AN EXPLORATORY STUDY OF THE CORPORATE CHARACTER
ETHICAL VALUE MATRIX (CC-EVM)

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ABSTRACT

This paper continues previous work on the 2x3 Corporate Character Ethical Value Matrix – CC-EVM. A sample of 230 employees at a regional medical facility provided responses to impressions of individual and organizational values as well as measures of job satisfaction, commitment and organizational contentment. Results show more significance with organizational measures than with individual measures.

INTRODUCTION

Earlier work presented a theory entitled the Corporate Character Ethical Value Matrix. The theory presented combines work from the trust and organizational citizenship literature to develop a six cell (two-type by three-target) matrix of instrumental values. While interviews and some qualitative analysis lend face validity to the theory much remains to be done to adequately support the theory for future research or training purposes. This paper presents results of an initial exploratory survey designed to test elements of the CC-EVM. While these results are by no means conclusive they do provide guidance for future research.

This paper will review the development of the theory, present the method used in this exploratory study and the results of the study and discuss future research directions and applications for the CC-EVM theory.

Definition of an ethical value

This work draws on Rokeach’s (1973) work on values. “A value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence” (Rokeach,1973, p. 5). Terminal values are those concerning end-states of existence or quantifiable goals. Instrumental values concern modes of conduct or behavior to reach goals. To value making a profit is a terminal value, while to value making that profit through superior performance is an instrumental value.

In short, values are guides to behavior, as well as standards by which to judge behavior. This study defines an ethical value as: an instrumental value serving as a guide or standard for ethical behavior.
THEORY: THE CORPORATE CHARACTER ETHICAL VALUE MATRIX (CC-EVM)

Corporate character as defined here is a value structure that guides individual behavior in an organizational context. The corporate character value structure consists of instrumental ethical values or areas of behavior arranged in a two dimensional matrix we will refer to as the Corporate Character Ethical Value Matrix, or CC-EVM. The two dimensions of the CC-EVM are types of behaviors and targets of behaviors. The CC-EVM theory defines two ethical behavior types and three ethical behavior targets creating six areas for ethical behavior.

The Type Dimension – Continuance and Proactive Values

Based on a distinction between helpful and non harmful behavior, Hosmer (1995), the CC-EVM theory presented in this study categorizes ethical behaviors in two types, either proactive (helpful), seeking to improve the status quo; or continuance (non-harmful), seeking only to maintain the status quo. If support exists for the CC-EVM theory, the existence of a proactive behavior (doing the right thing) or the absence of a continuance behavior (avoiding improper behavior) would explain both positive and negative modifications in the status quo.

It is critical to note that the categorization of a specific behavior may be context or role specific. If an individual’s job requires a behavior, the CC-EVM theory defines that behavior as continuance in that failure to perform that behavior has negative consequences. If the behavior is positive and not required by the individual’s job, that behavior is proactive. This dichotomy between continuance and proactive behaviors is similar in nature to that discussed in organizational citizenship behavior (OCB) literature (LePine, Erez, & Johnson, 2002).

The Target Dimension – Task, Consideration-Specific and Consideration-General Values

The other dimension of the CC-EVM is behavior targets. Ethical behavior-types classify behavior as preventing harm or doing good, ethical behavior-targets classify behavior as preventing harm or doing good to what or whom. The CC-EVM first divides targets of behavior into two major categories along the lines of the task vs. relationship dichotomy established by the Michigan and Ohio State studies (Yukl, 2005). Task targets concern behaviors toward achieving the formal goals of the organization. Behaviors which target tasks are generally measurable and clearly defined. The ethical element of task-targeted behaviors comes from the indirect effect of the task-behavior on relationships, and not a direct consequence of the task.

