Experimental Study of Organizational Ethical Climate and Employee Silence: Based on the Theory of Psychological Expectations

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ABSTRACT

The subject of employee silence has been discussed by lots of academics because of widespread behavior that employees often remain silent when they have some ideas. Drawing on the theory of psychological anticipations, we tested the relationship between organizational ethical climate and different types of employee silence by a situational simulation experiments with 482 participants, and on this basis, we tested the mediation effect of personal sense of power. Our findings suggest that, Caring ethical climate has an negative effect on defensive silence and indifference silence; Instrumental climate has positive predictive effect on three types of employee silence; Personal sense of power full mediated the relationship between Caring climate and acquiescent silence, instrumental climate and acquiescent silence; partial mediated the influences between caring climate and acquiescent climate, instrumental climate and defensive silence, acquiescent silence.

INTRODUCTION

Employee silence is a collective phenomenon that majority of employees choose to keep their views or opinions (silence) when they faced with potential problems existed in organization (Morrison, Milliken, 2000). From the organizational perspective, front-line employees in the most direct position of production and customer care, are often the first and most easy to find problems, their silence behavior can easily brings to the organization a number of serious consequences (Fuller, 2007); From the level of individual employees, silenced behavior also reduces the employee's job involvement and initiative (Xiaotao Zhen, 2008, Xuan He, 2009). Recent years, along with more competitive organizational environment, lots of scholars have studied on the employee's silence behavior. Despite they studied from different perspectives, the conclusion that cultural environment has effect on employee silence has maintained consistent, especially that Chinese traditional thought and culture will aggravate silent behavior of employees (Rui Li, 2012), but the mechanism of the traditional ideological
and cultural influence employees silencing are less involved. So, this paper attempts to explore the mechanism of this effect based on psychological expectations theory.

Early in 1776, Keynes proposed psychological expectations theory in his book "The General Theory of Employment, Interest and Money", he pointed that people's behavior are affected by the uncertainties of external environment and personal ability, this uncertainty by acting on the people psychological expectations, then influence on people's behavior choices. In other words, people will be based on the external environment and the self-evaluate ability and then choose the decision-making behavior. Wang Junbo (2012) further verified that almost all the people's daily behavior and decision-making related to psychological expectations through empirical methods. Silence is an employee behavior; employees make such decisions must be related to their psychological expectations which depend on its assessment of the external environment and the self-ability. Therefore, we have reason to believe: employee silence is subject to the external environment and the perceived self-ability. Parker (2003) cleared organization members’ overall cognition of organization characteristics, namely an organization stable internal environment distinguishing characteristics with other organizations, and defined as organizational ethical climate. In other words, people overall environmental awareness about their organization is organizational ethical climate. When people make decisions, they will be affected by the external environment; besides, they will make assessment of self-ability which mean whether their ego strength can achieve the desired effect. When the expected self ability can achieve the desired results, there will be individual acts, and when their skills expected not work, the individual may not have the power or the low power of acts. Anderson defined personal perception of their ability to impact on others as personal sense of power. From the existing research about employee silence, on the one hand, the ethical climate to employee silence impact studies mostly focused on a particular type of an atmosphere, such as abuse management, leader-member exchange, care organizations and so on, there is less system Research; on the other hand, there are almost no studies involving the element about personal sense of power. Therefore, our study attempts make a comprehensive study of various types of organizational climate on employee silence mechanism from psychological expectations theory, combined with Victor and Cullen’s Organizational Ethics Climate summary classification.

