Ethical Climate in the Public Sector:
Its Influence on Rule Bending

Erin L. Borry\textsuperscript{1}
Doctoral Candidate
University of Kansas

borry@ku.edu

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After years of research on how public employees are constrained by rules (see e.g. Merton, 1940; Thompson, 1977; Bozeman and Rainey, 1998), public management scholars have begun to focus on how and why public employees bend rules. At the individual level, such behavior is found to be influenced by one’s prudential judgment (Sekerka and Zolin, 2007), degree of nonconformity, public service commitment, risk propensity (DeHart-Davis, 2007), and gender (Portillo and DeHart-Davis, 2009). Organizational centralization and formalization (DeHart-Davis, 2007) and rule characteristics (DeHart-Davis, 2009) are also found to impact rule bending. While this research explores both individual and organizational influences on rule bending behavior, it has placed more emphasis on the former and less on the latter.

One potential organizational influence on rule bending yet to be explored is ethical climate. Ethical climate is “the shared perceptions of what is ethically correct behavior and how ethical issues should be handled” (Victor and Cullen, 1987, p. 52). Ethical climate has the potential to influence rule bending by acting as an informal “code” of conduct that guides the decision to follow or bend rules. Depending on the behaviors perceived as ethically correct, ethical climates may vary in the extent to which they favor rule bending versus rule following.

This paper explores two particular ethical climates hypothesized to have an influence on rule bending behavior: law and code and personal morality. The law and code climate is one in which ethical decisions are based on rules and professional codes derived from sources external to the organization (Victor and Cullen, 1987; Malloy and Agarwal, 2010). Since law and code provide a standard by which to behave or abide, they can be seen as mechanisms to control employee behavior. One might also assume that organizational rules are created in line with external laws and professional codes where necessary. As a result, the presence of a law and code ethical climate is expected to result in less rule bending. The personal morality climate—also known as independence—is a climate in which employees are to make decisions according to their own principles and be held accountable for those decisions (Malloy and Agarwal, 2010, p. 16). Because a personal morality climate leaves decision making to the
individual, it may also provide more leeway for discretion in rule bending. As a result, the presence of a personal morality climate is expected to result in higher rule bending.

To examine the influence of ethical climate on rule bending, this paper analyzes survey data collected from the employees of a large Midwestern municipal organization. The survey was distributed electronically to over 2,000 employees with paper follow-ups to nonrespondents and employees without email addresses. The response rate is 51 percent (n=1,081). A structural equation model (SEM) tests the impact of two climates on rule bending behavior.

The paper begins with background on rule bending and ethical climate. The next section hypothesizes the influence of two particular climates’ influence on rule bending. The fourth section outlines the research design for testing these hypotheses, which is followed by the results of data analysis. The paper concludes with a discussion of the findings and suggestions for future research avenues.

Rules and Rule Bending

Organizational rules and procedures are considered imperative for an effectively-run organization (Tyler and Blader, 2005). Oberfield (2009) points out that rules serve as a way for public officials to ensure that policy is implemented consistently; however, rule bending may occur “because it is perceived necessary for job performance” (Sekerka and Zolin, 2007, p. 226). Rule bending is “a willingness to depart from rules and procedures” (DeHart-Davis, 2007, p. 893) and “involves a decision to go around the formally stated obligations by not fully following a rule, requirement, procedure or specification” (Sekerka and Zolin, 2007, p. 228). While not a conventional interpretation, Sekerka and Zolin (2007) say that rule bending is not to be seen as the same as rule breaking: bending a rule indicates some lack of adherence to a rule as opposed to outright violation. For the purposes of this article, rule bending and rule breaking are not necessarily two separate things.
The recent focus on rule bending in the literature parallels the focus on New Public Management. In *Reinventing Government*, Osborne and Gaebler (1992) call for a focus on more flexible and less rule-bound organizations as well as a focus on the needs of the customer or client as opposed to the bureaucracy or organization itself. Rule bending answers both of these calls by allowing for bureaucrats to be flexible in cases where the needs of a client, in their view, override the requirements of a rule or regulation. Maynard-Moody and Musheno (2003) find exactly this: street-level bureaucrats bend rules for clients they deem worthy.

