Employee Ethics Scale: Development And Validation Of A Situational Judgment Tool For Organisations

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Abstract

Orientation: Unethical employee behaviour is a concern for organisations. To sustain the workforce and not lose them in the hands of competitors, human resource managers must adopt newer strategies and methods for selecting employees, bringing into focus employees' ethical behaviour. This process is facilitated by making use of standardised measures of employee ethical intention.

Research purpose: The present study aimed to develop and standardise a selection tool for organisation, to assess employee ethical intention, this being the Employee Ethics (EE) Scale.

Motivation for the study: The development of the EE scale, a Situational Judgement Test (SJT), is an attempt to overcome some of the limitations associated with self-reported measures of ethical intention accompanied by a Likert-type response scale, such as social desirability bias. It further allows for a judgment of candidates' responses to ethical dilemmas resembling real-life problem situations.

Research approach, design and method: The EE scale was developed through a process of stakeholder consultation and the involvement of subject matter experts. An extensive literature review and a brainstorming session were conducted to develop bespoke SJT scenarios, their corresponding judgements and scoring keys. The factor structure of EE scale was examined through exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). The psychometric properties of the scale were established.

Main findings: EFA and CFA identified and confirmed a one-factor structure for the EE scale which is comprised of eight scenarios (items). The scale showed an adequate internal consistency (Cronbach's α = 0.66). Results of ANOVA showed that the EE scale could discriminate between the intentions of non-ethical people and ethical persons, thus exhibiting criterion validity.

Practical or managerial implications: The scale can be used by psychologists, consultants, HR managers and other decision makers in selection process to determine employee ethical intention in organisations.

Keywords: psychometric tool; employee ethics; Employee Ethics scale; situational judgement test;

1. Introduction and literature review

With the growth of organisations and workforce diversification, the concern regarding ethical behaviour in the workplace has gained value

(Taneva-Veshoska & Drakulevski, 2012; Marmat et al., 2016). In addition to strategic, technological, financial, and organisational capabilities as sources of competitive advantage, ethical capability has emerged as an important foundation to the sustainability of the organisation (Chang, 2011; Surie & Ashley, 2008; Buller & McEvoy, 1999). The ethical capability of an organisation refers to the total organisational value system and is manifested in both in the structure and functions of the organisation, and in employee behaviours (Letendre, 2015). It is described in terms of the fairness, compassion, integrity, honor, and responsibility with which an organisation and its workforce operate.

Despite wanting to make the best use of employees' skills and interests, organisations are facing higher attrition rates (Vignesh et al., 2018), turnover rates (Mulki et al., 2006; Babin, 2000), and instances of unethical behaviour in the workplace (Askew et al., 2015). In the present times, employers are pursuing answers to challenging questions like, "Will the selected job candidate be likely to stay with the organisation in the long term?" or "Will he/she be likely to accept responsibility for his/her actions at the workplace?" An increase in market opportunities and better and more diverse ways of networking allows employees to earn more money (Kruse, 2014) and make them switch jobs more frequently (Harris, 2014). Temptations to engage in unethical practices, particularly when linked to monetary incentives or personal gains of power and position (Giacalonen & Promislo, 2015). Such behaviours originate from the workers' lack of adherence to ethics policies and a conscious, flagrant disregard for the organisation.

Unethical employee behaviour is linked with several direct and indirect unproductive consequences for organisations (Larasati & Aryanto, 2019). It negatively affects the organisation's reputation, contributes to a loss in the number of customers, leads to financial losses, decreases organisational performance (Askew et al., 2015), and increases the cost of recruitment and training for organisations (Steenackers & Guerry, 2016). It causes organisations to lose millions and face a reduction in market share, leading to a decline in competitive advantage. Thus, mismanagement of unethical behaviour in the workplace is a significant threat to organisations (Singh &Twalo, 2015). Given the severe economic and reputational impacts of immoral actions, there is no surprise that it is pertinent to prevent, detect and respond to these behaviours in organisations.

Unethical workplace behaviour includes the infringement of moral norms by employees, such as greed, corruption, antisocial behaviour, and the abuse of company assets for personal enrichment (Singh & Twalo, 2015). Employees may become involved in theft, misleading communications, disclosure of confidential information, false claims, and misrepresentation of products and services (Crossen, 1993; Serota, 2019). Immoral and unethical behaviour can be intentional, and employees can purposely cross ethical boundaries for selfish reasons. Factors linked to both the individual's personality and within the work environment can contribute towards unethical behaviours (Hoyk & Hersey, 2009). Though creating an ethical work environment is a function of management and leadership, the potential role played by employees' personalities also needs to be considered. The development and validation of the Perceived Leadership Integrity Scale (PLIS) has demonstrated that integrity of individuals in leadership positions can be reliably measured in real life settings and is correlated with job satisfaction of their subordinates, and employees' desire to leave their jobs (Craig & Gustafson, 1998). Integrity measures such as Giotto Integrity Questionnaire may be used to predict the potential of leaders to indulge in unethical practices (Koortzen& Oosthuizen, 2019). The Situational Judgement Test format has previously been used by researchers to measure integrity, such as in the test developed by Thomas Becker to measure integrity. He reasoned that this format is a valid predictor of job performance and is resistant to faking (Becker, 2005).

