

Ethical Culture in Organizations: A Review and Agenda for Future Research

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We review and synthesize over two decades of research on ethical culture in organizations, examining eighty-nine relevant scholarly works. Our article discusses the conceptualization of ethical culture in a cross-disciplinary space and its critical role in ethical decision-making. With a view to advancing future research, we analyze the antecedents, outcomes, and mediator and moderator roles of ethical culture. To do so, we identify measures and theories used in past studies and make recommendations. We propose, *inter alia*, the use of validated measures, application of a wider range of theories, adoption of longitudinal studies, and study of group-level data in organizations. We explore research possibilities in new and emergent forms of organizations, ways of organizing work, and technology in ethical decision-making, such as the role of artificial intelligence. We also recommend the study of a broad range of leadership styles and their influence in shaping ethical cultures in organizations.

Key Words: ethical culture, moral culture, ethical organizational culture, corporate ethical virtues model (CEVM), ethical climate, ethical decision-making

The importance of organizational ethics that delivers on stakeholder expectations and promotes sustainable business practices is strongly underscored by extensive scholarly research undertaken to study ethical decision-making. Nevertheless, unethical organizational behavior is prevalent and continues to have a negative impact on organizations and stakeholders, resulting in potential legal liability and the loss of revenue (Deconinck, 2005; de Vries & van Gelder, 2015), alongside the loss of public goodwill. To gain greater insight into what causes unethical behavior, research has examined how different facets of the organizational context, including ethical culture (Kaptein, 2008; Treviño, Brown, & Hartman, 2003), ethical climate (Victor & Cullen, 1987; Martin & Cullen, 2006), ethical leadership (Brown & Treviño, 2006), and ethical infrastructure (Tenbrunsel, Smith-Crowe, & Umphress, 2003), shape ethical outcomes (Dean, Beggs, & Keane, 2010).

Although each facet of the ethical context is equally important, we argue that ethical culture deserves greater attention than it has previously gained in literature. Ethical culture has a profound impact on the ethical decision-making and behavior of managers and employees (Mayer, 2014). The construct is more predictive of (un)ethical outcomes in organizations as compared to other elements of the ethical context in organizations, such as ethical climate, that have been more widely studied (Kaptein, 2011b; Treviño & Weaver, 2003). The presence of ethical culture creates the organizational conditions and procedural aspects (Huhtala, Kaptein, Muotka, & Feldt, 2022) to act ethically. In recent times, two longitudinal studies (Huhtala, Kaptein, & Feldt, 2016; Huhtala et al., 2022) have concluded that employee and leadership well-being is directly connected with the presence of ethical culture in organizations, whereas the lack of it leads to leadership burnout and stress. We argue that there is a need to advance research on ethical culture as a construct, given the direct correlation between the presence of ethical culture and the well-being of leaders and employees in organizations. Ethical culture captures factors shaping the ethical behavior of managers and employees (Kaptein, 2011b), and organizational culture is generally more stable than ethical climate (Denison, 1996). If processes and procedures are ethical, then the other three facets of the organizational context will be able to deliver ethical organizational decision-making and outcomes.

In this article, we focus on synthesizing the existing research on ethical culture as a facet of the ethical context to provide a holistic understanding of the insights gained from prior research work. This will allow future research to respond to the increasing interest in the study of organizational ethics and ethical behavior from practitioners and academics alike. In the last decade, we have witnessed burgeoning interest from practitioners in studying ethical culture, with relevant articles appearing in numerous management outlets (see Gentile, 2021; Millar, 2019) and with a focus on guiding leadership teams (e.g., Epley & Kumar, 2019). Since 2009, there has been increasing academic interest in studying ethical culture, with more than half of the empirical papers on the topic published after 2013. Underpinning such research examining how ethical context in organizations shapes outcomes is the assumption that, as individual perceptions of what constitutes ethical/unethical behavior vary (Kish-Gephart, Harrison, & Treviño, 2010), it becomes incumbent upon organizations to provide guidance on appropriate behavior through fostering a strong ethical culture (Kaptein, 2008).

Driven by an imperative for organizations to address ethical issues, and concurrent with growing scholarly interest in the study of ethical culture in organizations, this review aims to provide a comprehensive overview of the findings to date and identify areas for future research. The present study builds on and further extends a systematic review of prior work on ethical culture and climate as seen in Mayer's (2014) book chapter. Building on Mayer, which was predominantly concerned with work on ethical climate, the present review concentrates on studies that have looked at ethical culture. Focusing solely on ethical culture in this review allows us to unpack in greater depth how ethical culture has been measured as distinct from

similar constructs, such as ethical climate, the link between ethical culture and both employee and organizational outcomes, and the development of ethical culture within an organizational context. The review also covers forty-two papers that have been published since Mayer's work in 2014.

The article is structured as follows. We commence with providing an understanding of how ethical culture has been defined, conceptualized, and measured in previous research. We examine ethical culture in a cross-disciplinary space and discuss how the study of ethical culture has developed from a wider body of research within organizational culture. We distinguish this from research on organizational climate that has informed the development of research on ethical climate. We then refer to the definition of ethical climate and distinguish it from ethical culture. The purpose of making this distinction is to recognize that these two constructs have been conflated to a degree in the extant literature (as in Kuenzi, Mayer, & Greenbaum, 2020). We therefore scrutinize and simultaneously review the foundations of both constructs. Following this, we review prior work on the antecedents and outcomes of ethical culture and its roles as moderator and mediator. This aids in developing a thorough understanding of the findings of existing research and draws attention to the key theoretical perspectives used to explain the link between ethical culture and its antecedents and outcomes. (See Figure 1 for a diagrammatic overview of the research we review and theoretical perspectives upon which we draw.) On the basis of insights from the review, we conclude by presenting an agenda for future research, targeting opportunities for theoretical and empirical advancement of the field.

UNPACKING THE DEFINITION OF *ETHICAL CULTURE*

There is no common, agreed-upon definition of *ethical culture*, with scholars often developing their own definitions, as shown in Table 1. These definitions broadly focus on how ethical issues arising in an organization are internalized and processed at either the individual or collective level and are predictive of ethical (or unethical) behavior. In other words, ethical culture captures the ethical quality of the work environment, as demonstrated by the shared values, norms, and beliefs shaping ethical or unethical behavior (Ardichvili, Mitchell, & Jondle, 2009; Kaptein, 2008). Our review also found that terminological variants like *organizational ethical culture*, *ethical organizational culture*, and *ethical business culture* have, at times, been used interchangeably in literature to refer to ethical culture. For the purposes of this review, we define *ethical culture* as a subset of organizational culture that reflects the shared values, norms, and beliefs about what constitutes appropriate behavior shaping ethical or unethical decision-making in an organizational context.

Although there has been a divergence in terms of the definitions of ethical culture prior research has used, two distinct streams have emerged in the conceptualization of ethical culture and scales designed to measure it. The first group of researchers, led by Treviño and colleagues (1998), coined the term *ethical culture* and developed the Ethical Culture Questionnaire (ECQ). The authors argued that an organization's

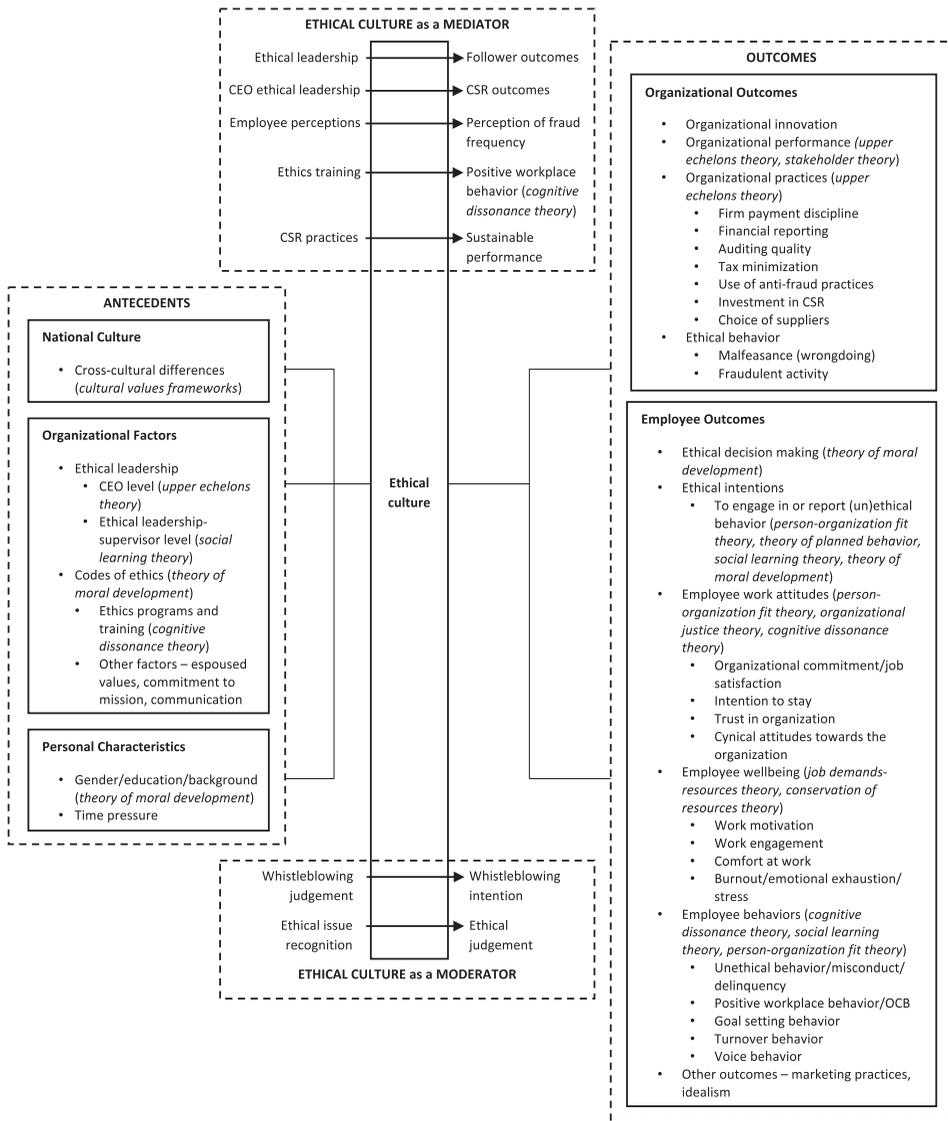


Figure 1: Overview of Prior Work

ethical culture manifests via distinct control mechanisms that form part of the formal organizational system, such as codes of ethics, leadership, and rewards and punishment. As discussed later, recent work by Kuenzi et al. (2020) reviewed the definition of ethical culture and measures utilized in the ECQ, raising some concerns.