Important to note here is that rule bending is a conscious decision: “rule benders knowingly violate procedure, and thus rule bending is conceptualized as intentional behavior” (DeHart-Davis, 2007, p. 894). Rules may be bent for various reasons, such as a pressure to perform (Sekerka and Zolin, 2007) or a need to help—or not help—a particular client (Maynard-Moody and Musheno, 2003). Value conflicts might also trigger rule bending: an employee may see the spirit of a rule or law is better upheld with some bending of a rule (Sekerka and Zolin, 2007). In this light, rule bending could be seen as one form of organizational dissent (see O’Leary, 2007).

**Ethical Climate and Rule Bending**

Ethical climate theory was developed by Victor and Cullen (1987) and has been a mainstay in the business ethics literature since. Ethical climate is simply one dimension of a multifaceted work climate and accounts in part for the socialization processes that occur once an individual becomes part of an organization (Victor and Cullen, 1987, p. 51). The authors further argue that an organizational climate “focuses on the values and beliefs that are known and perceived by work group and/or organizational members” (1987, p. 54). Thus, ethical climate characterizes how ethical decisions should be made within an organization according to employee perception of the norm. While ethics vary from person to person, they can be
influenced by one’s environment. Thought of differently, an ethical climate is a way of labeling the “ethics of an organization.”

Very little research with a public sector focus considers how ethical climate might impact organizational behavior, save for Rothwell and Baldwin’s study (2006) that looked at ethical climate as a predictor of whistleblowing and Laratta’s study (2011) linking ethical climate and accountability in nonprofit organizations of the United Kingdom and Japan. Ethical climate has the potential to influence rule bending behavior of public employees because of the decisional nature of rule bending: Sekerka and Zolin (2007, p. 228) state that rule bending may occur “openly or through quiet, discrete, or even secret circumvention.” To some, following rules is the ethical thing to do, while to others, the ethical thing to do might be to help a client or follow the spirit of a rule or law. For example, rule bending may occur when street-level bureaucrats choose to “help” a client they have determined as worthy (Maynard-Moody and Musheno, 2003) or even when one is faced with a value conflict and chooses to “dissent” (O’Leary, 2007). These value conflicts as a reason to bend rules indicates that rule bending may have an ethical dimension to it. Further, ethical climate, as a dimension of work climate, includes a socialization process (Victor and Cullen, 1987, p. 51). In other words, it can be said that employees learn ethical climate and adapt to it over time. Organizational socialization also accounts for changes in rule following and bending behaviors over time (Oberfield, 2009). Thus, it makes sense to think that any component of organizational work climate—ethical climate, in this case—may have an influence rule bending behavior.

While there are nine theoretical ethical climates (Victor and Cullen, 1987; 1988), two are the subject of this study: law and code and personal morality. These climates were found to appear in the government sector in a prior study of prevalent climates in nonprofit and government sectors (Malloy and Agarwal, 2010). While each of the nine climates—and the two of interest here—are theoretically distinct, Wimbush, Shepard, and Markham (1997) suggest that multiple cultures have the potential to exist in a single organization, thus there may
interrelation between ethical climate types and a possibility that more than one climate is
dominant within an organization.

The *law and code* climate consists of a focus on extra-organizational laws and
professional codes as bases for ethical decision making. In other words,

employees in a law and code climate look to government rules or professional
conventions to resolve dilemmas ethically. Public agencies generally have strong
rules and law-and-code climates because their activities are so often constrained
by outside sources, such as unions, federal law, executive orders, and
professional associations. (Rothwell and Baldwin 2006 in Dryburgh 2009, p. 159)

Since law and code provide a standard by which to behave or abide, they are mechanisms to
control employee behavior. The law—and regulation that public employees must employ in
their work—is highly formal. Higher levels of organizational formalization—the extent to which
they are written—has been linked to less rule bending (DeHart-Davis, 2007). As such, it is
expected that *the law and code climate will be negatively related to rule bending (H1).*