All business ethics deal with relationships (Arthur, 1984). To avoid confusion in terminology, the term “consideration” replaces the use of the term “relationship” as a category of behavior-targets. The organizational citizenship literature provides an additional distinction along the target dimension between local and distant consideration. Becker & Vance (1993) referred to local and distant altruism: (1)local-altruism is citizenship behavior directed at individuals with whom the acting individual has direct or face-to-face interaction, (2)distant-altruism is citizenship behavior directed at more general groups of individuals outside direct interaction. By similar logic, consideration behaviors act upon either specific or general relationships. Specific relationships involve identifiable parties whereas in general relationships individuals may be unidentified or identified with groups or vague associations. The final result of this categorization then, is a 2 x 3 matrix of values serving as types of, or guides to, ethical behaviors. The matrix contains six values organized as a value structure.
Schwartz (2002)(2005)(Schwartz, Dunfee, & Kline, 2005) draws upon ethical values suggested by Josephson(1997) (Josephson Institute of Ethics, 2008) to suggest that there are six basic values that should be incorporated in a business’s code of ethics. These values according to Schwartz et. al. are:

1. Trustworthiness (including notions of honesty, integrity, reliability, and loyalty);
2. Respect (including notions of respect for human rights);
3. Responsibility (including notions of accountability);
4. Fairness (including notions of process, impartiality and equity);
5. Caring (including notions of avoiding unnecessary harm);
6. Citizenship (including notions of obeying laws and protecting the environment). (Schwartz, 2002, pp. 29-30)

These six values or moral standards are argued to be “universal in nature, in that they can be considered of fundamental importance regardless of time, circumstance, cultural beliefs, or religious convictions.” (Schwartz, 2002, p. 30) These six values are used as labels for the CC-EVM cells, although the definitions are slightly modified from the Schwartz versions. Figure 1 shows the CC-EVM with the six labels in place. The following section will outline why the labels are places as they are.

Figure 1: The Corporate Character Ethical Values Matrix (CC-EVM)

<table>
<thead>
<tr>
<th>Targets Types</th>
<th>Task</th>
<th>Consideration-specific</th>
<th>Consideration-general</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuance (Non-Harmful)</td>
<td>Trustworthiness</td>
<td>Respect</td>
<td>Justice &amp; Fairness</td>
</tr>
<tr>
<td>Proactive (Helpful)</td>
<td>Responsibility</td>
<td>Caring</td>
<td>Citizenship &amp; Civic Virtue</td>
</tr>
</tbody>
</table>

**VARIABLES WITHIN THE CC-EVM**

**Trustworthiness: Continuance type -- Task target**

As a value or guide to behavior, trustworthiness deals with behaviors that are expected and demonstrate relevant competence at handling tasks or dealing with information, as required by the individual’s occupation. Again, this is context specific – in general one may consider either a brain surgeon or auto mechanic to be “trustworthy” but we might not “trust” the surgeon to work on our car or vice versa. This label then refers to having the ability, competence and meeting the organizational and stakeholder expectations in relation to a task.

**Responsibility: Proactive type -- Task target**

The CC-EVM theory asserts that an individual who highly values responsibility will seek to do their job well – that is to exceed expectations. The CC-EVM’s definition of responsibility also includes task behaviors that are beyond the individual’s job description, but benefit the organization. This second element of the definition is similar to the conceptualization of extra-role behaviors (Bateman & Organ, 1983).

**Respect: Continuance type -- Consideration-Specific target**

The respect value dimension guides behaviors preventing the deterioration of existing relationships. Many of these behaviors equate with social etiquette (e.g., acknowledging someone’s entrance into a
room, a cordial greeting, shaking hands). Only in the absence of these behaviors do individuals feel others are not showing respect. In the CC-EVM definition, respect is a granted rather than an earned concept.

**Caring: Proactive type -- Consideration-Specific target**

McAllister’s (1995) affective based trust “reciprocal interpersonal care and concern” (p. 25) coincides with the CC-EVM’s definition of caring. This concept is similar to the “caring” ethical climate dimension found by Victor and Cullen (1988). Wimbush and Shepard (1994) defined that dimension as follows: “In an ethical climate dominated by the “caring” dimension, employees would have a sincere interest for the well-being of each other, as well as others within and outside of the organization, who might be affected by their ethical decisions” (Wimbush & Shepard, 1994, p. 638).

The concept narrows here to include only those with whom the individual has a specific relationship. Interest in general others would align with the citizenship dimension. Caring behaviors go beyond social etiquette, extending into honest concern for improving relationships.

**Fairness: Continuance type -- Consideration-General target**

Behaviors linked to fairness seek equitable distribution of opportunities and/or outcomes. Unlike respect, fairness does not require that all the parties be identifiable – one can demonstrate fairness to a group of people without knowing them directly. As with trustworthiness and respect, it is the absence of fairness that causes the status quo to deteriorate.