The second group of researchers have built on foundational work by Kaptein (2008), who proposed that ethical culture is a multidimensional construct reflecting the ethical virtues residing within an organization, which in turn stimulates ethical behavior and discourages unethical behavior. Ethical virtues are characteristics that an individual or organization must possess to excel morally, as specified in the virtue-based theory of business ethics (Solomon, 1992, 1999, 2000, 2004).

Table 1: Definition and Measures of Ethical Culture

Source	Definition	Measure ^a
Hunt, Wood, and Chonko (1989: 79)	“a composite of the individual ethical values of managers and both the formal and informal policies on ethics of the organization”	5-item CEVS
Treviño, Butterfield, and McCabe (1998: 451)	“a subset of organizational culture, representing a multidimensional interplay among various ‘formal’ and ‘informal’ systems of behavioral control that are capable of promoting either ethical or unethical behavior”	21-item ECQ
Key (1999: 219)	“Ethical culture represents shared norms and beliefs about ethics within an organization.”	18-item ECQ-M
Fritz, Arnett, and Conkel (1999: 297)	“There are two major stages in framing an ethical culture—telling the story and then enforcing that story by making sure that management action is in agreement with the ethical story of the organization.”	10-item questionnaire developed by the authors to test awareness of employees about the organization’s ethical code
Douglas, Davidson, and Schwartz (2001: 107)	“the ethical environment within the firm created through management practices and espoused values”	5-item CEVS
Kaptein (2008: 923; adapted from Treviño & Weaver, 2003)	“In business ethics literature, the ethical organizational context as perceived by employees is represented primarily by two constructs: ethical climate and ethical culture... Ethical culture is usually defined as those aspects that stimulate ethical conduct.”	58-item CEVS, based on the CEVM (Kaptein, 2008)
DeBode, Armenakis, Feild, and Walker (2013: 461)	“If organizational decision makers behave unethically, structures, routines, rules, and norms will reflect this and influence the behavior of others throughout the organization, creating an unethical culture ... Because ethical cultures play an important role in higher levels of organizational effectiveness ... we can infer that unethical cultures negatively influence organizational effectiveness.”	32-item questionnaire based on a shortened version of Kaptein’s (2008) 58-item questionnaire
Jondle, Ardichvili, and Mitchell (2014; citing Ardichvili et al., 2009: 446)	“Ethical cultures are based on alignment between formal structures, processes, and policies, consistent ethical behavior of top leadership, and informal recognition of heroes, stories, rituals, and language that inspire organizational members to behave in a manner consistent with high ethical standards that have been set by executive leadership.”	30-item questionnaire pertaining to the CEBC Survey

Note. Abbreviations are as follows: CEBC, Center for Ethical Business Cultures; CEV, Corporate Ethical Values Scale; CEVM, corporate ethical virtues model; ECQ, Ethical Culture Questionnaire; ECQ-M, Ethical Culture Questionnaire–Modified.

^a See [Supplementary Appendix B](#) for scales, dimensions, and related questions.

Conducting a qualitative analysis of 150 cases of unethical employee conduct that were partly attributed to the influence of organizational ethical culture, Kaptein (2008) categorized organizational ethical culture into virtues, the presence of which are likely to reduce or prevent unethical conduct. He argued that the generic and procedural virtues capturing ethical culture can be present in any organization and differ from an ethical climate that is content oriented and therefore situation dependent. The seven specific organizational virtues Kaptein linked to an organization's ethical culture are clarity, congruence, feasibility, supportability, transparency, discussability, and sanctionability.

Understanding the Foundations: Organizational Culture versus Organizational Climate

In this section, we draw on prior research to distinguish between the concepts of organizational culture and organizational climate, with the aim of providing a foundation for the conceptualization of ethical culture. Although researchers have at times used the terms *climate* and *culture* interchangeably in their study of organizations, the consensus is that they are distinct (James et al., 2008; Turnipseed, 1988). Prior research has statistically distinguished between the two constructs through factor analysis (Glisson & James, 2002). Whereas organizational climate has been defined as the shared *meaning* attached to events, policies, practices, and procedures experienced by members of an organization, organizational culture has been defined as the shared *values, beliefs, and assumptions* that emerge through socialization between members of an organization (Ehrhart, Schneider, & Macey, 2013). In other words, whereas climate develops in a more visible and tangible way because of organizational policies, rules, and procedures, culture manifests because of interaction between members of the organization, as well as interaction with the environment, through myths, symbols, and artifacts specific to an organization (Kuenzi et al., 2020). Furthermore, whereas climate is temporal and subjective and may be influenced by individuals in positions of power, culture builds slowly over time and is rooted in an organization's history (Denison, 1996).

While acknowledging their distinctiveness, it has been debated within the literature whether the paradigmatic integration of the two constructs is possible, and if so, whether this would be useful in terms of unpacking managerial implications for organizations (discussed in Schneider, Ehrhart, & Macey, 2013). One such attempt at integration was the development of the *cultural approach* as an alternative to the structural, perceptual, and interactive perspectives commonly considered to give rise to our understanding of what constitutes an organizational climate (Moran & Volkwein, 1992). Despite the possibility of integrating the two constructs, and attempts to do so, researchers continue to study organizational climate and organizational culture separately.

A review of empirical work on both organizational climate and organizational culture in the *Journal of Applied Psychology* found that there has been greater empirical work in the journal on organizational climate than on organizational culture (Schneider, González-Romá, Ostroff, & West, 2017). This is unsurprising given the prevalence of quantitative research within this journal, together with the more tangible nature of climate relative to culture, which arguably makes climate

easier to measure and objectively capture utilizing quantitative means (Kuenzi et al., 2020). Nonetheless, it does illustrate the ongoing emphasis on climate rather than culture in empirical work in organizational settings.

Charting the Domain

Having provided an overview of organizational climate and organizational culture in the preceding sections, we briefly discuss how ethical climate has been defined in prior research. Martin and Cullen (2006: 177) define ethical climate as shared perceptions between members of an organization or part of an organization as to “what constitutes right behavior” and as arising when “members believe that certain forms of ethical reasoning or behavior are expected standards or norms for decision making within the firm.” This definition revisits Victor and Cullen’s (1987: 51) construing of ethical climate as “the shared perception of what is correct behavior and how ethical situations should be handled in an organization.”

Ethical culture and climate are key facets of the organizational ethical context. Before reviewing the literature on ethical culture, it is useful to understand where the constructs differ and overlap. The two constructs share some similarities in that they refer to shared employee perceptions about the organization’s ethical context, and they assist employees in making sense of the work environment and develop because of interactions between organizational members (Kuenzi et al., 2020). They diverge in that, whereas ethical culture focuses on how the social environment is created, ethical climate focuses on the way in which employees experience the environment through their shared interpretation of organizational policies, rules, and procedures (Mayer, 2014). The key difference between the two constructs has been well articulated in the work of Kaptein (2011a), who elucidated that, whereas ethical climate refers to employees’ perceptions about what is the right thing to do in the organization, ethical culture is procedural in that it relates to whether employees believe the conditions are in place within the organization to influence ethical behavior. Newman, Round, Bhattacharya, and Roy (2017) argue that they are separate but interrelated in that ethical culture lays the grounding conditions from which ethical climate can operate in an organization.

METHODOLOGY: SEARCH PROCESS AND INCLUSION AND EXCLUSION CRITERIA

We conducted a systematic review of research on ethical culture published from the formative work of Treviño et al. (1998) until October 2022. In line with best practice (Short, 2009), we searched for literature using key databases, such as Web of Science and Google Scholar, to identify journal articles with terms like “ethical culture,” “organizational ethical culture,” “ethical organizational culture,” “ethical business culture,” and “corporate ethical virtues model” (CEVM) in their titles, abstracts, and keywords. We further broadened our search by including “moral culture” as a search term, which unearthed only one additional article directly relevant to our current work. Although we found evidence of some empirical research on personal moral culture (e.g., Vaisey & Miles, 2014), we chose not to include these studies, as they focused on the individual and not the organization.

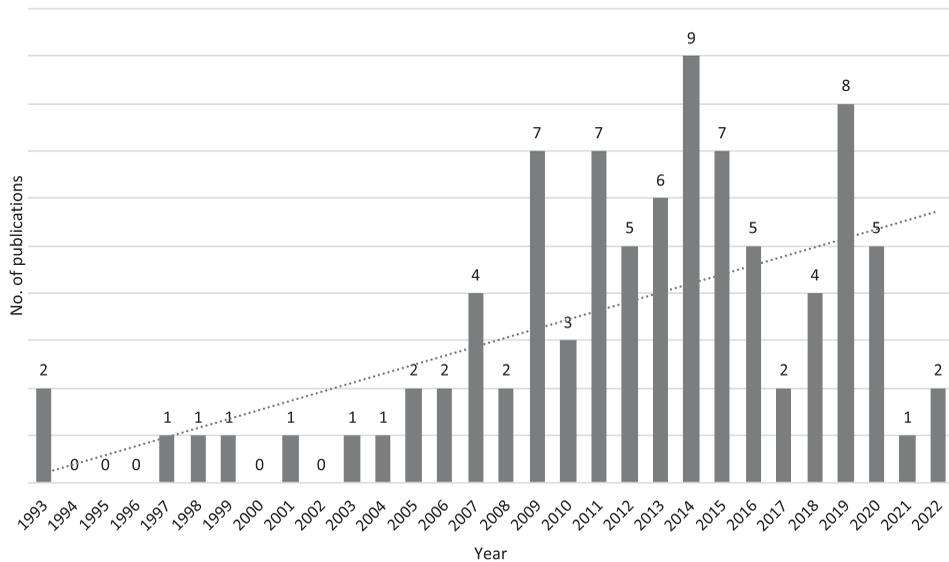


Figure 2: Number of Publications Per Year

Indeed, we found no evidence in the extant literature of any alternative conceptualizations or measures of organizational moral culture that would suggest it is a separate construct distinct from organizational ethical culture. It is therefore our contention that these two constructs are indistinguishable and that *ethical culture* is simply the prevalent nomenclature.