*Personal morality* allows personal values to guide ethical decisions, without regard for
rules, law, or code. Personal values may lead to higher rule bending as they may be more
important to someone than the values of the organization: the person might experience a
personal value conflict (Thacher and Rein, 2004). Put another way, some people might put their
personal sense of right and wrong over organizational or professional values in their own
hierarchy of ethics (Shafritz, Russell, and Borick, 2011). For example, “government guerrillas”
may choose to bend or break rules because their commitment to the public overrides
commitment to the organization (O’Leary, 2007). Rules might also be broken based on the
perception that they are faulty (Staw and Boettger, 1990) or too obstructive when it comes
assisting worthy clients (Maynard-Moody and Musheno, 2003). Finally, rule bending has been
associated with nonconforming personalities (DeHart-Davis, 2007, p. 897)—people who are
driven by internal rather than external standards (Kohn, 1977)—which is a personality trait
indicative of one’s willingness to allow personal beliefs to override organizational requirements.
Given this, it is expected that the personal morality climate will be associated with increased rule bending behavior (H2).

**Research Design**

Data for this research come from a 2010 workplace survey in a large local government organization in a Midwestern state (N=2,101). The survey asked questions about rules and regulations, ethics, and other aspects of the workplace and was distributed in two formats: electronic and paper. Employees were approached first by the city manager’s office expressing support of survey and encouragement to participate. Survey invitations were emailed two weeks later with a web link to the survey and a confidentiality guarantee. Paper versions of the survey were first distributed with paychecks to initial nonrespondents and employees without computer or email access on the job. Remaining employees were mailed paper surveys to their home address. Paper survey packets included a cover letter inviting participation and assuring confidentiality, the paper survey, a stamped return envelope addressed to the researcher’s university, and a stamped postcard with a survey identification number that employees were asked to mail separately from the completed survey. The postcard served as a way to track responses without linking surveys with respondent identity. In all, the process yielded a response rate of 51 percent (n=1,081). Sample statistics are generally representative of the employee populations in gender, race, and age.

**Models and Measures**

The paper seeks to explain rule bending as a function of two ethical climates, those pertaining to law and code and personal morality. Other variables in the model are those adapted from DeHart-Davis’s unbureaucratic personality (2007). Structural equation modeling (SEM) is used to test these relationships because it allows us to analyze unobservable phenomena using multiple measures and correcting for measurement error (Kline, 2005). All
variables in this study are “unobservable” or latent constructs, with the exception of sociodemographic controls. Thus, SEM allows us to test regression relationships while accounting for the fact that these phenomena are not something we can directly measure.

The dependent variable in this study—rule bending—is measured using three items adapted by DeHart-Davis (2007):

- “I will bend a rule if it helps me do a better job for the city.”
- “I will bend a rule if it makes my job easier.”
- “I will bend a rule if it helps to make ____ (city name) a better community.”

Respondents answer these questions on a five-point scale ranging from completely disagree to completely agree. The Cronbach’s Alpha for rule bending is .871.

The independent variables of interest include the two ethical climates. Measures for these climates are adapted from Victor and Cullen (1987, 1988; Malloy and Agarwal, 2010). The Law and Code (LC) climate measures are:

- “In ____ (city name), the first consideration is whether a decision violates any law.”
- “People are expected to comply with the law and professional standards over and above other considerations.”
- “In ____ (city name), people are expected to strictly follow legal or professional standards.”

The Personal Morality (PM) climate measures are:

- “Each person in ____ (city name) decides for themselves what is right and wrong.”
- “The most important concern in ____ (city name) is each person's sense of right and wrong.”
- “In ____ (city name), people are guided by their own personal ethics.”

Responses are given using a six-point scale ranging from completely false to completely true. Important to note, however, is that these items do not focus on individual ethical behavior;
instead, they “[ask] only for descriptions regarding the bases of ethical decision making” (Victor and Cullen, 1987, p. 58). Simply, the questions are asked to tap into the influence one’s organization has on individual ethical decision making. Cronbach’s Alphas for these climates are .853 and .545 for law and code and personal morality, respectively.