**Citizenship: Proactive type -- Consideration-General target**

Both civic and organizational citizenship fit within the citizenship value definition presented here. Citizenship functions as caring extended to generalized others. Citizenship, of the six CC-EVM constructs, is the value most concerned with the overall greatest good, or utilitarian ethic.

Previous interview research related to the model identified certain potential difficulties for quantitative research related to the theory.

- The context or role specific nature of maintenance vs. proactive behaviors creates a difficulty in measuring the values that underlie the specific behaviors.

- Survey items describing behaviors need to be quite generic to avoid context specific factors, or the sample needs to be sufficiently homogeneous in terms of context and role to allow responses to be meaningfully categorized and interpreted.

- A given behavior may be guided by multiple areas of the value structure.

With this in mind, a simplified survey was developed for exploratory research to see if sufficient differentiation existed between the areas in the matrix to justify continued research.

**METHOD**

- Sample - 410 workers at a regional medical facility
253 responses: 230 usable (56% response rate)

Web Survey – Five parts

1. Agreement to participate with informed consent
2. Attitudes toward organizations including organizational contentment (21 items: Showalter, Lowry & Ewalt, 2006) and Organizational Commitment (8 items: Meyer and Allen, 1997)
3. Attitudes about their jobs in general (8 items: van Saane, Sluiter, Verbeek, & Frings-Dresen, 2003)
4. Evaluation of values related to ethical behavior about self and others in the organization (12 items: Showalter 2009)
5. Demographics (age, gender, level in the organization, tenure in the organization)

The basis for the Organizational Contentment construct relies on a forward-looking perspective, linking goals and potential outcomes. Likened to the light at the end of the tunnel, Organizational Contentment is defined as the perceived future actualization of one’s personal level of expectations within an organization. (citation removed for review purposes)

The CC-EVM areas of the matrix were assessed with 12 questions, two each (one based on perceptions of individual values and one based on perceptions of organizational values) for each of the six values in the matrix. (see Appendix A)

ANALYSIS

Several correlation matrices and regressions were run to investigate the relationships between and among the variables. A notable result is that for individual perceptions of the values of the CC-EVM (table 1) there was no significant correlation with either of the contentment variables, however there was for each of the organization perceptions of the CC-EVM (table1). Although not presented in the data shown in this paper, each of the 12 items in the CC-EVM measure correlated significantly with all the other items in the measure.

Further regression analysis is presented in tables 3 & 4. A summary of these findings is below:

For individual Values:
- An individual Value of Responsibility positively impacts Job In General scores.
  - Possible interpretation: I am dedicated to exceeding expectations, and perhaps then more optimistic about my job.
- An individual value of Respect is higher among younger people.
  - Possible interpretation: Younger people may be more concerned with maintaining positive relationships, while with age comes a recognition that relationships may become secondary to other things.

For organizational Values:
• At the continuance levels relationship values seem to be more important except for discontentment which is more affected by task concerns.
  – Possible interpretation: Meeting task expectations is assumed, the other variables improve my attitude, but if task expectations are missing, I am discontent.

• While at the proactive levels task seems to be more important
  – Possible interpretation: Improving relationships may be valued but emphasis is on the task – perhaps caring and consideration values are considered outside the workplace.

The fact that the items of the CC-EVM all significantly correlate with each other raises some serious concerns regarding the usefulness of the model for research as discriminant validity among the items is called into question. Nevertheless, the CC-EVM items as a whole do seem to function in similar ways in their relationship to contentment – specifically of note is that the values being important to individuals do not correlate with contentment or discontentment, but those reported as important to firms all correlate significantly with both. This result is of interest in what is says about how ethics influences contentment. In essence, the results may imply that it is not what the individual believes but what the firm believes (manifested in the behavior of its people) that determines my level of contentment or discontentment. Because the sample was somewhat homogeneous, we can expect that the individual values may also be somewhat homogeneous, although their perception of how the firm demonstrates its values may be different. Future research across a broader set of job categories may yield different results.

