consider unethical behavior as purposive. However, it is easy to bring to mind scenarios in which behaving unethically rested in inaction. At Abu Ghraib, for example, some behaved unethically by taking action that openly violated rules for how prisoners were to be treated; others behaved unethically by not reporting violations they observed. Thus, a key question in understanding relationships between culture and climate on one hand and ethical behavior on the other is the features of climate and culture that lead to the reporting of unethical behavior.

Previous work that we have done addressed the following questions:

- 1) What elements of organizational climate and culture are associated with ethical and moral behavior?
- 2) What importance do individuals place on the various behavioral determinants of ethical behavior identified by Northouse (2007)?
- 3) What elements of climate and culture encourage or discourage the reporting of unethical behavior?
- 4) What behaviors of leaders most restore trust after unethical episodes?
- 5) How do trust in leaders and likelihood to report vary by whether behavior is unethical or immoral?

Our team has spent approximately the past five years addressing these questions through a series of studies. The studies have focused on the military services and academies and have particularly focused on the issue of sexual assault and harassment, although we believe that are conclusions are relevant to all unethical counterproductive behavior. We present below the recommendations from these investigations.

Recommendations From Our Research¹

Our research showed that the leadership at the military service academies and bases take seriously and actively promote ethical leadership, ethical conduct, and the reporting of unethical behaviors. They particularly take seriously issues around sexual assault and harassment.

¹ Our project team included multiple investigators who are not authors on this paper but contributed significantly to the research and contributed to shaping these recommendations. These include Karin DeAngelis and David McCone at the United States Air Force Academy, Amy Baxter and Todd Woodruff at the United States Military Academy, Wesley Huey and Michael Norton at the United States Naval Academy, and Kelly Beavan, Debra Shapiro, and Jordan Epistola at the University of Maryland. Findings from the research projects have not yet been published.

The resultant data shows that the ethical priorities promoted at the academies and bases are validated by what we hear from students and service members. Formal cultures are clearly in place that lead to widely shared perceptions of positive values. So, the leadership should keep at what they're doing in terms of instilling values, modeling appropriate behavior, exhibiting care for followers, and promoting relationships of respect.

Another outcome of this research indicates that no single blanket approach to eliminating sexual assault and harassment will work at every institution and with every population. We believe that these findings suggest that the Department of Defense should allow more flexibility across institutions in prevention efforts. We recognize that this increased flexibility would come with costs in terms of a possibility of variability in messages that can result from decentralization, but the benefits in training being more relevant to the circumstances of trainees would offset these costs.

Our research supports an approach to training that attends more closely to informal cultures. As noted, formal cultures at the academies and bases clearly support positive values, but informal cultures have emerged that are sometimes counter to these values. We recommend that special attention be paid to how subgroups emerge, and that assessments and interventions are then tailored to subgroups with strong norms. At the academies, for example, training now happens in companies/squadrons, but we recommend that training should happen in any groups in which students spend considerable time or hold important identities. Such efforts could reduce the likelihood of the development of informal cultures that allow

daylight between the culture of the subgroup and the values of the institution.

This new research also indicates that continuing to hold trainings in higher and higher frequencies is unlikely to be a successful strategy. Rather, participants in the training should recognize the value of it to themselves in order for it to be effective. This can be accomplished in part through intentional building of the messaging in training. Additionally, training would benefit from a stronger focus on readiness. Such training would meet participants where they are and focus on how it helps them in their current and forthcoming positions.

Our research further indicates that elements of leaders that promote ethical conduct are not always part of the schema of an effective leader. These include a focus on consistency, accurate information, leadership

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that models appropriate behavior, evidence that misconduct is not tolerated among those in higher-ranking positions, and leaders taking accountability for their missteps. Additionally, followers behave ethically when they believe that leaders care about them and are subject to the same ethical standards as themselves. A

focus in leadership training and education on these characteristics should be associated with higher levels of ethical conduct and an increased likelihood to report ethical violations.

Conclusion

Organizational culture and climate has a tremendous influence on unethical and immoral behaviors of leaders. In fact, one can argue that culture, climate, and ethical behavior cannot be separated in the military, because ethical norms have been established over time and make sense to people who share the same background, language, and customs. Culture and climate play important roles in determining what sorts of behaviors are deemed unethical and how people respond to unethical decisions from leaders. Yet, despite the importance of culture and climate in organizations it can often be overlooked or disregarded when it comes to making organizational changes or understanding processes that influence objectives. As organizations continue to adapt and grow, it is imperative that leaders continue the work to better understanding the reciprocal relationship that exists between the cultures and climates of organizations and the behavior of those in positions of authority.

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