Other independent variables included in the model can be considered behavioral and organizational controls, which are adopted from DeHart-Davis (2007). She found that certain characteristics influence the “unbureaucratic personality,” of which rule bending is a predominant behavior. The one behavioral control included in the model is nonconformity, which is measured by asking respondents to rate themselves on a five-point scale between the following extremes (Ellis and Child, 1973 as adapted by DeHart-Davis, 2007):

- accepting authority to questioning authority
- going along with the system to bucking the system
- conforming to rebelling

Cronbach’s alpha for nonconformity is .874.

The three organizational control variables are red tape, centralization, and formalization. Red tape and centralization have been found to increase rule-bending while formalization was found to decrease it (DeHart-Davis 2007). Red tape is defined as “rules, regulations, and procedures that remain in force and entail a compliance burden but do not advance the legitimate purposes the rules were intended to serve” (Bozeman, 2000, p. 12). With this definition in mind, three measures from DeHart-Davis (2009) were used to measure red tape. Respondents were asked to provide the extent to which a rule can be characterized on the following dimensions using a five-point scale:

- not burdensome to burdensome
- necessary to unnecessary
- effective to ineffective
With this conceptualization, red tape can be thought of as a rule that is more burdensome, unnecessary, and ineffective. One benefit of using these measures is that they ask about rules without referring directly to the term “red tape” which might invoke a negative connotation. Cronbach’s Alpha for the red tape measures is .785.

Centralization is measured using the following items (Aiken and Hage, 1966, in DeHart-Davis, 2007) to which respondents must indicate their level of agreement on a five-point scale:

- “I must check with my supervisor before I do almost anything.”
- “Even small matters have to be referred to someone higher up for a final answer.”
- “In general, an employee wanting to make their own decisions in my workplace would be quickly discouraged.”

Centralization’s Cronbach’s Alpha is .892.

Finally, the third organizational control—formalization—is measured using three items. The first is the level of agreement of respondents using a five-point scale on the following item which is adapted from Aiken and Hage (1968) in DeHart-Davis (2007): “Whatever situation arises, my work division has written policies and procedures to follow.” The second measure asks respondents whether the extent of unwritten rules and procedures is not a problem, somewhat a problem, or a major problem (3-point scale, reversed) (DeHart-Davis, 2009). The third formalization measure asks respondents to characterize workplace rules on a five-point scale between the extremes of written and unwritten (reversed) (DeHart-Davis, 2009). Cronbach’s Alpha for formalization is .621.

Several control variables are included in the model. Sociodemographics include gender (1=female, 0=male), age, race (1=nonwhite, 0=white), age (in years), and education (1=bachelor’s degree, some graduate, or graduate degree, 0=other). A series of three dummy variables are also included to describe organizational role: department or division head, administrative or policy staff, and manager or supervisor. Descriptive statistics are provided in Table 1. As the table shows, about 46.5 percent of respondents are female and 30 percent are
nonwhite. The average age of a respondent is about 45 years old. About nine percent of respondents are a department or division head, just over five percent are administrative or policy staff, and almost 21 percent are managers or supervisors. Just over 40 percent of respondents have a bachelor’s degree or higher.

[INSERT TABLE ONE ABOUT HERE.]

Analysis and Results

Structural equation modeling (SEM) is used to analyze the relationship of ethical climate and rule bending. SEM is a statistical method grounded in theory that can also correct for measurement error. One benefit of SEM is that it analyzes unobserved variables by using several measures for a single construct. All of the latent unobserved variables in the model are analyzed using three measures each. Mplus Version 6 was used to generate the model (Muthen and Muthen, 1998-2010). Because survey responses are “ordered categorical variables” (Davis, 2011), the data are treated as categorical variables. Mplus uses robust weighted least squares (WLSMV) with delta parameterization when analyzing categorical variables (Muthen and Muthen, 1998-2010). Lastly, the dataset analyzed has a bit of missingness: there is roughly 35 percent missing data among all variables excluding sociodemographic control variables. To correct for this, Mplus estimates the model by using the sociodemographic control variables to inform potential values on missing responses for the independent or dependent variable items. In the end, Mplus estimated the model by excluding observations that were either missing information on all variables or missing any information from the control variables, providing 813 observations to be analyzed in the final model.