THEORETICAL REVIEW AND RESEARCH HYPOTHESES

Organizational ethical climate and employee silence

Victor & Cullen has organized ethical climate’s classification and generalization in 1987 and 1988, identified that there are five ethical atmosphere: Instrumental oriented, caring oriented, Independence oriented, rule oriented as well as law and code oriented ethical climate (Victor and Cullen, 1988). Recent years, scholars try to organize the ethical climate types from various angles which Victor is verified, the result is that instrumental oriented, caring oriented and rule-oriented ethical climate can always get Existence verification in almost all studies (Wimbush, Shepard and Markham, 1997). Therefore, in this study, we select the instrumental oriented, rules oriented, and caring oriented these three kinds of ethical climate as organizational environment type dimensions: instrumental climate: all members of the organization
tend to think that individuals are making any decision in order to achieve the purpose of personal interests, employees can even go for personal self-interest at the expense of others, the overall interests of the team or the organization; Caring climate: all members of the organization hold the idea that the individual making any decision should not only focus on personal interests, but also going to focus on the interests of stakeholders, employee need to care for each other, in order to achieve full optimal which mean taking the interests of others as a standard to resolve ethical issues. Rules climate: all members of the organization tend to think, when making individual decisions, everyone should comply with rules and regulations, behavior which meet the organization's rules and regulations is desirable.

From the perspective of employees, Pinder & Harlos (2001) think Employee Silence means when staff have the ability to improve the situation of the organization, they were retained their ideas about new behavior, cognition or feelings. Since then research scholars mostly follows this definition. Chinese scholars Zheng Xiaotao (2008) further divided employee silence into three types in the Chinese context: the three-dimensional structure of acquiescent silence, defensive silence and indifference silence. These three types of employee silence describe not only staffs’ performance but also reasons of silence. Acquiescent silence refers to staff predict that he is no ability to change the status quo, and thus choose to remain silent; Defensive silence refers to staff avoid express their views in order to avoid some interpersonal barriers, and take self-protection formula silence for their own psychological security; indifference silence is passive reservations of their ideas because of low job involvement and organizational commitment.

The relationship between ethical climate and employee silence

For organizational ethical climate has influence on employee behavior, academia has never been negative, in fact, scholars has verified the impact of organizational ethical climate on staff misconduct, resignation behavior from different angles (Liu Wenbin, 2010). Employee silence which means that staff don’t express their opinions in the premise of finding some problems, will obviously be affected by the organization's ethical climate:

In the organizations with rules ethical climate, on the one hand it promotes employees to report work-related problems (Wimbush and Shepard, 1994), especially when there is violation of the rules and regulations of the organization occurs. On the other hand, the atmosphere usually contains punishment rules when employees violate organizational regulations. Because of this, when employees choose whether or not to reflect ideas about work-related issues, they will concern about if their decision is harmful for their colleagues. Therefore, rules ethical climate may reduce employee silence, but also has possibility to increase silence behavior. An Empirical Study of Taiwan scholars Yau-De Wang (2013) also obtained ethics rules ethical climate on staff silence is not definitive. Therefore, we hypothesize the following:

Hypothesis 1: The correlation between rules climate and employee silence is uncertain.

In the organizations with caring climate, members of the organization make decision following love and caring for others, when individuals make any decisions, not only pay attention to personal interests, but also going to focus on the interests of stakeholders. In the organization with strong caring ethical climate, the members will pay more attention to achieve the interests of others, so there are more altruism,
employees have little possibilities to remain silent when they find the problems; but in the organization with lower caring climate, members may be declined to consider others’ interests, as a result, there are less altruistic behavior, and they may choose to remain silent after finding the problem. Caring ethical climate is stronger, even though employees think they don’t have enough ability to change the status quo, but concerning for the interests of others, staff still tend to use their limited ability to help others to accomplish the job tasks. Despite the expression of opinions may generate interpersonal barriers, but because of strong altruistic behavior-oriented, they may still exhibit a lower defensive silence behavior. Previous studies have confirmed the Caring ethical climate will help improve the commitment of member organizations, the stronger the Caring ethical climate, the higher organizational commitment, employees will reduce the occurrence of indifference silence. Therefore, we hypothesize the following:

Hypothesis 2: Caring ethical climate will be negatively related to employee silence.

