Impact of Corporate Ethical Values on Workplace Attitude and Behavior in Nepali Banking and Financial Institutions

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ABSTRACT

Corporate ethical values (CEVs) are the composite of individual ethical values of managers and an organization’s formal and informal policies on ethics (Hunt et al., 1989). Corporate scandals like that of Enron, WorldCom, Tyco, Rite Aid of western countries have rocked the financial market, which in turn, demanded the ethical management of the corporations worldwide. Majority of the past studies in the area of CEVs and employee outcomes were based on direct relationships. Only few studies included moderating effect of different variables in CEVs – employee outcome relationships (Sharma et al., 2009). Hence, the main purpose of this study was to test the moderating and mediating effect of different employee attitudinal variables on CEVs – work attitude and work behavior relationships.

Using cross-sectional research design, this study included sample of 286 employees working in Nepali banking and financial institutions. In general, the study results supported the hypotheses. CEVs influenced organizational commitment, job satisfaction, and organizational citizenship behaviors positively. Perceived fairness moderated the CEVs – job satisfaction relationship. Job satisfaction mediated the CEVs – organizational commitment relationship and organizational commitment mediated the CEVs – organizational citizenship behavior relationship.

The study results suggest that rather depending alone on CEVs to augment employee outcomes, managers should be focused on attitudinal variables that produce buffering or sequential impacts on CEVs – outcome relationships. The positive influence of CEVs on work related attitudes and behaviors suggest that future research should be focused more on the investigation of antecedents of CEVs, their outcomes as well as variables that directly or indirectly effect on work related outcomes.