Relevant articles on ethical culture identified in our online search were downloaded and reviewed by two authors independently, to determine whether they met our inclusion and exclusion criteria. We included only articles written in English and published in peer-reviewed journals. Working papers, reports, websites, conference papers, unpublished manuscripts, and dissertations were excluded, as we were unable to determine whether the research had been peer reviewed. We also excluded articles that measured ethical culture using the ECQ (Victor & Cullen, 1987). This process resulted in a total of eighty-nine journal articles for inclusion in our review (see [Supplementary Appendix A](#) for a full list of the included papers). In addition, we included a book chapter (Mayer, 2014) that reviews prior work on the ethical infrastructure of organizations, including studies on both ethical climate and ethical culture. [Figure 2](#) shows the number of publications on ethical culture each year included in the review, confirming a growing interest in the study of ethical culture since 2009.

REVIEWING THE MEASURE OF ETHICAL CULTURE

Measuring Ethical Culture

In this section, we examine how ethical culture has been measured in prior empirical work. In addition, we elaborate on the key methodological concerns that result from our review on how the construct has been measured. Our research shows that several different scales have been used to measure ethical culture (see [Table 1](#)). The most popular of these are the ECQ (Treviño et al., 1998) and the Corporate Ethical Virtues Scale (CEVS) (Kaptein, 2008, 2009).

Drawing on the interactionist model (Treviño, 1990), which examines how individual and situational variables interact to influence ethical decision-making, Treviño et al. (1998: 453) defined ethical culture as “formal and informal control systems (e.g., rules, reward systems, and norms) that are aimed more specifically at influencing behaviour.” Based on the previous work of Treviño (1990), Treviño et al. (1998) developed the twenty-one-item ECQ to measure organizational ethical culture. The questionnaire comprises a unidimensional scale measuring the “overall ethical environment” to capture formal and informal policies and practices that support ethical behavior within organizations (such as ethical leadership, norms, reward systems, and codes of conduct). Abbreviated versions of the ECQ have been widely used in subsequent research, including Key’s (1999) Ethical Culture Questionnaire–Modified (ECQ-M). While the ECQ has been extensively used, Kuenzi et al. (2020) contend that it is not an appropriate scale to measure ethical culture but should instead be used as an instrument to measure ethical climate, albeit with limitations, which they claim to have addressed with their Ethical Organizational Climate Scale, which builds on the ECQ.

Drawing on the virtue-based theory of business ethics, the fifty-eight-item CEVS was developed later by Kaptein (2008, 2009). The CEVS adopts a multidimensional conceptualization of organizational ethical culture comprising eight dimensions (Table 2).

The CEVS has been tested and validated in subsequent studies across different cultural contexts and nations, namely, Finland (e.g., Huhtala, Feldt, Hyvönen, & Mauno, 2013; Huhtala, Feldt, Lämsä, Mauno, & Kinnunen, 2011; Huhtala et al., 2016; Riivari, Lämsä, Kujala, & Heiskanen, 2012), Lithuania (e.g., Novelskaitė, 2014; Novelskaitė & Pučėtaitė, 2014), and South Africa (van Wyk & Badenhorst-Weiss, 2019), and in diverse languages, including Spanish (Toro-Arias, Ruiz-Palomino, & Rodríguez-Córdoba, 2021).

A shorter version of the fifty-eight-item CEVS scale developed by DeBode et al. (2013), comprising thirty-two items, captures the same eight dimensions as the

Table 2: Virtues Underpinning Measurement of Ethical Culture

Dimension	Refers to
Clarity	Clear statement of expectations of ethical conduct by employees
Congruency of management	Demonstration of ethical behavior by senior management
Congruency of supervisors	Ethical behavior by supervisors
Supportability	Organizational support for ethical behavior by employees and management
Feasibility	Organizational conditions that enable employees to comply with normative expectations
Discussability	Organizational opportunities to discuss ethical dilemmas and issues and alleged unethical behavior
Sanctionability	Rewards and punishment for ethical and unethical behavior, respectively
Transparency	The degree to which both employee and management conduct and its consequences are perceptible

original CEVS. The shorter version of the scale, called the Short Form (CEV-SF) or CEV-32, has been validated in three independent studies in English, Finnish, and Spanish (Cabana & Kaptein, 2021; Huhtala et al., 2022; Toro-Arias et al., 2021). It is encouraging that DeBode et al. (2013) validated a shorter version of the original CEVS. This affords the possibility for scholars to consider shortening the length of the scales for future research, which has its pros and cons and may offer some benefits in conducting research (for a detailed discussion on the relevance and benefits of shorter scales, see Hinkin, 1995). We recommend that future research consider development of multiple versions of the scale, depending on a researcher's goals. For example, it may be possible to create a valid and reliable version that has three items per dimension and another that takes the highest loading item from each dimension and creates a simpler, seven-item measure of overall ethical culture. If it is found to work, for example, to predict outcomes well, then it will be more usable in survey research. It would be particularly helpful to researchers surveying teams in organizations. If a researcher were interested in a particular dimension's effect, the researcher could use the longer version, which can include multiple items per dimension.

In concluding our discussion of measuring ethical culture, we note that the conceptualization of ethical culture in measurement scales is based on individual employees' perceptions of ethical culture within an organization. Both scales predominantly used to measure ethical culture so far (Kaptein, 2008; Treviño et al., 1998) have typically measured the construct at the individual level. Therefore it is difficult to determine whether individual responses reflect the ethical culture in the team or organization; that is, are these the shared perceptions of the culture in the organization? In other words, the term ethical culture analyzed in most of the scholarly works covered in this article represents the notion of "perceived ethical culture" at the individual level. To be precise, the individual-level responses should not be interpreted as reflecting shared values, norms, and beliefs, unless we do not study the aggregation of perceived ethical culture to the group or department level in an organization. This is a major flaw in most of the research on ethical culture. Only a limited number of papers have adopted aggregated measures. For example, Duh, Belak, and Milfelner (2010) considered aggregation of the "core values" of an organization as a whole rather than as individual employee perceptions. Although they did not use the term *ethical culture*, their treatment of organizational core values can be interpreted as an aggregated approach to measuring culture. Their study focused on family-owned vis-à-vis nonfamily businesses with an underlying premise that an organization-wide conglomeration of values is more likely in family-owned businesses because of the superimposition of family values on the organizational values in ultimately shaping the organization's culture. However, even Duh et al. conflated ethical climate and ethical culture to a degree, as they went on to use Victor and Cullen's (1987) ethical climate scale in conjunction with other standard instruments to determine the type and strength of organizational culture. Given the definition of ethical culture as "shared perceptions of what constitutes appropriate behavior" (Martin & Cullen, 2006), we suggest that future research needs to draw on aggregation of individual

employee perceptions to at least a group level so that the group-level perceptions of ethical culture can be captured.

Methodological Concerns

Our systematic review raised several methodological concerns with the extant literature on ethical culture in relation to its definition and measurement. First, despite the development of validated scales to measure ethical culture, thirty-two out of eighty-nine quantitative articles used the CEVS or an abbreviated or modified version (DeBode et al., 2013; Kaptein, 2008, 2009) and eighteen used the ECQ or an abbreviated or modified version (Key, 1999; Treviño et al., 1998), while others failed to draw on established validated measures of ethical culture. Instead, these studies developed their own ad hoc scales or combined items from different scales (e.g., Ardichvili, Jondle, & Kowske, 2012; Park & Blenkinsopp, 2013; Sweeney, Arnold, & Pierce, 2010), without adequately evaluating the construct validity of the scales before applying them. In [Table 1](#) and [Supplementary Appendix B](#), we highlight the key scales used to measure ethical culture, along with the dimensions and related questions.

Although efforts have been made to distinguish between measures of ethical climate and measures of ethical culture (Kaptein, 2011b; Treviño et al., 1998), we have yet to determine the relative strength of the CEVS in predicting ethical outcomes in the workplace compared to the ECQ or other scales. Another methodological weakness relates to limited work examining the relative explanatory power and predictive validity of the CEVS (Kaptein, 2008) and other scales, such as the ECQ (Treviño et al., 1998), within a single study.

Our review found very few longitudinal studies that capture the influence of ethical culture on organization- or employee-level outcomes (e.g., Huhtala et al., 2016; Huhtala et al., 2022; Kangas, Kaptein, Huhtala, Lämsä, Pihlajasaari, & Feldt, 2018; Kaptein, 2009). As a result, it becomes difficult to determine causality between ethical culture and its antecedents and outcomes over time. Future work should draw on longitudinal panel data to determine how ethical culture changes across time in response to the dynamic nature of the organizational environment.

Finally, in concluding our discussion of methodological concerns, we raise the question of theoretical alignment and choice of methods in the study of ethical culture. Drawing on broader organizational culture and climate research, the two can be distinguished based on epistemology, point of view, and methodology (Denison, 1996). These differences inevitably lead to a variation in research methods. We notice a predominant use of qualitative methods to study organizational culture as compared to the extensive use of quantitative methods to study organizational climate. However, the current review found a predominant use of quantitative methods to study ethical culture. One could argue, considering these findings, that not only is there greater scope for qualitative methods in the study of ethical culture (consistent with the organizational culture approach) but also the use of quantitative methods to study ethical culture is incongruous with the ontology and epistemology of the phenomenon. Similar questions have been raised in the broader organizational research domain, with the assertion that quantitative measures of

culture capture espoused values or behavioral norms and “not the full richness of the construct” (Schneider et al., 2013: 375), and there has been a suggestion that cultural measurement should shift to “reflections” and “explanations” captured through natural language (Schneider et al., 2013: 379). Given the aforesaid, it seems appropriate that ethical culture researchers are explicit about the theoretical perspectives they adopt, including assumptions about knowledge and the nature of being. In other words, they should clarify their ontological and epistemological positions, select methods aligned with these, and be transparent about the implications of these choices in terms of research outcomes.

ANTECEDENTS OF ETHICAL CULTURE AND ETHICAL CULTURE AS A MEDIATOR

In this section, we refer to prior research on the antecedents of ethical culture and the role of ethical culture as a mediator. We find that there is limited work in these two areas, especially related to the mediating role of ethical culture. In the following section, we examine the main groups of antecedents, such as national culture, ethical leadership, codes of ethics, ethics programs and training, and personal characteristics, followed by a subsection that focuses on the mediating role of ethical culture (see [Figure 1](#) for a diagrammatic representation of these findings).