Fit statistics on the final model indicate that the model fits the data well. The comparative fit index (CFI) and the non-normed fit index (NNFI, also known as the Tucker Lewis Index, TLI) are .988 and .983, respectively, which are both above the widely accepted value of
.90 as indicating a model of good fit (Marsh, Hau, and Wen, 2004). The root means square error of approximation is .035, well below the cutoff of good fit at .08 (Marsh, Hau, and Wen, 2004). With all fit statistics in mind, the final model is one of very good fit.

The standard parameter estimates resulting from the model are shown in Figure 1.\(^2\) Due to space limitations, factor loadings for each construct are included in Table 2. Standardized factor loadings should fall between 0 and 1 and represent the amount of variance in the indicator that is explained by the latent construct.\(^3\) The factor loadings in the table show us that all constructs are being measured with appropriate indicators. One caveat is worth discussing: item two for the personal morality climate provided convergence issues for the model. This item was removed from the model and the other two items were constrained to equality, or estimated as contributing equal variance to the construct; as such, we do not know which of the remaining two items are better or worse indicators of personal morality climate.

The pathways between each independent variable in Figure 1 can be interpreted as correlation coefficients. The correlation between the two ethical climates is -.163, which indicates that these climates are distinct. The parameter (beta) estimates corresponding with the paths from independent variables to rule bending can be interpreted as regression coefficients: -.199 for the law and code climate and .051 for the personal morality climate. To test for significance of these relationships, \(\chi^2\) difference tests must be conducted. Results of the \(\chi^2\) difference tests are provided in Table 3.\(^4\) It is hypothesized that law and code climate will

\(^2\) Only estimates regarding the independent variables and theoretical "controls" are included in the model. Estimates regarding control variables are included in Table 4.
\(^3\) For reference, a standardized factor loading of about .7 means that the construct explains roughly half of the variance of an indicator.
\(^4\) Because categorical variables require estimation using weighted least squares (WLS), \(\chi^2\) difference tests are done using the DIFFTEST command in Mplus. WLS \(\chi^2\) is not distributed as a typical \(\chi^2\).
have a significant negative relationship with rule bending, which is supported by the model. While hypothesized to be positively related to rule bending behavior, the personal morality climate is not found to be a significant predictor of rule bending behavior. Thus, the second hypothesis is not supported. Of the other independent variables included in the model, only nonconformity is significant: the more nonconforming a respondent is, the more willing he or she is to bend rules. This finding is consistent with previous research (DeHart-Davis, 2007).

Of additional interest are the $R^2$ estimates for each of the latent constructs included in the structural model. The entire model (independent and control variables) explains 18.8 percent of the variance of rule bending behavior. Sociodemographic control variables alone explain 5.1 percent of the variance within the personal morality climate and 4.3 percent of the variance within the law and professional code climate. Controls also explain variance in the other independent variables: 10.6 percent in centralization, 2.9 percent in nonconformity, 3.3 percent in red tape, and 2.1 percent in formalization.

[INSERT TABLE FOUR ABOUT HERE.]

The standardized parameter estimates for control variables are included in Table 4. There are several significant findings. First, females, nonwhite, and older respondents all view higher levels of law and code climate in their workplace. Older employees and managers/supervisors view lower levels of the personal morality climate in the workplace. Nonwhite respondents and division/department heads perceive less red tape in their workplace; nonwhite employees also report higher formalization. Almost every control variable is found to be a significant predictor of centralization: females, older employees, and employees in all three higher-level positions report lower levels of centralization while nonwhite employees report more. Of note is that education had no significant effect on any variable in the model and neither rule bending nor nonconformity has any significant control variable predictors.

