**DQ2: Discuss the mechanisms available for leaders to build ethical climates in organizations**

An ethical climate in an organization refers to shared views amongst members of an organization or those part of an organization as to “what constitutes right behavior” and arises when “members believe that certain forms of ethical reasoning or behavior are expected standards or norms for decision making within the firm” (Mark & Cullen, 2006 p.177 as cited in Newman, Round, Bhattacharya, & Roy, 2017). It is important to note that how an organization responds to ethical issues is perceived as part of the culture of that organization (Johnson, 2015).

There are five primary ethical climate types identified by Victor and Cullen (1988). These are: *Instrumental climates* which follow the principle of ethical egotism – where decisions are made based on selfish interests meant to serve the individual and his or her immediate group and/or organization. *Caring climates* emphasize concern or care for others. *Law and order climates* are driven by external criteria such as professional codes of conduct. *Rules climates* are governed by the policies, rules, and procedures developed in the organization. *Independence climates* give members wide latitude to make their own decisions (Johnson, 2015).

A leader would do well to know and understand which ethical climate his organization leans towards and therefore can react (Victor & Cullen, 1988). However, regardless of the ethical climate of the organization, there are general considerations towards building ethical climates. Johnson (2015) posits that ethical leaders build on the foundation that they themselves reflect the values that they wish to espouse in their organizations. For instance, to building a caring climate, a leader would emphasize training of employees on the right thing to do in some common scenarios faced by the organization. Thus using correct communication to guide and lead an organization. In a law and order climate, the organization can institute disciplinary measures and consequences for their actions whereas in an independent climate, the leader will empower his employees to make decision in line with the company guides thus being autonomous.

On the other hand, it is also noteworthy that with ethical climate, it is not one size fits all in that professions and organizations will differ. For instance, results from a study by Cullen, Parboteeah, and Victor (2003) reveal that in a care or benevolent climate has a positive relationship with organizational commitment and in an egoistic or instrumental climate is negatively related to commitment. The study also showed that a principled or rules climate is positively related to organizational commitment for professional workers such as medical workers, lawyers but has no relationships for nonprofessional workers (Cullen et al., 2003).

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