National Culture

Drawing on cultural values frameworks, the link between national culture and ethical culture in organizations has been explored in a small number of studies. Ardichvili, Jondle, Kowske, Cornachione, Li, and Thakadipuram (2012) found no significant differences in perceived ethical culture, as measured by their own eight-item scale, between managers and employees from BRIC (Brazil, Russia, India, and China) nations and no significant differences between managers and employees from the United States and BRIC countries. In contrast, Burnaz, Atakan, Topcu, and Singhapakdi (2009) found significant differences in employees’ perceptions of ethical culture, where American and Turkish respondents perceived their companies to have stronger ethical culture than Thai respondents.

Organizational Factors

Ethical and Authentic Leadership

The most widely examined antecedent of ethical culture has been ethical leadership (Brown & Treviño, 2006; Brown, Treviño, & Harrison, 2005). Quantitative research has found a strong link between ethical leadership and ethical culture as measured by the CEVS (Eisenbeiss, van Knippenberg, & Fahrback, 2015; Huhtala, Kangas, Lämsä, & Feldt, 2013) and ECQ (Sagnak, 2017; Schaubroeck et al., 2012). This is not surprising, given the ethical leader’s focus on role-modeling and encouraging ethical behavior. However, the use of the CEVS measure in this empirical work is problematic, as many of the items used to capture various dimensions of corporate ethical values refer to the leader role-modeling ethical behavior to subordinates and encouraging and directing subordinates to act in an ethical manner. These measures

and items are akin to those in the ethical leadership scale. There are also overlaps in some items between the ECQ and ethical leadership scales. As a result, in their work using the ECQ, Schaubroeck et al. (2012) explicitly excluded one item in the ethical leadership scale because of its overlap with the ECQ.

Qualitative work has also examined the role leadership plays in fostering ethical culture in organizations. For example, drawing on high-profile cases, Thoms (2008) argued that there was a strong link between ethical leadership and organizational ethical culture, labeled as “organizational moral culture” by the author. On the basis of interviews with senior managers in the United States, Bowen (2015) demonstrated the need for CEOs to adopt an authentic leadership style to develop an ethical culture in their organizations. She also stressed that leaders should foster ethical discussion around the core values of the organization, model exemplar behavior, and develop reward or incentive systems. Similarly, qualitative research from Armenakis, Brown, and Mehta (2011) with senior US managers illustrated the role leaders play in developing organizational ethical culture. Fernandez and Camacho (2016) also identified strong leadership as a key factor behind the development of an ethical culture in Spanish small and medium enterprises (SMEs).

In examining the mediating influence of ethical culture on the link between ethical leadership and individual and firm-level outcomes, researchers have drawn on several theoretical perspectives. To explain the influence of ethical leadership of the CEO on firm-level outcomes through fostering an ethical culture, researchers have typically drawn on upper echelons theory (Hambrick & Mason, 1984), which suggests that firm-level outcomes reflect the psychology of senior management. In contrast, to explain the influence of ethical leadership on individual-level outcomes through fostering an ethical organizational culture, researchers have drawn on theoretical perspectives like Schein’s (1985) organizational culture framework (e.g., Schaubroeck et al., 2012) and Bandura’s (1971) social learning theory (e.g., Huhtala, Feldt et al., 2013; Huhtala, Kangas et al., 2013; Sagnak, 2017).

Codes of Ethics

Researchers have also explored whether the presence of codes of ethics in organizations fosters an ethical culture. In quantitative work, researchers have drawn on theoretical frameworks like the theory of moral development (Kohlberg, 1984; Rest, 1979) to explore how codes of ethics shape individuals’ perceptions of an ethical culture in their organizations. For example, using a single item to measure perceptions of ethical culture among 899 students from three US universities, Desplaces, Melchar, Beauvais, and Bosco (2007) found that students’ perceptions of their institutions’ codes of ethics were positively related to their perceptions of an ethical culture. Experimental research on students and academic staff from a university in Germany found that when the code of ethics was presented in a positive tone, participants were more likely to believe that their peers would comply with the code, and a code signed by top managers sends a strong signal of their commitment to the code (Stober, Kotzian, & Weißenberger, 2019). In this study, the authors defined ethical culture as perceptions of peer compliance and top management’s commitment to compliance with codes of ethics. In a study of employees from the

US advertising industry, Nwachukwu and Vitell (1997) found that in organizations with a formal code of ethics, individuals perceived advertisements to be more ethical than did individuals in organizations without a formal code of ethics. This was contrary to what the authors had expected, suggesting that codes of ethics do not necessarily make people more ethically aware. The aforementioned studies loosely deal with examining the presence of a code of ethics as an antecedent of ethical culture and ethical perceptions emanating from that but do not adopt robust measures of ethical culture. Nevertheless, we have included these three studies in our review to encourage future research on how the presence of a code of ethics impacts the ethical culture of an organization.

Ethics Programs and Training

Several quantitative studies have examined the link between the provision of ethics programs and ethics training by organizations and employees' perceptions of ethical culture. For example, Park and Blenkinsopp (2013) examined whether South Korean public sector employees' awareness of different components of an ethics program, including their participation in ethics training, influenced their perceptions of a strong ethical culture and subsequently of reduced misconduct. They found that all elements of the ethics program (familiarity with the code of ethics, participation in ethics training, awareness of mechanisms for advice, awareness of a hotline for reporting, awareness of discipline for violators, and awareness that the organization evaluates ethical conduct) were positively associated with their perceptions of a strong ethical culture. The authors measured ethical culture in terms of the leadership's attention to ethics, follow-up on ethical concerns, accountability for adhering to ethical rules, and employee awareness of ethics issues. Similarly, Kaptein (2009) found a strong link between employees' awareness of different components of an ethics program in their organizations and their perceptions of organizational ethical culture as measured by the CEVS. He noted that employee awareness of all elements of the ethics program (code of ethics, ethics office, ethics training and communications, monitoring and auditing of ethics, ethics hotline, incentives and reward policies for ethical conduct, policies to hold staff accountable for unethical conduct, and response policies for unethical conduct), except for preemployment screening on ethics, was positively related to overall perceptions of an ethical culture. In addition, when examining the link between awareness of different dimensions of ethics programs and the different dimensions of ethical culture in the CEVS, he found that, except for the dimensions of feasibility and supportability, all dimensions of ethical culture were significantly related to ethics programs. Drawing on a sample of employees in the Korean financial sector, Suh, Shim, and Button (2018) found that employees' perceptions of investment in antioccupational fraud, defined as the use of one's occupation for personal gain through the misuse or misapplication of the organization's resources or assets, enhanced their perceptions of an ethical culture as captured by a three-item scale developed for the purposes of the study.

Qualitative work has also shown the importance of ethics programs to ethical culture in organizations. Irwin and Bradshaw (2011) found that the introduction of an ethics ambassador network in organizations in the United States and United

Kingdom resulted in the development of an ethical culture. Greasley (2007) found that a combination of formal mechanisms, such as a code of conduct, and informal mechanisms was influential in developing an ethical culture in UK local government.

Other Organizational Factors

Qualitative work has been undertaken to study certain other organizational factors. Craft (2018) demonstrated a link between the espoused values of the organization and the development of an ethical culture. He found that although incongruent enacted values were present in the culture, their negative impact was diminished by a larger number of congruent enacted values. He also noted an intense employee commitment to the mission as the defining feature of the organization's ethical business culture. Qualitative work by Jovanovic and Wood (2006) calls attention to the importance of communication in developing an organizational ethical culture. In their study, based on Denver, Colorado, employee interviews relating to ethics initiatives undertaken by the city, the authors noted how new codes of ethics, ethics training, and formal documentation of ethics resulted in the development of an ethical culture. A recent study based on 120 SMEs in Colombia by Cortes-Mejia, Cortes, and Herrmann (2022) revealed that CEO humility with a decision to decentralize the top management team's decision-making fosters an ethical organizational culture, especially when employees across the organization participate in strategic decision-making. In their study, the authors used upper echelons theory (Hambrick & Mason, 1984) and the nine-item scale adapted by Wu, Kwan, Yim, Chiu, and He (2015) from the original scale developed by Key (1999).

Personal Characteristics

Researchers have explored the link between employees' personal characteristics and their perceptions of an organization's ethical culture. Karaköse and Kocabaş (2009) studied the influence of demographic characteristics on teachers' perceptions of ethical culture in the Turkish education system. They found that female employees teaching science in higher education tended to rate ethical culture as higher in their organizations, as captured by self-report measures developed for the purposes of the study. Drawing on the theory of moral development (Kohlberg, 1984; Rest, 1979), Pierce and Sweeney (2010) examined demographic factors of auditors' perceptions of ethical culture in their organizations using Hunt et al.'s (1989) five-item scale. They found that female employees with postgraduate education working at larger audit firms tended to rate ethical culture as higher in their organizations. In a study of accountants, Svanberg and Öhman (2013) found that those who experienced greater time budget pressure, defined as the pressure accountants felt to bill more for their time, were more likely to have negative perceptions of their organizations' ethical culture. This in turn led to lower-quality audits.

Mediating Role of Ethical Culture

The mediating role of ethical culture has been examined in only six out of eighty-nine studies. Drawing on samples of Turkish teachers and US Army personnel,

respectively, both Sagnak (2017) and Schaubroeck et al. (2012) found that ethical culture, as measured by the ECQ, mediated the link between ethical leadership and follower outcomes, including voice behavior, ethical cognition, and ethical behavior. In their study of US Army personnel, Schaubroeck et al. (2012) aggregated the self-report data captured using the ECQ to both the unit (squad) and the organizational (company) level. Their findings confirm that leaders influence followers' cognition and behavior through ethical culture at different hierarchical levels. Similarly, Ullah, Hameed, Kayani, and Fazal (2022) and Wu et al. (2015) found that ethical culture as measured by the ECQ-M (Key, 1999) mediated the link between the CEOs' ethical leadership and corporate social responsibility (CSR) outcomes in Pakistani and Chinese organizations, respectively. Wu et al. (2015) also found that the mediated relationship is accentuated by CEO founder status and firm size.