distribution, which is why $\chi^2$ difference values between the full model and the trimmed models do not add up.
Discussion

This research sought to examine the influence of organizational ethical climate on rule bending behavior. An organization’s ethical climate is what employees consider to be the norm for basing ethical decisions on the job. Ethical climate has the potential to impact one’s propensity to bend rules due to the various emphases upon which to base ethical decisions, particularly given that rule bending in and of itself has an ethical dimension: rule following might be considered as the “right” thing to do. This paper assumes that the organizational climate upon which ethical decisions should be made can have an impact on one’s willingness to bend rules, depending on its content. Two climates in particular were expected to have an influence on rule bending. The law and code climate were expected to be a suppressor of rule bending because ethical decision making is seen as being influenced by laws and professional codes. These laws and codes, while external to the organization, serve the same purposes as organizational rules, which give employees a standard by which to abide. By contrast, the personal morality climate was expected to encourage rule bending because it emphasizes decision making based on personal values and beliefs rather than procedures or regulation, be they from within the organization or external. This study tested these relationships using survey data analyzed through structural equation modeling (SEM).

The results of structural equation model show that the law and code climate is a significant predictor of rule bending: employees perceiving more law and code climate influences report less willingness to bend rules. One explanation could be that adherence to external laws and professional codes parallels one’s predisposition to adhere to rules and regulations in general, indicating that adherence to regulation is valued regardless of the source of the rule or law. Similarly, an emphasis on law and code within an organization could indicate that rules and regulations are based on those laws external to the organization; values of rules and regulations might be sourced from the Constitution or law as well as professional codes for
various public employee groups. Gleaning from this finding, it can be said that external law and code sources provide some sort of “check” on rule bending and breaking external to organizational rules and accountability. Rules are considered as a way to ensure consistent implementation (Oberfield, 2009), but this finding indicates that public administrators might also be able to count on these external sources of values to prevent “rogue” public administrators.

It was hypothesized that an organization with an emphasis on personal values and morality—personal morality climate—as a basis for ethical decisions would lead to increased rule bending. While the direction of the relationship is as hypothesized, it is not a significant relationship. One possible explanation for this lies in the indicators created for measurement of this climate. One of the indicators (“The most important concern in _____ (city name) is each person’s sense of right and wrong”) provided estimation problems in the software: the model would not converge with this item included. The choice was made to exclude the measure, particularly given its similar wording to one of the other personal morality indicators (“Each person in _____ (city name) decides for themselves what is right and wrong”). While it is unclear what the problem is with this variable, it is possible that there is some linear dependency on a different variable in the model. Interestingly, the three measures for personal morality have low correlations with each other ranging from .235 to .361 (as opposed to correlations ranging from .562 to .721 for the law and professional code measures). Additionally, the Cronbach’s Alpha for personal morality climate in this study is .545, indicating poor to moderate reliability (George and Mallery, 2003 and cited in Gliem and Gliem, 2003, p. 87). While Cronbach’s Alpha and SEM factor loadings provide different ways of looking at indicator reliability, both the low Alpha and low factor loadings and correlations of the indicators lead to the conclusion that these measures might not be the best measures for this construct. Put more simply, the measures for personal morality do not seem to be tapping into the same latent construct and future research should consider a revision of those items to better measure the climate.
There are several findings with the remaining independent variables and controls worth discussing. Nonconformity has a positive relationship with rule bending, which is consistent with previous findings (DeHart-Davis, 2007). Nonconformity and the law and code climate, the two significant predictors of rule bending in this analysis, have a moderate negative correlation of -.459. This could be an indication that that a law and code climate might constrain nonconforming behavior or, conversely, that nonconformists are less likely to view a climate as one based on law and code. Nonconformity as a personality trait is interesting because it has the potential to “override” the organizational climate in terms of making ethical decisions. Put another way, a nonconformist may break or bend rules regardless of what the organization’s climate might be. Future research should consider the interaction between nonconformist behavior and organizational ethical climate or other characteristics and how that is related to rule bending.