In preparing and presenting the regression results, multiple regression models were run so that for each of the dimensions the items along that dimension were included as the independent variables with the scale or demographic variable as the dependent variable. For Tables 3 and 4 an “x” indicates that the model as a whole ($r^2$) was insignificant and each of the individual variables within the model were also insignificant. Listed independent variables indicate that the variable is both significant and explained the most variance in the overall result. Of the 30 regressions run to prepare Table 3 only three developed significant regression models, although of the same number for Table 4 24 significant models emerged. Again, this reinforces the previous observation that the organizational level values have are more related to the contentment, commitment and JIG measures. Notably, while a relationship between age and individual attitudes toward respect (relationship specific/continuance) emerged, no significant relationships emerged between the organizational level values and the measured demographics, but significant relationships emerged with every organizational attitude measure. Proactive values seemed to be more influential variables, with the responsibility (proactive/task) variable having the greatest overall influence.

CONCLUSION

The CC-EVM provides a perspective for viewing business ethics and behavior, but at present the measures used are insufficient to fully support the model. It is clear that for this sample, individual’s impressions of values what are important to them and what they perceive are the values of the firm they work for function differently with the perceived values of the firm having a much greater relationship to organizational attitudes and job satisfaction. More research and better measures are needed to more fully explore this relationship.
Measuring the values is quite difficult. The matrix helps define the domains, but the relative intensity of the values within each domain remains elusive. This research takes a clear step toward testing and measuring the values with the CC-EVM. Future research should include multiple items for each of the domains within the matrix as well as the more general items used in this study.

SELECTED REFERENCES


APPENDIX 1

Listed below are a series of statements that represent possible feelings that individuals might have about the company or organization for which they work. With respect to your own feelings about the particular organization for which you are now working please indicate the degree of your agreement or disagreement with each statement by selecting one of the five alternatives beside each statement. (Answers are in a five point Likert Scale form ranging from Strongly Disagree to Strongly Agree)

- For me, it is important that I do my job in a way that meets expectations.
- For me, it is important that I do my job in a way that exceeds expectations.
- For me at work it is important that I behave in a way that maintains positive relationships with people that I know.
- For me at work it is important that I behave in a way that improves relationships with people that I know.
- For me at work it is important that I behave in a way that maintains positive interactions with and situations for people and groups that I don’t know directly.
- For me at work it is important that I behave in a way that improves interactions with and situations for people that I don’t know directly.
- For people in my organization, it is important that they do their job in a way that meets expectations.
- For people in my organization, it is important that they do their job in a way that exceeds expectations.
- For people in my organization it is important that they behave in a way that maintains positive relationships with people that they know.
- For people in my organization it is important that they behave in a way that improves relationships with people that they know.
- For people in my organization it is important that they behave in a way that maintains positive interactions with and situations for people that they don’t know directly.
- For people in my organization it is important that they behave in a way that improves interactions with and situations for people that they don’t know directly.

Contentment Scale ($\alpha = .799$)

- My job has importance in my life
- I look forward to going to work on a daily basis
- My job provides a sense of fulfillment
- I enjoy interactions with my co-workers
- The time and effort that I put into my job is worthwhile

Discontentment Scale ($\alpha = .760$)

- My boss stands in my way
- It is hard to be hopeful about the future because people in my organization have such bad attitudes
- I dread going to work every day
- I feel as if I am just going through the motions in my job
- I’ve pretty much given up trying to make suggestions for improvements in my organization
Table 1: Correlation Matrix with Individual Value Questions