Ethical culture mediates the link between employees' perceptions of investment in antioccupational fraud and the perceived frequency of occupational fraud, as noted in Suh et al. (2018). In another study, based on 175 managers in thirty construction firms, Kancharla and Dadich (2020) found that ethics training fostered an ethical culture (measured by the ECQ), as well as mediating the positive link between ethics training and positive workplace behavior. In doing so, they drew on cognitive dissonance theory (Festinger, 1942), which shows how individuals respond to situations in which they feel mental discomfort due to conflicting attitudes, beliefs, or behaviors, and by altering the attitudes, beliefs, or behaviors, they reduce the discomfort. In other words, ethics training leads to dissonance reduction. Drawing on data from employees in Chinese and Pakistani SMEs, Waheed and Zhang (2022) found that CSR practices fostered a strong ethical culture as captured by the ECQ and that ethical culture mediated the link between CSR practices and sustainable organizational performance.

OUTCOMES OF ETHICAL CULTURE

Compared to its antecedents, the outcomes of ethical culture have received the major share of research attention. Outcomes examined in prior work include organizational outcomes, ethical decision-making and intentions, work attitudes, motivation engagement and well-being, and employee behaviors. Figure 1 provides a diagrammatic overview of the outcomes of ethical research and indicates in italics the key theories underpinning this research.

Organizational Outcomes

Burgeoning research has looked at the link between ethical culture and organizational outcomes, including organizational innovation and performance. Across several quantitative studies, Riivari and colleagues found a strong, direct link between ethical culture as captured by the CEVS and various measures of organizational innovation in both Finnish and Lithuanian organizations (Pučėtaitė, Novelskaitė, Lämsä, & Riivari, 2016; Riivari & Lämsä, 2014; Riivari et al., 2012). Of all the dimensions of ethical culture in the CEVS, congruency of management seemed to exert the strongest effects on organizational innovativeness (Riivari & Lämsä, 2014;

Riivari et al., 2012). Qualitative work based on thirty-nine organizational interviews by Riivari and Lämsä (2019) confirmed that the presence of organizational ethical virtues of feasibility, discussability, and supportability, along with congruency of management, which are measures of ethical culture, do support organizational innovativeness. Van der Wal and Demircioglu (2020), in their study of the Australian Public Service Commission (survey data set $n = 80,316$), noted a strong link between ethical culture at both the organization and workgroup level and innovation in working groups.

The presence of ethical culture influences organizational performance. Eisenbeiss et al. (2015) found that although ethical culture captured by the CEVS is positively associated with firm performance, it was only influential in fostering firm performance when there was a strong corporate ethics program in place. Waheed and Zhang (2022) noted a strong link between ethical culture as captured by the ECQ and the sustainable competitive performance of Chinese and Pakistani SMEs. Qualitative work has also examined the link between ethical culture and firm performance. Jurkiewicz (2007) found that absence of an ethical culture contributed to and exacerbated administrative failure among organizations during and after Hurricane Katrina in the US state of Louisiana. In explaining the link between ethical culture and performance, researchers have drawn on theories like upper echelons theory (Hambrick & Mason, 1984) and stakeholder theory (Freeman, 2010).

Researchers have also begun to look at how ethical culture influences organizational practices. Drawing on data from Slovenia, Šalamon, Milfelner, and Belak (2016) examined the link between different subdimensions of ethical culture under the CEVS and firm payment discipline, that is, the extent to which firms pay on time. Although they found a positive link between the sanctionability and feasibility dimensions of ethical culture and firm payment discipline, they found a negative link between the transparency dimension and payment discipline. Qualitative work has also established that ethical culture has a positive influence on the financial reporting practices of insurance companies (Chariri, 2009). In addition, Svanberg and Öhman (2013) established that different dimensions of ethical culture as measured by the ECQ improved the quality of auditing. Shafer and Simmons (2011) examined the link between ethical culture captured by the ECQ and accountants' use of tax minimization strategies. They found that accountants who worked in organizations with ethical cultures characterized by strong ethical norms and incentives were less likely to engage in tax minimization strategies in a high-moral intensity case. In contrast, in a low-moral intensity case, employees working in organizational ethical cultures where managers were unethical and rewarded unethical behavior were more likely to engage in tax minimization strategies. Suh and Shim (2020) found that ethical culture influenced the use of corporate antifraud strategies, as perceived by employees, through supporting the development of whistleblowing policies in organizations.

In recent years, researchers have found a strong connection between ethical culture and investment in organizational CSR, investors' evaluations of CSR practices, and choice of suppliers based on social and environmental criteria (Stuart, Beddard, & Clark, 2020; Ullah et al., 2022; Wu et al., 2015). Recent research has

also established that different dimensions of an organization's ethical culture have significant influence on how purchasing managers account for social and environmental criteria when selecting suppliers (Goebel, Reuter, Pibernik, & Sichtmann, 2012). There has been limited use of theory in explaining the correlation between ethical culture and organizational practices. A couple of studies, however, have drawn on upper echelons theory to examine how, through fostering ethical culture, ethical leadership influenced organizations' adoption of CSR practices (Ullah et al., 2022; Wu et al., 2015).

Researchers have also examined the connection between ethical culture and ethical outcomes at the organizational level. Webb (2012) found that the promotion of some dimensions of ethical culture, as captured by the CEVS, was linked to reduced levels of malfeasance in the US prison service. Kaptein (2011b) found a link between an aggregated measure of ethical culture captured by the CEVS and employees' aggregated perceptions of unethical behavior at the firm level. Suh et al. (2018) found a strong association between ethical culture and employees' perceptions around the frequency of fraudulent activity in their organization.

Employee Outcomes

Ethical Decision-Making

Researchers have begun to study the influence of ethical organizational cultures on employees' ethical decision-making. Drawing on data from employees in a US financial services firm, Valentine, Nam, Hollingworth, and Hall (2014) found a positive link between ethical culture, as captured by the ECQ, Hunt et al.'s (1989) five-item scale, and various components of ethical decision-making. Similarly, Apriliani, Anggraini, and Anwar (2014) found a positive link between the ethical culture of the organization, as measured by a five-item scale developed by the researchers, and the ethical decision-making of Indonesian accountants. Drawing on experimental data from marketing professionals in the United States, Singhapakdi (1993) noted that although organizational ethical culture was positively linked to the awareness of ethical issues among all employees, it had a stronger influence on the awareness of ethical issues for high-Machiavellian groups. In experimental work, Caldwell and Moberg (2007) concluded that individuals who were exposed to an organizational ethical culture exhibited higher levels of moral imagination when considering the ethical elements of a decision. However, they found that the link between ethical culture and moral imagination was weaker for those with higher levels of moral identity. Finally, Douglas, Davidson, and Schwartz (2001) found that organizational ethical culture, as measured by Hunt et al.'s (1989) five-item scale, indirectly influenced the ethical judgments of auditors in the United States through heightening their idealism but not their relativism. In examining the role of ethical culture on ethical decision-making, researchers have drawn on theories like the theory of moral development (Kohlberg, 1984; Rest, 1979).

Ethical Intentions

Scholarly work has examined the correlation between ethical culture and ethical intentions. Quantitative studies have confirmed a strong link between ethical culture,

as measured by the ECQ, and employees' ethical intentions in both Ireland and the United States (Ampofo, Mujtaba, Cavico, & Tindall, 2011; Sweeney et al., 2010). Measuring ethical culture using the CEVS, Kaptein (2011a) found that several subdimensions of ethical culture were negatively related to intended inaction and external whistleblowing and positively related to intended confrontation, reporting to management, and calling an ethics hotline. Other quantitative work using alternative measures of ethical culture has found a strong connection between ethical culture and ethical intentions (Deconinck, 2005; Ruiz-Palomino & Martínez-Cañas, 2014). In addition, drawing on person–organization fit theory (Chatman, 1989), Ruiz-Palomino and Martínez-Cañas (2014) noted that the association between ethical culture and ethical intentions was stronger for those with higher levels of person–organization fit. Experimental work where the ethical culture of the organization was manipulated highlighted definite connections between ethical culture and the ethical behavioral intentions of students in the United States (Keith, Pettijohn, & Burnett, 2003). Finally, at the team level, Cabana and Kaptein (2021) concluded that team ethical culture, measured using the short CEVS, was positively linked to the intention to report unethical behavior. In examining the linkages between ethical culture and ethical intentions, researchers have drawn on theories like the theory of planned behavior (Ajzen, 1991), which suggests that intentions are in part determined by social norms; social learning theory (Bandura, 1971), which suggests that individuals take cues from the social environment around them; and the theory of moral development (Kohlberg, 1984; Rest, 1979). Despite the growing focus of research on the correlations between ethical culture and ethical intentions, prior research has pointed out that ethical intentions do not always translate into ethical behavior, as explained by the theory of planned behavior (Mesmer-Magnus & Viswesvaran, 2005).

Work Attitudes

Quantitative work has also begun to explore the link between ethical culture and employee attitudes. Drawing on organizational justice theory and cognitive dissonance theory (Festinger, 1942), Koh and Boo (2004) found a strong link between organizational ethical culture, as measured by Singaporean managers' perceptions of top management support for ethical behavior and the association between ethical behavior and career success, and both their job satisfaction and their organizational commitment. Similarly, Treviño et al. (1998) noted a positive link between ethical culture, as captured by the ECQ, and employees' organizational commitment. Drawing on person–organization fit theory, Ruiz-Palomino, Martínez-Cañas, and Fontrodona (2013) found that ethical culture was positively related to Spanish employees' job satisfaction, affective commitment, intention to stay, and willingness to recommend the organization to others through enhancing their person–organization fit. Pučėtaitė, Novelskaitė, and Markūnaitė (2015) also drew on person–organization fit theory to argue that ethical culture, as captured by the CEVS, enhanced employees' trust in the organization. The authors concluded that leader–member exchange mediated the link between ethical culture and trust in the organization for Lithuanian employees. Finally, Huhtala et al. (2016) highlighted that

employees working for organizations with low or decreasing ethical culture, as captured by the CEVS, exhibited more cynical attitudes toward work.