Several control variables have a significant relationship with either of the two ethical climates. Female, nonwhite, and older employees reported higher levels of law and code climate. Emphasis on law and code as a basis for ethical decision might provide a source of legitimacy for power. Portillo and DeHart-Davis (2009) found that women are more likely to abide by rules—and less likely to bend them—perhaps due to their lack of status in the organization: adherence to rules and regulations give them a source of legitimacy. This explanation could be applied to racial minorities as well. As such, power and legitimacy could explain both female and nonwhite employees’ views of a law and code climate: value might be placed on the guidance of professional codes and extra-organizational laws when deciding an ethical dilemma.

Age has a positive relationship with law and code climate: older employees reported higher levels of a law and code climate. While tenure is not included in the model, this finding could be indicative of that: older employees may have been with the organization longer than younger employees, thus giving them more familiarity with professional standards and laws.
This might also explain why the opposite is true with the personal morality climate: older employees—along with managers/supervisors—perceive lower levels of the personal morality climate. Managers and supervisors, due to their position in the hierarchy, might perceive lower levels of a personal morality climate because it is less desirable: they are likely to want their employees to abide by procedures, making it easier to hold them accountable, as well as want consistency in implementation, which rules and regulations can provide (Oberfield, 2009).

Like all studies, this one is not without its limitations. The context of this study is a single local government organization in a metro area of a single state. Ethical climates vary from organization to organization—and perhaps even across departments—particularly given the assumption that is possible to have more than one climate emphasized in a single organization (Wimbush, Shepard, and Markham, 1997). Including different organizations in a single study would allow for greater variation of the impact of ethical climate on rule bending and other variables. Future studies should consider more than one organizational context or including a way to distinguish between work groups or organizational departments. Another limitation is the context within which the climates and measures are developed. Ethical climate theory comes from business ethics literature, thus, it is set within a private sector framework. While the two theoretical dimensions of the theory—ethical criterion and locus of analysis—can be extended across sectors, the meaning of the nine theoretical climates might be limited to the private sector. One example of this is a “company profit” climate, which is not included in this present study. The idea of “company profit,” a bottom-line measure of business performance, is not directly relevant to a public sector organization. It may be necessary, then, to reconceptualize the climate and its measures to better represent public sector performance and how it serves as an organizational basis for ethical decision making. Overall, generalizability of the nine climates and their respective measures could be problematic regarding organizational context. Future research should consider adaptation of this theory to better incorporate the contextual differences of the sectors.
Conclusion

Calls for greater flexibility and emphasis on the citizen-customer (Osborne and Gaebler, 1992) might lead to greater rule bending behaviors by its employees. Rule bending may occur for various reasons, including the need to “help” clients that are considered deserving or worthy (Maynard-Moody and Musheno, 2003), the need to better perform their jobs (Sekerka and Zolin, 2007), or because of personal value conflicts (Thacher and Rein, 2004). As a conscious decision, rule bending—whether considered right or wrong—has an ethical dimension. Ethical climate theory provides a way to explore how rule bending is affected by the norms present in an organization regarding ethical decision making. This study found that an emphasis on external laws and professional codes might help to curb rule bending behavior, which, practically speaking, may or may not be of normative importance to an organization. While rule bending gains prominence in the literature, it is important to consider the impact an organization has on the behavior of its employees as well as the ethical dimension to rule bending itself. This research helps advance knowledge on organizational influences on rule bending behavior and encourages greater focus in this area.


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Figure 1: SEM Standardized Parameter Estimates

Model Fit: $\chi^2(^{241, n=813}) = 483.761$; RMSEA = .035; CFI = .988; NNFI/TLI = .983
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<th>Indicator</th>
<th>Rule Bending</th>
<th>Law and Code Climate</th>
<th>Personal Morality Climate</th>
<th>Nonconformity</th>
<th>Centralization</th>
<th>Formalization</th>
<th>Red Tape</th>
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<td>1</td>
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<td>0.788</td>
<td>0.640</td>
<td>0.845</td>
<td>0.890</td>
<td>0.669</td>
<td>0.777</td>
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<td>2</td>
<td>0.925</td>
<td>0.926</td>
<td>n/a</td>
<td>0.942</td>
<td>0.952</td>
<td>0.583</td>
<td>0.812</td>
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<td>3</td>
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<td>0.861</td>
<td>0.640</td>
<td>0.925</td>
<td>0.836</td>
<td>0.773</td>
<td>0.770</td>
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Table 3: Regression Parameter Significance Levels

