



Satisfied employees behave more ethically

EXECUTIVE SUMMARY

Companies are searching for new ways to foster employees' ethical behaviour and minimize the potential for reputation-damaging scandals. This study of ninety-two pairs of managers and employees at a large financial services firm found that managers seeking to enhance ethical behavior can do so by cultivating their employee's job satisfaction and encouraging them stay with the company.

BACKGROUND

Past research has not conclusively supported the expected relationship between an employee's *positive job response* (defined as job satisfaction and intent to stay) and her job performance. This paper shifts the question slightly and examines whether satisfaction and intent to stay are related to ethical job performance.

FINDINGS

- Job satisfaction and intent to stay are significantly linked to higher levels of ethical behavior. In other words, a highly satisfied employee will be more likely to make ethical business decisions on the job.
- Managers view ethical behavior as an integral part of job performance.
- Ethical conduct is one manifestation of citizenship behaviors, such as cooperating, helping, and performing other acts of altruism at work.

IMPLICATIONS FOR MANAGERS

- Cultivate job satisfaction and commitment to improve the effectiveness of traditional programs such as ethics training.
- Tell your employees what 'ethical' means in your company. They are more likely to espouse those behaviours if clear definitions are provided, e.g. through a code of conduct or training.

IMPLICATIONS FOR RESEARCHERS

The scope of this research is limited by its exclusion of job response variables (e.g. involvement or job design). Future research could identify causal links between the key variables, and explore the impact of demographics on ethical behavior. A better definition of 'ethical job performance' would help establish the boundaries for this new research.

METHODS

The authors of this study used questionnaires from ninety-two pairs of employees and managers. Employees responded to questions about their job satisfaction and intent to stay. Managers were asked to assess the employees' ethical job performance. AMOS software was used to test the proposed relationship between job response and ethical behavior.

SOURCE

Valentine, Sean, Philip Varca, Lynn Godkin, and Tim Barnett. (2010) [Positive Job Response and Ethical Job Performance](#). *Journal of Business Ethics*, 91: 195-206.

NEXT STEPS

[See more Research Insights](#) on employee engagement

[Email NBS](#) with your questions and comments

[Read our Systematic Review](#) on Stakeholder Engagement