Instrumental ethical climate emphasize maximization of individual interests and accredited wide range of self-interest in the organization (Martin & Cullen, 2006). when an employee is about to reflect the issue is not his duty, employees prefer to remain silent; members tend to think that recommendations they make to help others achieve their interest will not be valued and appreciated (Yau-De Wang, 2013), acquiescent silence occurs; individual egoism makes more consideration to protect themselves, there isn’t likely to try to make decisions which may generate interpersonal barriers, defensive silence occurs. Ignoring the interests of others and the organization shows low organizational commitment, obviously, indifference silence will come into being. Therefore, we hypothesize the following:

Hypothesis 3: Instrumental ethical climate will be positively related to employee silence.

The mediation effect of personal sense of power

Emerson (1962) firstly defined power as a personal influence; Magee (2008) thinks power is a mental state to influence others. Anderson (2011) believes personal sense of power is the ability of individuals to have an impact on others. Elizabeth & Kelly (2015) found personal sense of power may be different with the changing of situation, which means different organizational contexts would cause employees’ different personal sense of power. Organizational Ethics Climate is one way to describe organizational context, therefore, ethical climate of the organization will have an effect on personal sense of power. Personal sense of power as a perception of individual’s influence, its difference will cause different employee behavior. A strong sense of power will directly reduce the causes of acquiescent silence, so employee would behave less acquiescent silence; individual with strong personal sense of power has a strong influence, they think that their voice behavior will lead to less risky interpersonal barriers, and have less defensive silence. Personal sense of power is the perception of individual influence, when staff perceive their own strong influence on the organization, they will produce responsibility and mission in the organization, which would enhance employees’ commitment, thereby reducing indifference silence behavior. Obviously, personal sense of power has an effect on employee silence. And there is mediation effect of personal sense of power between ethical climate and employee silence. Further, in the organization with caring ethical climate, employee
behavior based on realization of others’ interest, their behavior of making suggestions is encouraged by the organization, as a result employees tend to perceive that they have ability to change the existing state, personal sense of power will be raised:

Hypothesis 4: Caring ethical climate will be positively related to personal sense of power.

Hypothesis 5: The negative relationship between caring ethical climate and employee silence will be mediated by personal sense of power.

In the organization with instrumental climate, employee decision-making behavior is conducted to realize self-interest, whether personal interests and the interests of the organization is consistent or not, comments on the work of others are a risky behavior (Anderson & Galinsky, 2006). Besides, this climate will also reduce the possibility of adopting the views of others, so perceived ability to influence others will decrease, instrumental climate negatively effect on personal sense of power. In addition, as previously described, a sense of power will increase more risk behavior, will inhibit employee acquiescent silence, defensive silence behavior. Thus, we hypothesize the following:

Hypothesis 6: Instrumental ethical climate has a negative effect on personal sense of power.

Hypothesis 7: The positive relationship between instrumental ethical climate and employee silence will be mediated by personal sense of power.

Frame Work:

RESEARCH METHOD

Sample

Study was a laboratory simulation experiment. Participants were 482 undergraduate students of a large northeast normal university. According to data collection, we have 468 effective study participants, including male 156, accounting for 33.3%, female 292 people, accounting for 66.7%. Before the start of the experiment, the participants were randomly divided into three experimental groups.

Experiment design

The experiment was conducted in Economics and Management Experimental Center laboratory of Northeast Normal University from Dec 1 to Dec 31 in 2015, took approximately 40 minutes and divided into three steps. Participants were asked to arrive at experimental center at a fixed time, after arriving in the laboratory, participants were told that the mission of this experiment. The experimenter explained that the study
was concerned with how people make decisions, and there were some questions in different context which needed them answer according to their true thoughts.

First, participants were randomly divided into three groups, with a computer for them. Through the computer, we gave three videos with different organizational ethical climate, each video play for ten minutes in a form of telling story of members in the organization with rules climate, instrumental climate and caring climate. At the end of the video, we make a summary of special ethical climate so that we can explain the meaning of each ethical climate clearly. After this, participants were asked to fill out the ethical climate scale from Victor’s (1988) organizational ethical scale (three dimensions, 12 questions).