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<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>$p$</th>
<th>$\Delta \chi^2$</th>
<th>$\Delta df$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Model</td>
<td>483.761</td>
<td>241</td>
<td>0.0000</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Trimmed Model</td>
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<td></td>
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</tr>
<tr>
<td>Law and Code Climate</td>
<td>502.798</td>
<td>242</td>
<td>0.0000</td>
<td>8.728</td>
<td>1</td>
<td>0.0031</td>
</tr>
<tr>
<td>Personal Morality Climate</td>
<td>476.777</td>
<td>242</td>
<td>0.0000</td>
<td>1.489</td>
<td>1</td>
<td>0.2223</td>
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<tr>
<td>Nonconformity</td>
<td>521.628</td>
<td>242</td>
<td>0.0000</td>
<td>14.683</td>
<td>1</td>
<td>0.0001</td>
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<td>242</td>
<td>0.0000</td>
<td>0.102</td>
<td>1</td>
<td>0.7489</td>
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<td>242</td>
<td>0.0000</td>
<td>0.086</td>
<td>1</td>
<td>0.7692</td>
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<tr>
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<td>473.722</td>
<td>242</td>
<td>0.0000</td>
<td>0.448</td>
<td>1</td>
<td>0.5033</td>
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Table 4: Standardized Parameter Estimates of Control Variables

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<tr>
<th>Variable</th>
<th>Female</th>
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<th>Non-White</th>
<th></th>
<th>Age (Older)</th>
<th></th>
<th>Department or Division Head</th>
<th></th>
<th>Administrative or Policy Staff</th>
<th></th>
<th>Manager or Supervisor</th>
<th></th>
<th>Bachelor's Degree, Some Grad School or Grad Degree</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Rule Bending</td>
<td>-0.078</td>
<td>0.276</td>
<td>-0.106</td>
<td>0.109</td>
<td>0.112</td>
<td>0.109</td>
<td>0.051</td>
<td>0.447</td>
<td>0.022</td>
<td>0.803</td>
<td>-0.021</td>
<td>0.732</td>
<td>-0.041</td>
<td>0.532</td>
</tr>
<tr>
<td>Law and Code Climate</td>
<td>0.089</td>
<td>0.026</td>
<td>0.076</td>
<td>0.049</td>
<td>0.144</td>
<td>0.000</td>
<td>-0.024</td>
<td>0.550</td>
<td>0.037</td>
<td>0.337</td>
<td>-0.054</td>
<td>0.185</td>
<td>-0.007</td>
<td>0.861</td>
</tr>
<tr>
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<td>0.175</td>
<td>-0.071</td>
<td>0.138</td>
<td>-0.127</td>
<td>0.010</td>
<td>-0.074</td>
<td>0.164</td>
<td>-0.028</td>
<td>0.605</td>
<td>-0.135</td>
<td>0.010</td>
<td>0.019</td>
<td>0.714</td>
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<tr>
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<td>0.274</td>
<td>0.039</td>
<td>0.555</td>
<td>-0.033</td>
<td>0.658</td>
<td>-0.094</td>
<td>0.281</td>
<td>-0.117</td>
<td>0.172</td>
<td>-0.028</td>
<td>0.679</td>
<td>0.037</td>
<td>0.608</td>
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<td>0.694</td>
<td>-0.093</td>
<td>0.034</td>
<td>0.013</td>
<td>0.764</td>
<td>-0.144</td>
<td>0.001</td>
<td>-0.041</td>
<td>0.318</td>
<td>-0.084</td>
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<tr>
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<td>0.117</td>
<td>0.010</td>
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<td>0.039</td>
<td>0.449</td>
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</table>