Motivation, Engagement, and Well-Being

A growing body of work also looks at the link between ethical culture and employees' motivation, engagement, and well-being at work. For example, researchers have uncovered a positive connection between ethical culture, as measured by the CEVS, and the work motivation of Australian and Croatian employees (Colaco & Loi, 2019; Pavić, Šerić, & Šain, 2018). In addition, Pavić et al. noted that out of all dimensions of ethical culture, congruence of management played the most important role. Keith et al. (2003) found a strong association between ethical culture and employees' comfort levels at work. Huhtala and colleagues (2011) studied the link between ethical culture, as captured by the CEVS, and employees' work outcomes, such as work engagement, burnout, emotional exhaustion, and stress, in Finnish organizations. Drawing on psychological theories like the conservation of resources theory (Hobfoll, 1989), scholars have generally found a positive association between ethical culture and work engagement in a number of studies (Huhtala et al., 2011; Huhtala et al., 2016; Huhtala et al., 2022; Huhtala, Tolvanen, Mauno, & Feldt, 2015) and a negative relationship between ethical culture and outcomes like burnout, emotional exhaustion, and stress (Huhtala et al., 2011; Huhtala et al., 2015; Huhtala et al., 2022). Huhtala et al. (2011) also concluded that ethical strain explains the negative correlations between ethical culture and emotional exhaustion. Finally, drawing on the job demands–resources theory (Bakker, Demerouti, & Sanz-Vergel, 2014), Kangas et al. (2017) concluded that at the individual level, but not at the workgroup level, a strong ethical culture is associated with fewer sickness absences. This suggests that individuals' perceptions of their ethical culture, rather than shared perceptions of the ethical culture, are more likely to influence sickness absence. Huhtala et al. (2022) recently conducted a longitudinal study of the temporal dynamics of ethical culture and its association with the well-being of organizational leaders. The authors found that leaders in organizations with the highest levels of ethical culture (as perceived by the leaders who responded to questions on DeBode et al.'s [2013] shortened CEVS scale) experienced high work engagement, fewer ethical dilemmas, and less stress. For organizations in which ethical culture was weak or perceived as low, the results were the opposite.

Employee Behaviors

Researchers have extensively examined the link between organizational ethical culture and employee behavior, including unethical behavior. Quantitative work has found a strong negative connection between ethical culture, as measured by the CEVS and ECQ, and employees' perceptions of unethical behavior and misconduct in both Holland and the United States (de Vries & van Gelder, 2015; Schaubroeck et al., 2012; Zaal, Jeurissen, & Groenland, 2017). Researchers have also found a strong association between ethical culture and workplace delinquency in the Korean public sector (Park & Blenkinsopp, 2013). Similarly, qualitative work has confirmed a strong link between ethical culture within the organization and the ethical behavior

of employees (Hiekkataipale & Lämsä, 2019). Researchers have also started examining ethical culture at the organizational level, through quantitative work, to study the linkages between ethical culture at the team level of analysis and employee behavior. For example, Cabana and Kaptein (2021) found that team ethical culture reduced the frequency of unethical behavior among members of the team.

As well as scrutinizing the influence of ethical culture on unethical behavior, researchers have undertaken quantitative work to examine the connections between ethical culture and positive forms of behavior, such as positive workplace behavior, organizational citizenship behavior (OCB), goal-setting behavior, turnover behavior, and voice/whistleblowing behavior. Drawing on cognitive dissonance theory (Festinger, 1942), Kancharla and Dadich (2020) found a positive link between ethical culture, as captured by the ECQ, and positive workplace behavior. In addition, drawing on person–organization fit theory, researchers found that person–organization fit explained the positive link between ethical culture and employees' OCBs in the Spanish financial sector (Ruiz-Palomino & Martínez-Cañas, 2014). The connections between ethical culture, as measured by the CEVS, and goal-setting behavior among Finnish managers has been also explored (Huhtala, Feldt et al., 2013). The authors noted that whereas managers who evaluated their organizational culture as more ethical were more likely to focus on goals that were oriented toward organizational performance, managers who evaluated their organizational culture as less ethical were more likely to focus on job-change and career-ending goals. Drawing on the CEVS, Kangas et al. (2018) found that four dimensions of ethical culture (congruency of supervisors, congruency of senior management, discussability, and sanctionability) were negatively related to manager turnover. Finally, researchers have noted a strong link between ethical culture and employee voice behaviors. Drawing on social learning theory, Sagnak (2017) confirmed a strong relationship between ethical culture, as measured by the ECQ, and employee voice behavior. To explain the link between ethical culture and unethical behavior, researchers have used an inconsistent body of theory, drawing on theoretical perspectives as diverse as social learning theory (Bandura, 1971), cognitive dissonance theory (Festinger, 1942), and person–organization fit theory (Chatman, 1989).

Other Outcomes

Researchers have explored other outcomes of ethical culture. For example, Vitell, Rallapalli, and Singhapakdi (1993) found that ethical culture was not connected to the marketing-related norms of marketing practitioners in the United States. Meanwhile, Tsai and Shih (2005) found a positive relationship between ethical culture and employee idealism but not relativism in Taiwan. They also found that ethical culture reduced role conflict.

ETHICAL CULTURE AS A MODERATOR

Limited studies have examined ethical culture as a moderator (see Figure 1). In a study of financial-sector employees in China, Zhang, Chiu, and Wei (2009) found that ethical culture strengthened the link between whistleblowing judgment and

whistleblowing intentions, especially for those with high positive mood. In another study of financial services in the United States, Hollingworth and Valentine (2015) found that employees' perceptions of the ethical culture in their organization, as measured by the Hunt et al. (1989) and ECQ scales, weakened the connection between recognition of an ethical issue and ethical judgment.

RETHINKING ETHICAL CULTURE: AN AGENDA FOR FUTURE RESEARCH

The previous section provided a catalog of prior empirical research on ethical culture, which is useful in terms of understanding how far the study of ethical culture has come. Building on this discussion, the current section aims not only to identify gaps but also to challenge researchers to reconceptualize ethical culture. Table 3 provides a summary of each of the suggested research directions provided.

Examining Ethical Culture from a Cross-Disciplinary Perspective

In the previous sections, concerns were raised with the definition and measurement of ethical culture, which underpins research decisions and may constrain the evolution of the field. In this section, we examine ethical culture from a cross-disciplinary perspective as a way of reconstructing what ethical culture is and thereby open new opportunities for empirical advancement. The evolution of a construct cannot be meaningfully examined and boxed within the watertight compartments of a specific discipline area. Rather, such evolution is best examined organically in terms of how and where it (or something very similar to it) may have struck root in a cross-disciplinary space and contributed to a thematic evolution of a construct. Otherwise, a review can run the risk of losing sight of the forest for the trees.

Ethical human behavior is a topic of interest in myriad disciplines, ranging from the organization sciences to experimental economics. Of course, one might argue that although organizational ethical culture could fit under the broader umbrella of ethical human behavior, not everything that is deemed fit for study within the domain of ethical human behavior is related to the organizational ethical culture. Nevertheless, ethical human behavior within organizations has been studied from a multitude of disciplinary perspectives. The exact construct of ethical culture has not always been expressly invoked, but the focus of the studies and the conclusions drawable from such studies do make them relatable to the broader, thematic evolution of the phenomenon of organizational ethical culture.

One particularly interesting dimension of studying ethical culture is contra-frameworks. We define a *contra-framework* as any systematic body of knowledge that examines something that is diametrically opposite to the construct of interest. As an analogy from physics, studying the gravitational potential of the sun as a light-emitting celestial body could be considered a contra-framework for studying dark matter (Kim & Lenoci, 2022). One may, along similar lines, also draw analogical parallels with the so-called privation theories prevalent in the philosophy of religion that seek to explain evil as the absence of good (Kane, 1980; Svendsen, 2010). Just

Table 3: Summary of the Agenda for Future Research

Description	Summary of each section
Examining ethical culture from a cross-disciplinary perspective	Examining the construct of ethical culture from a cross-disciplinary perspective is likely to reconceptualize the way in which ethical culture is constituted. Shifting the conceptualization of ethical culture can drive rethinking of definition and measurement as well as the approach to studying the concept.
Ethical culture in the age of machine intelligence	Extending the thinking about leadership and ethical culture, this section posits a future scenario where artificial intelligence is integrated into leadership teams and is an essential part of the decision-making process. Considering the implications of this scenario from the perspective of ethical culture opens up opportunities for research.
Considering ethical culture in new organizational forms	The organizational context is rapidly changing, driven by technology and the needs of a turbulent world. We call on researchers of ethical culture to incorporate the new, emerging organizational forms into the study of ethical behavior to respond to the changing nature of the context within which ethics unfolds.
Revisiting leadership, theoretical framing, organization of work, and ethical culture	Leadership has been shown to have a significant impact on ethical culture. Research reviewed does not as yet cover the broad range of leadership styles that have emerged within mainstream leadership studies. We pick up on the possibility for the study of servant leadership in relation to ethical culture as a way of closing some of the gaps in the research. In addition, the distribution of work has changed over the last few years, with organizations becoming more distributed and the workforce being loosely coupled and tentatively connected. We encourage researchers to unpack the implications of the new ways of organizing work, using crowdsourcing as an example.
Ethical culture at different levels of analysis	We have raised concerns about the measurement of ethical culture and approaches taken to researching the phenomenon. In this section, we encourage future research to consider different levels of analysis as a way of providing a new perspective on the ethical culture within an organization.
Opportunities for theoretical advancement: <ul style="list-style-type: none"> • National cultural models • Organizational elements model • Organizational culture theory 	We review the theoretical basis of existing research and suggest additional theoretical models that could be useful in opening up the study of ethical culture. We further recommend that future research consider using emerging and hitherto untried organization theories and operationalize the new concepts in their empirical studies of ethical culture.

as evil is diametrically opposed to good and darkness is diametrically opposed to light, from the perspective of ethical culture as our construct of interest, any systematic study that focuses on something that may be considered diametrically opposed to ethical culture would qualify as a *contra-framework*. Such *contra-frameworks* could potentially reveal what happens (or exists) in the absence of organizational ethical culture, thus enabling us to better hypothesize what might be eliminated (or limited/mitigated) due to its presence. For example, Verdi and Weiner (1996) studied the construct of organizational misbehavior (OMB), which may be adjudged as a *contra-framework* to what is expected to hold for organizational ethical behavior. Beyond merely defining their OMB construct, Verdi and

Weiner examined the theoretical implications of their posited conceptual framework, thereby enriching the extant theories of work motivation. Hence, although they did not explicitly refer to organizational ethical culture, their work nevertheless has a connection with the thematic evolution of ethical culture by providing a contra-framework of organizational *unethical* culture. *Contra-frameworks* for ethical culture are also implicit in some works that have applied formal economic analysis to understanding the codes of business ethics. For example, Scalet (2006) argued that *prisoner's dilemmas* can in fact have a positive connotation in the context of ethical culture, although in neoclassical economics, prisoner's dilemmas carry a negative connotation insofar as they model situations in which rational individuals consistently take decisions leading to inefficient outcomes. Although ethical organizational culture is expected to embody codes of ethics that eliminate misalignments between incentives and outcomes, Scalet's contra-framework suggests that some of those misalignments in fact could help to create opportunities for practicing cooperative norms that ultimately benefit the organization.