Next, tell participants that they are employees in the organization they saw in the video, they need to judge their own behavior and feelings (personal sense of power) in this organization. We adopted modified Anderson’s (2011) scale of personal sense of power (item 8 questions).

Third step: play videos for three groups of again, then we stressed participants’ role in the video context. After this, we conduct silencing experiments with different Scene (five roles design scenarios) in text form showing on the screen, then presented. Including: your line manager is doing a task, you find some problems of this work, the problem may make him unable to complete the work, you are hesitating if you should tell him about this problems, please score these reasons which may cause you don’t reflect problems according to the degree of influence; this section scale scale design (three dimensions, 6 questions) according to Zheng Xiaotao’s silence scale (2008).

DATA ANALYSIS AND RESULTS

Reliability and Validity

We adopted Cronbach’s \( \alpha \) coefficient to prove scale reliability through data analysis. According to a widely accepted conclusion that if Cronbach’s \( \alpha \) coefficient is equal or greater than 0.7, that means scale data analysis pass reliability test. There are 4 questions each item in organizational ethical climate scale, 2 questions, three dimensions in employee silence scale, and 8 questions in personal sense of power scale, whether the dimensions or the entire scale, the Cronbach's \( \alpha \) coefficient were greater than 0.7, indicating that the scale have good reliability.

We use SPSS 18.0 to analysis our scale validity. Through using iterative rounds of principal component factor analysis and varimax rotation to test organizational ethical climate scale’s and employee silence scale’s factor structure, the specific results are shown in Table 2.

Descriptive Statistics

After data sorting by SPSS 18.0, mean, standard deviation and correlation coefficients of the variables shown in Table 1:

Table 1. Mean, Standard Deviation, Correlations.

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From the results showed in table 1, there was not statistically significant difference between rules ethical climate and employee silence, and personal sense of power, supporting hypothesis 1. Caring climate was significantly negatively correlated with acquiescent silence, defensive silence and indifference silence, besides; it has a positive effect on personal sense of power. Instrumental climate has a significant positive correlation with acquiescent silence, defensive silence and indifference silence, but a negative effect on personal sense of power. The results provide preliminary support for our hypothesis of our study.

Hypothesis testing

We use a three-step mediation test proposed by Baron and Kenny to further test the hypothesis model: First, test the relationship between independent variables and dependent variables; then, examine the relationship between the independent variables and mediating variable. Finally, after controlling mediating variables’ effect on dependent variables, we test whether the effect of the independent variables is significant. The results are shown in Table 2 and Table 3 below:

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>s.d</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. acquiescent silence</td>
<td>14.81</td>
<td>4.06</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. defensive silence</td>
<td>13.79</td>
<td>3.94</td>
<td></td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. indifference silence</td>
<td>9.67</td>
<td>3.92</td>
<td></td>
<td></td>
<td></td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. personal sense of power</td>
<td>37.28</td>
<td>6.87</td>
<td>-12**</td>
<td>-08**</td>
<td>-09**</td>
<td>0.78</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. rules climate</td>
<td>19.60</td>
<td>4.14</td>
<td>-04</td>
<td>-04</td>
<td>-01</td>
<td>0.09</td>
<td>0.68</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. caring climate</td>
<td>20.73</td>
<td>3.95</td>
<td>-06*</td>
<td>-10**</td>
<td>-14**</td>
<td>0.38</td>
<td></td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td>7. instrumental climate</td>
<td>10.36</td>
<td>3.99</td>
<td>0.09*</td>
<td>0.18**</td>
<td>0.27**</td>
<td>-0.36**</td>
<td>0.68</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers in interchange slashes are coefficient alphas
n=468, ***p<0.001, **p<0.05, *p<0.1
To save space, the Table 2 Regression results are summarized as follows:

Table 3 Regression results are summarized as follows:

Table 3. Logistic Regression Results of Instrumental climate.