<table>
<thead>
<tr>
<th></th>
<th>5CONTENTMENT</th>
<th>5DISCONTENT</th>
<th>Irtrust</th>
<th>Irresponsible</th>
<th>Irespect</th>
<th>Icare</th>
<th>Ifair</th>
<th>Icitizenship</th>
</tr>
</thead>
<tbody>
<tr>
<td>5CONTENTMENT</td>
<td>Pearson Correlation</td>
<td>0.000</td>
<td>-0.5919</td>
<td>0.0229</td>
<td>-0.0298</td>
<td>0.1095</td>
<td>0.0392</td>
<td>0.0653</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>n=230</td>
<td>n=230</td>
<td>0.734</td>
<td>0.658</td>
<td>0.104</td>
<td>0.450</td>
<td>0.562</td>
<td>0.333</td>
</tr>
<tr>
<td>5DISCONTENT</td>
<td>Pearson Correlation</td>
<td>-0.0298</td>
<td>0.0509</td>
<td>0.5712</td>
<td>0.0285</td>
<td>0.0392</td>
<td>0.0653</td>
<td>0.0114</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>n=223</td>
<td>n=223</td>
<td>0.658</td>
<td>0.743</td>
<td>0.674</td>
<td>0.856</td>
<td>0.410</td>
<td>0.867</td>
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<tr>
<td>Irrespect</td>
<td>Pearson Correlation</td>
<td>0.000</td>
<td>0.5049</td>
<td>0.5712</td>
<td>0.7209</td>
<td>0.0392</td>
<td>0.0653</td>
<td>0.0114</td>
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<tr>
<td>Sig. (2-tailed)</td>
<td>n=222</td>
<td>n=222</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
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<tr>
<td>Icare</td>
<td>Pearson Correlation</td>
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<td>0.0123</td>
<td>0.5354</td>
<td>0.7134</td>
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<td>0.0653</td>
<td>0.0114</td>
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<td>n=222</td>
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<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
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<td>Ifair</td>
<td>Pearson Correlation</td>
<td>0.0114</td>
<td>0.0560</td>
<td>0.5645</td>
<td>0.6983</td>
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<tr>
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<td>n=219</td>
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<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
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<tr>
<td>Icitizenship</td>
<td>Pearson Correlation</td>
<td>0.0489</td>
<td>0.0111</td>
<td>0.4892</td>
<td>0.7079</td>
<td>0.0392</td>
<td>0.0653</td>
<td>0.0114</td>
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<tr>
<td>Sig. (2-tailed)</td>
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Table 2: Correlation Matrix with Organizational Value Questions

<table>
<thead>
<tr>
<th>5CONTENTMENT</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>n=230</th>
</tr>
</thead>
<tbody>
<tr>
<td>5DISCONTENT</td>
<td>-0.5919</td>
<td>0.000</td>
<td>n=230</td>
</tr>
<tr>
<td>Otrust</td>
<td>0.1798 -0.2267</td>
<td>0.007 0.001</td>
<td>n=223</td>
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<tr>
<td>Oresponsible</td>
<td>0.2692 -0.2792 0.6144</td>
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<td>0.2632 -0.2072 0.5891 0.6847</td>
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<td>Ocare</td>
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<td>Ofair</td>
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<td>0.001 0.001 0.000 0.000 0.000 0.000 0.000</td>
<td>n=220</td>
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</tbody>
</table>
Table 3: Regression Analysis Results Individual Values

<table>
<thead>
<tr>
<th>Individual</th>
<th>Task</th>
<th>Relationship Specific</th>
<th>Relationship General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuance</td>
<td>Trustworthiness</td>
<td>Respect</td>
<td>Fairness</td>
</tr>
<tr>
<td>Proactive</td>
<td>Responsibility</td>
<td>Caring</td>
<td>Citizenship</td>
</tr>
</tbody>
</table>

Contentment  | x | x | x |
Discontentment | x | x | x |
Commitment    | x | x | x |
JIG           | 0.071 Responsibility (+) | x | x |
Age           | x | 0.047 Respect (-) insig | x |
Gender        | x | x | x |

Reported Significance based on F Statistic
insig indicates that while the model as a whole is significant the individual t statistic is not.
Table 4: Regression Analysis Results Organizational Values

<table>
<thead>
<tr>
<th>Organizational Task</th>
<th>Relationship Specific</th>
<th>Relationship General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuance</strong></td>
<td>Trustworthiness</td>
<td>Respect</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proactive</strong></td>
<td>Responsibility</td>
<td>Caring</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Contentment | 0.003 | respect (+) |
| Discontentment | 0.005 | Trust (-) |
| Commitment | 0.006 | respect (+) and fairness (+) both insig |
| JIG | 0.011 | respect (+) and fairness (+) both insig |
| Age | x |
| Gender | x |

| Contentment | 0.000 | responsibility (+) |
| Discontentment | 0.000 | responsibility (-) |
| Commitment | 0.001 | responsibility (+) and caring (+) both insig |
| JIG | 0.000 | responsibility (+) |
| Age | x |
| Gender | x |

Reported Significance based on F Statistic

insig indicates that while the model as a whole is significant the individual t statistic is not.