Furthermore, organizational ethical culture as a subset of organizational culture is not only about ethical behavior and actions in relation to incentives and outcomes; it is also about ethical behavior in workplace relations, for example, relating to gender inclusivity. To best understand the thematic evolution of the construct, therefore, one ought to keep in sight those cross-disciplinary areas in which ethical culture (or a closely relatable construct) has been and is being studied beyond simply task-focused incentives and outcomes. In previous research, Anderson, Baur, Griffith, and Buckley (2017) highlighted the importance of recognizing the increasing gap between current and previous generations of employees in organizations, that is, the gap between *millennials* and their coworkers from previous generations. This gap impacts and arguably reshapes ethical culture in terms of what can or can no longer be perceived as "ethical employee behavior" within an organizational context. Their study explored the need to revisualize organizational theories and, particularly, organizational leadership theories, taking into consideration the intergenerational gap and its impact on the evolution of organizational culture. Recently, Noronha, Bisht, and D'Cruz (2022) studied employees in Indian organizations and observed that employees consider organizations possessing an ethical culture only if the intraorganizational environment is supportive and caring and deemed to be progressively evolving with the times with regard to inclusivity of diverse sexual orientations. Therefore we find an implied case here to carefully consider the similar impact of a widening intergenerational gap on the thematic evolution of organizational ethical culture in various aspects. This is likely to reshape the construct itself in the process, to dynamically fit shifting paradigmatic boundaries.

Ethical Culture in the Age of Machine Intelligence

Neubert, Carlson, Kacmar, Roberts, and Chonko (2009) posited that the extent to which an organizational leader can exert a virtuous influence on the organizational perceptions of ethical climate and culture can have a positive impact on organizational members' job satisfaction and commitment levels. Drawing on moral identity theory, Wang and Hackett (2020) likewise argued that if organizational leaders are

enabled to find their appropriate trajectories of virtuous leadership, then their followers would automatically gravitate toward ethical behavior without necessarily having to rely on a suite of artifacts (such as ethical codes of conduct). While organizations are arguably witnessing an increasing frequency of team-generated organizational leadership decisions (Pearce, Conger, & Locke, 2008), the virtuous influence of an individual CEO who consistently exhibits moral behaviors on the efficacy of the top management team's decision-making is also evidenced (Zhang, Li, Ullrich, & van Dick, 2015).

Regardless of whether ethical culture is team generated via equitably weighted inputs by the members of the top management team or individually demonstrated by the CEO, organizational leadership decisions taken at the upper echelons are increasingly being influenced by intelligent decision support systems. This influence is predicted to steadily increase, even for those largely unstructured, strategic decisions that have traditionally been seen as the domain of individual leadership acumen and vision rather than output of some programmable software (Courtney, 2001; Gigerenzer & Gaissmaier, 2011; Parry, Cohen, and Bhattacharya (2016) have interestingly contended that given an ever-widening span of business applications of machine intelligence, it seems but a matter of time until an artificial intelligence (AI) system will become a key contributor to organizational leadership decisions.

Indeed, as organizations evolve into larger and more complex and convoluted forms, it can be reasonably hypothesized that organizational leader(s) will need to acquire and process ambiguous, incomplete, and inconsistent information with increasing regularity in envisioning strategic objectives. Time is a crucial factor when it comes to unstructured, strategic decisions that need to be taken in the upper echelons of an organization, often resulting in a trade-off between efficiency and efficacy in organizational leadership decision-making. As AI systems for executive decision support become progressively capable, the potential time savings by embedding an AI entity within the top management team could become increasingly significant, particularly for iterative team decision-making approaches like the Delphi method. Traditional Delphi methods are known to be notoriously slow in yielding actionable outcomes, especially in situations demanding rapid response (Xie, Liu, Chen, Wang, & Chaudhry, 2012). It is against this backdrop that the role of AI as a key contributor to organizational leadership decisions in the upper echelons starts to gain relevance. AI algorithms are increasingly becoming more capable in terms of their information processing capabilities, particularly when dealing with incomplete and inconsistent information. Pathbreaking advances in the underlying mathematical and computational fields, for example, neutrosophic logic, which is essentially a multinomial extension of binary fuzzy logic, are making it probable to conceive AI with better ability than humans in managing such kinds of information in the foreseeable future (Abdel-Basset, Mohamed, & Sangaiyah, 2018). An AI system can rapidly parse largely unstructured information, thus allowing a speedy convergence of iterative team decision-making methods like Delphi, saving precious time in the process compared to what top management teams without an embedded AI system can achieve.

It may of course be argued that the time has not yet come, in terms of the cognitive capabilities thus far acquired by AI, for it to be considered a full-fledged member of a top management team having equivalent authority to a human member of that team. This is particularly so given that AI systems are notoriously poor in dealing with ethical constraints (Davenport & Harris, 2005; McShane, Nirenburg, & Jarrell, 2013). Parry et al. (2016) critically discuss certain examples of where AI systems may still be falling short of the mark (e.g., ethical awareness of driverless cars in accident situations). The authors posit a theoretical framework to effectively address pertinent ethical concerns in the context of an organizational leadership decision-making process in which the top management team has an embedded AI-based system as a member. The central foundation of their posited framework is a “logged veto” that can help mitigate the potential negative fallout of deindividuation that can arise out of embedding an AI system within a top management team. There is indeed a growing need for scholarly conversation addressing the potential implications of AI involved in organizational leadership decision-making in general, and its implications for organizational ethical culture in particular, that is informed by a realistic appreciation of the current and foreseeable state of the art of AI-based systems (Tasioulas, 2019).

Drawing on moral identity theory, Wang and Hackett (2020) have boldly asserted that fostering moral character building for organizational leaders enables them to find their right trajectories of virtuous leadership. This is what would ultimately exhort their followers (organizational members) toward ethical behavior, instead of relying on a suite of artifacts (such as ethical codes of conduct). This in turn would have strong implications for any AI-based leadership decision-making process. AI-based systems, as contrasted with programmed software, tend to be deep learning systems that learn from and then attempt to emulate the desired human behavior. However, such learning (especially if it is supervised learning) would need to be guided by some artifacts that serve as potential anchor points for the system to modulate its learning. Bereft of such anchor points, a system would be prone to “overlearning” and therefore unable to generalize beyond a very restrictive setting. For example, if the system is learning about ethical behavior only by observing a specific virtuous leader in action, then it will emulate that specific individual’s behavior rather than learning about how to act ethically in general.

While an AI-based system embedded within an organizational leadership team can potentially make the leadership decision-making processes less prone to the subjective biases of individuals, the critical issue is about the potential implications for perceived organizational ethical culture. This is of particular concern given that AI-based critical decision processes are notoriously poor in dealing with ethical constraints (Davenport & Harris, 2005; McShane et al., 2013). For example, to what extent can the organizational leadership team with an embedded AI-based system as a member exert a virtuous influence on the organizational perceptions of ethical culture if, indeed, as Wang and Hackett (2020) have argued, it is each individual leader’s moral character that ultimately determines the ethical behavior of the organizational followers (i.e., the employees)? As an immediate, ready-to-implement research agenda, it will be interesting to investigate the existence of a statistically significant moderating effect of an

embedded AI-based system within the organizational leadership team on the hypothesized relationship between virtuous leadership and employee perceptions of organizational ethical culture.

Considering Ethical Culture in New Organizational Forms

We believe that there is significant opportunity for researchers to extend the existing knowledge base by examining ethical cultures within emerging organizational forms. A pertinent observation that “the design of organizations needs to change radically to meet the problems of a more complex, turbulent world” (Mitroff, Mason, & Pearson, 1994: 20) continues to be echoed by researchers (Rimita, Hoon, & Levasseur, 2019) and provides continuing impetus to revisit ethical culture in relation to emerging organizational forms. In particular, we discuss the emergence of large, dominant digital platforms and the reliance on a contingent, distributed workforce, both of which provide opportunities to extend the study of ethical culture.

A common theme in the study of emerging organizational forms is the pervasive nature of technology, so much so that the digital platform (technologies that provide access to an online marketplace) has been described as the core organizational form of the emerging informational economy (Cohen, 2017). In addition, developed economies are seeing the emergence of giant businesses that are organizationally complex; technologically advanced; and diverse in terms of their products, services, and geographies (Whittington & Yakis-Douglas, 2020). These businesses have market power similar in scale to that seen in the early twentieth century (Lamoreaux, 2019). Bringing ethical behavior into sharp focus owing to concerns about “dystopian domination of the global economy by a digital platform oligopoly with little public accountability” (Vergne, 2020: 3), examples of failure by these large, powerful organizations (e.g., Google, Baidu, Facebook) to exercise their vast powers with due responsibility, such as market manipulation, facilitating medical malpractice, and influencing elections, continue to emerge (Whittington & Yakis-Douglas, 2020). Our research has shown that there is a lack of research on ethical culture within the context of these technologically driven, new organizational forms. Given the complexity of these organizations, measuring and aggregating ethical culture may be challenging, and as we discuss next, the changing structure of the workforce adds to this complexity.

Ethical culture is a system of shared values, beliefs, and assumptions, dependent on socialization between organizational members (Ehrhart, Schneider, & Macey, 2013). However, the organization of work has changed over the last few years, with many large organizations moving away from the concept of a centralized workforce. Increasingly, organizations are relying on nonstandard forms of employment, referred to as a “contingent workforce,” as a means of accessing diverse skills and ideas (Sulbout, Pichault, Jemine, & Naedenoen, 2022). Although the ethics of the process of a casual or “gig” workforce has been the subject of much debate among researchers (Schlagwein, Schoder, & Spindeldreher, 2019), the impact of a distributed, loosely connected workforce on an organization’s ethical culture has not been examined. Distributed-decentralized structures, such as digital platforms with distributed

decision-making and decentralized access to data, as well as organizations with a high reliance on a contingent workforce are culturally fragmented, making normative control through employee socialization challenging (Whittington & Yakis-Douglas, 2020).