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>Personal sense of power</th>
<th>Acquiescent silence</th>
<th>Defensive silence</th>
<th>Indifference silence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M₁</td>
<td>M₂</td>
<td>M₃</td>
<td>M₄</td>
</tr>
<tr>
<td><strong>Independent variable</strong></td>
<td><strong>Instrumental climate</strong></td>
<td><strong>Mediating variable</strong></td>
<td><strong>Personal sense of power</strong></td>
<td></td>
</tr>
<tr>
<td>Instrumental climate</td>
<td>-0.358**</td>
<td>0.086*</td>
<td>0.045</td>
<td>0.184**</td>
</tr>
<tr>
<td>Personal sense of power</td>
<td>-0.118**</td>
<td>-0.113**</td>
<td>-0.082**</td>
<td>-0.063*</td>
</tr>
<tr>
<td>R²</td>
<td>0.043**</td>
<td>0.007*</td>
<td>0.040**</td>
<td>0.042**</td>
</tr>
<tr>
<td>ΔR²</td>
<td>0.043**</td>
<td>0.007*</td>
<td>0.040**</td>
<td>0.035**</td>
</tr>
</tbody>
</table>

Note: n=468, **p<0.01** p<0.05

**GENERAL DISCUSSION**

In the organization, employees often keep silence when they have the new recommendations to improve work or heighten organizational efficiency, even face with important issues, employees also remain silent, which will not let the problem be solved, and also can reduce workplace innovation behavior. Obviously, in most cases, employees silence is a negative phenomenon, is not benefit for organization long-term development. So the purpose of this paper is to study employee silence behavior through the theory of psychological expectations, here are some conclusions and recommendations as following:
Organizational Ethical Climate has an effect on Employee Silence

Our findings suggest that caring climate has significant negative correlation with employee silence, Instrumental climate has a positive effect on employee silence, rules climate does not show significant correlation with employee silence. In the organization with strong caring climate, it promotes full consideration about the interests of others which is the most standard of employee behavior, therefore, employee make more altruism behavior, namely less silence; but in the organization with high instrumental climate, employee tend to keep silence even though they have discovered some problems. Although there is uncertain correlation between rules climate and employee silence, in a particular organization, it can’t exist only one type of ethical climate, but often a strong particular atmosphere with several weaker ethical climate (Victor, 1988). Thus, in the organization, we should focus on training Caring Ethics Climate. Advocate the importance of teamwork, pay attention to cultural organizations recommendations. Reduce individualism, instrumental ethical climate. Matched with the appropriate incentives to encourage employees care organizations, care for others, to strengthen the altruistic behavior, provide a safe environment for employees to express their views so as to reduce the emergency of acquiescent and defensive silence. If the organization formed caring ethical climate, employee commitment will naturally increase, thereby reducing the occurrence of indifference silence. In addition, in business management, managers should minimize the space growing for instrumental ethic climate. Try their best to reduce the tendency of “personal heroism” in the performance appraisal and compensation design, promote teamwork oriented behavior in incentives.

Personal sense of power influence employee silence

Our findings suggest that personal sense of power not only has negative effect on three types of employee silence, but also has a mediating effect on the relationship between organizational ethical climate and employee silence. There are two important meanings: on the one hand, personal sense of power is one of the most important factors of employee silence (it’s a proof for western scholars’ point that personal sense of power is important factor of employee behavior, and it’s also a supplement to the behavior which are effected by personal sense of power); On the other hand, organizational ethical climate influence employee silence through personal sense of power. This conclusion brought to us that in management, managers should focus on employees personal sense of power, strengthen communication between managers and employees, encourage employees to participate in management, patiently listen to the
views of staff, appreciate employee's work performance in time, etc., so that they can increase self-confidence and self-perception of employees; in addition, it is necessary to carry out various forms of training, improve staff achievement motivation and ability, and thus enhance their sense of power. At the same time, managers should be aware of ethical climate will affect the employees’ sense of power, that mean if there is no suitable atmosphere for employees, their sense of power would also be lower.

REFERENCES