Considering these challenges, future research might study the effectiveness of normative controls throughout highly distributed organizations, the extent to which ethical culture varies across very decentralized structures, and the ways in which democratizing data while enabling dispersed decision-making impacts ethical behaviors within an organization. For example, future research could build on emergent theorizing about the impact of deliberative governance (Scherer & Palazzo, 2011; Scherer & Voegtlin, 2020), that is, greater participation and reflexivity in decision-making, and “open strategy” (Hautz, Seidl, & Whittington, 2017; Seidl, von Krogh, & Whittington, 2019), that is, stakeholder inclusion and transparency, on control systems within powerful, large, contemporary organizations (Whittington & Yakis-Douglas, 2020). On the basis of these theoretical constructs, it is argued that emergent, global professional networks, together with openness (both managed and unmanaged), will drive norms that are likely to influence corporate control (Whittington & Yakis-Douglas, 2020), and this by implication will influence ethical culture within these new organizational forms.

Leadership and Ethical Culture

Although the previous sections have introduced new ways of considering ethical culture in relation to emerging and future organizational forms, we would be remiss in our review if we were to neglect to mention the key gaps identified in the existing studies of ethical culture, in particular, the relationship between different leadership styles and ethical culture. Our review highlighted a growing body of research linking ethical leadership to ethical culture. This finding is unsurprising and in line with social learning theory (Bandura, 1971). We might expect that leaders’ role-modeling of appropriate behaviors will lead followers to emulate such behavior. In other words, if a leader acts in an ethical manner, it may be expected that an ethical organizational culture will develop as followers build a collective understanding of what composes appropriate behavior. In addition, as existing research has shown, an ethical culture can mediate the relationship between leadership and the behavior of followers.

Future research in this area can study the influence of different forms of leadership on ethical culture. For example, negative leadership approaches, such as authoritarianism, would be expected to induce unethical behavior in the organizational context (Zheng, Graham, Farh, & Huang, 2021). Alternatively, researchers might examine the relationship between servant leadership (Greenleaf, 1977) and the ethical organizational culture. Servant leadership adopts a leadership approach that focuses on supporting the development of followers and serving the community (Greenleaf, 1977). Servant leadership encompasses a values-based approach to leading, and it could be contended that this leadership approach is more likely to result in an ethical organizational culture as leaders and followers act in accordance with the organization’s values. However, recent studies have demonstrated that the practice of

servant leadership is informed by power (Collinson, 2011; Liu, 2019) and underpinned by persuasive tactics (van Dierendonck, 2011), both of which have potential negative implications for ethical culture. Future research may also examine the dichotomy between the assumed behavioral *control* incorporated into the maintenance of an ethical organizational culture and the degree of *persuasion* and employee *agency* that is the basis of servant leadership.

Ethical Culture at Different Levels of Analysis

The validity of unidimensional measures (Treviño et al., 1998) and the CEVS (Kaptein, 2008, 2009) purported to capture ethical culture has been confirmed at the individual (perceptual) and organizational levels of analysis. However, very few studies have examined whether ethical culture exists at other levels of analysis, as has been done in case of ethical climate research. For example, Weber (1995) found that ethical climates exist within different departments of a single organization. Future research may similarly explore whether multiple ethical cultures coexist in a single organization. In addition, research into unethical decision-making (Kish-Gephart et al., 2010) has concluded that organizations create both good and bad social environments (“barrels”) that can influence the (un)ethical choices of individuals employees. Researchers can investigate the extent to which ethical culture is ubiquitous in a single organization and what might lead to variation in ethical cultures between different departments within a single organization. For example, researchers may examine whether ethical culture differs according to the business function, location of the department, and leadership of the department.

Opportunities for Theoretical Extension

We observed from our review of the literature that a considerable proportion of studies failed to draw on established theories to explain how ethical culture develops and influences numerous outcomes. In Figure 1 and in the review sections, we discuss some of the key theories that previous work has used. We endorse the continued use of established theories to examine how ethical cultures develop and influence outcomes at the organizational and employee levels. On the basis of our review, we offer some modest extensions to the existing research based on existing theory. For example, drawing on social learning theory (Bandura, 1971), the closely related social cognitive theory, and upper echelons theory (Hambrick & Mason, 1984) would allow researchers to examine how organizational factors like leadership exert their influence on employee behavior through fostering an ethical culture. Similarly, in examining how personal factors shape individuals’ perspectives of an organization’s ethical culture, researchers might continue drawing on perspectives like the theory of moral development (Kohlberg, 1984; Rest, 1979). In addition, researchers should continue to draw on theoretical perspectives like the theory of planned behavior (Ajzen, 1991), person–organization fit theory, and cognitive dissonance theory to examine the link between ethical culture and followers’ (un)ethical intentions, (un)ethical behaviors, and work attitudes. Finally, researchers may draw on integrated resource theories like the conservation of resources theory (Hobfoll, 1989) or the job demands–resources theory (Bakker et al., 2014) to

examine how ethical cultures influence work motivation, engagement, and well-being. We do not advocate for the use of a single theory that purports to explain all relationships between ethical culture and its antecedents/outcomes. Instead, we call on researchers to draw on theories (whether they be well established or emerging) that answer their specific research questions, per the suggested examples provided. In the following paragraphs, we also discuss additional theoretical perspectives that may be used to study the phenomenon of ethical culture.

Our review of research on ethical culture indicates that prior research has been conducted at the employee (micro) and organizational (macro) levels. As such, we call on researchers to draw on theoretical models that incorporate a mega-level perspective (Kaufman, 2011). In particular, we encourage researchers to undertake cross-cultural studies (e.g., Cleveland, Erdoğan, Arkan, & Poyraz, 2011; Ng, Lee, & Soutar, 2007) that draw on cultural values frameworks. For example, researchers might consider drawing on the national cultural dimensions framework developed by Hofstede (1980, 1991) (which includes five dimensions of culture that occur across countries to varying degrees) and Schwartz's (1992, 1999) values survey (incorporating values that can be analyzed at both individual and cultural levels). The use of such frameworks would facilitate exploring the extent to which ethical culture within organizations is sensitive to national cultural dimensions. This would be particularly useful for multinational organizations operating across borders.

With a similarly holistic, external, mega focus, Kaufman (2011) developed the organizational elements model, which describes and makes explicit the value chain of an organization. Underpinning this model is the assumption that the value creation potential of an organization should extend beyond both the individual (micro/products) and the organizational (macro/outputs) levels to encompass the societal level (mega/outcomes). Research into ethical culture with a focus on the broader value chain could ask questions about the extent to which ethical cultures within organizations connected within a value chain have a contagion effect. For example, if one organization in the value chain has an ethical culture, is this likely to improve the ethical culture in other organizations within the value chain? Conversely, will the lack of an ethical culture within one organization in the value chain influence the other organizations within the value chain against developing an ethical culture?

In addition, we call on future research to dauntlessly explore the application of emerging theories in the study of ethical culture. In 2020, a symposium at the Academy of Management Proceedings explored the role of distributed trust in blockchains. The authors (Lu et al., 2020) proposed a decentralized organization theory (which assumes the presence of an ethical culture that leads to ethical behavior and sustains trust) to understand the phenomenon of trust in blockchains, without which a blockchain cannot effectively function.

Although our review focused specifically on ethical culture, it could be asserted that researchers should consider other aspects of organizational culture with a view to building a multifaceted understanding of how ethical culture overlaps, intersects with, and/or influences other forms of organizational culture. Our review of ethical culture research found a dearth of research that considers ethical culture within the context of other cultures prevailing within the organization. Hoffman and Ford

(2010) have proposed a humanistic-existential theory of organizations by which the organization is compared to a living being with emotions. The theoretical concept is based on four premises, namely, organizational character; organizational intra- and interconnectedness; organizational motivation and emotion; and organizational meaning, development, and voice. These four interact to create an organizational identity and voice. It may be interesting to consider how all this shapes the ethical culture of the organization or how we can use this knowledge as a catalyst for potential ethical culture change. Recently, Park, Park, and Barry (2021) extensively reviewed the role of incentives (as an organizational system) and their effect on unethical behavior or unethicity in organizations. The authors propose that future research study the role of incentives in organizations and how these contribute to unethicity or unethical behavior. The effect of organizational incentives on an individual's perceptions, behavior, and decisions is likely to shape the culture (unethical) within the organization. To elaborate, incentives encourage certain behavior, thereby making that behavior more prevalent and contributing to the perception of the "right" way of acting. Incentives also make transparent what behaviors organizational leadership endorses, again contributing to the perception of the "right" way of acting. Thus incentives are likely to contribute to the perceived ethical behavior (i.e., the right way of acting) within an organization.

To advance a multifaceted construct of ethical culture, we solicit research that builds on and integrates key perspectives that organizational culture researchers have utilized. For example, based on Martin's (1992) work, when developing research questions, researchers may consider conceptualizing ethical culture to include not only questions of integration (there is one culture within an organization) and differentiation (there are multiple subcultures within an organization) but also questions of fragmentation (which questions whether organizational culture actually exists).

To elaborate further on exploring ethical culture within the multiplicity of organizational cultures, we believe that it might be useful for researchers to draw on the competing values framework (CVF) (Quinn & Cameron, 1983; Quinn & Rohrbaugh, 1983), a cultural model that connects strategic, political, and institutional aspects of organizational life and enables comparison across different organizational cultures. Underpinning this model is the idea that, within an organization, multiple goals and objectives exist that can lead to competing values among various stakeholders. The CVF provides two key dimensions to further analyze organizational culture, namely, a preference for structural control/flexibility and possessing an internal/external focus. By intersecting the two key dimensions, CVF produces four distinct organizational culture types: a development culture, a group culture, a rational culture, and a hierarchical culture. By overlaying the CVF on studies of ethical culture, researchers may ask questions such as what dominant cultures are most aligned with an ethical culture and which are least aligned with an ethical culture, thereby providing deeper insight into how ethical culture is connected to other organizational cultures. We also recommend that future research consider using emerging and hitherto untried organization theories and operationalize the new concepts in their empirical studies of ethical culture.

CONCLUSION

The present article conducted a systematic and up-to-date review of empirical research on ethical culture in organizations. It not only examined how ethical culture has been conceptualized and measured in previous research but also reviewed extant work on its antecedents and outcomes. Through identifying key gaps in the literature, the review led to the development of a future research agenda highlighting opportunities for empirical extension of the field and opportunities to integrate alternative theoretical perspectives to enhance our understanding of how an ethical culture develops and transmits its effects within an organization.

Supplementary Materials

To view supplementary material for this article, please visit <https://doi.org/10.1017/beq.2022.44>.

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