1.1 Research purpose and objectives:

The study aimed to develop an assessment tool that would support organisations in gaining an understanding of the ethical intention of employees. Organisations require standardised tools such as Becker's SJT (Becker, 2005), with good psychometric properties to better predict employees' workplace behavior. This served as an impetus for the development of the Employee Ethics Scale. Despite the existence of measures, the development and validation of a measure within the South African context was deemed meaningful. Following objectives were set for the study:

- To develop a psychometric tool (the EE scale) to measure employee ethical intention.
- To establish the factorial structure of the EE scale.

- To evaluate the psychometric properties (reliability and validity) of the EE scale.

2. Research Design

2.1 Research Approach

The study utilized a quantitative approach to develop and validate the scale. The study proceeded in several phases, beginning with the development of the EE scale in which situation scenarios and their corresponding judgments were written and validated by subject matter experts. In the next step, content and face validity of the scale was established which was followed by statistical analysis. Factor analysis (EFA and CFA) were conducted to determine the factor structure of the scale, and internal consistency and criterion validity was determined to establish the psychometric properties of the scale.

2.2 Development of the EE scale

The development of the EE scale started with the designing of the SJT scenarios and judgments, and formulating its scoring key. The process also involved establishing the content and face validity of the scale.

2.2.1 Design of SJT scenarios, judgements, and formulating the scoring key

The EE scale was developed as a Situational Judgment Test (Motowidlo, Dunnette, & Carter, 1990). A typical SJT presents participants with situations or scenarios for which they must choose one of multiple possible courses of action called judgments. Assessments based on situations and corresponding judgments generate reliable respondent responses (Chan & Schmitt, 2005) and have less social desirability bias. It stimulates a person to read each choice or judgment before selecting a response since the options do not lie on a Likert-type continuum. Test items presented in the form of scenarios are designed to parallel job experiences and evaluate how candidates make decisions in work-related situations. They simulate job contexts, guide candidates' perception of a scenario, and allow them to rate the judgments based on what they would do (Corstjens et al., 2017).

According to Lievens, Peeters, and Schollaert (2008), the criterion-related validity and incremental validity of SJTs is greater than that of Likert-based cognitive ability tests and personality tests. They are more engaging for test-takers and considered robust for context-specific behaviours. Applicants

react positively toward SJTs, and it is possible to test large applicant groups at once via the internet (Lievens et al., 2008). Despite their advantages, SJT have limitations. These include that participants may still be able to fake responses (Weekley & Ployhart, 2006; De Leng et al., 2018) or coach themselves on ways to score well by responding in specific ways. Further, most situational judgment tests are suitable for particular situations only and need to be specifically designed for different jobs and cultures (Lievens et al., 2008).

The development of the EE scale started with identifying the core ethic values that organisations seek in their employees. This was done through a review of relevant literature.

Some of the essential factors identified in the literature as influencing whether or not employees conduct themselves in an ethical manner in organisations are found to include organisational bonding (Sims, 2002; Taylor, 2017), value orientation (Beams et al., 2003), compatibility (Terec-Vlad &Trifu, 2014), interpersonal credo (Abdullah et al., 2016), intrinsic stability vs. extrinsic mobility, integrity (Paine, 1994; Becker, 1998; Rahim et al., 2020; Quigley, 2007; Duggar, 2010), authenticity (Ebrahimi et al., 2020), whistleblowing (Makhija & Kulshrestha, 2018; Culiberg & Mihelič, 2017; Kaplan & Schultz, 2007; Mesmer-Magnus &Visveswaran, 2005), code of conduct (Tapas, 2012), fiduciary (Singh & Prasad, 2017), public accord and private dissent, ethos, scrupulousness (Singh & Singh, 2012), ethical decision making (Tapas, 2012), and conscientiousness (Hassan et al., 2016; Jiang et al., 2009; Mostert & Rothman, 2006; Shukla et al., 2014). Further, Marmat, Jain & Mishra (2016) highlight individual characteristics, including Machiavellianism, locus of control, and value orientation, organisational factors such as code of ethics, ethics training, and reward system, and external factors such as competition.

After reviewing the literature, 21 subject matter experts (SMEs) were contacted to participate in the SJT writing workshop. They were given a list of core ethic values and their definitions arrived at by the review of literature. Together with the SMEs from the fields of Psychometry, Industrial/Organisational Psychology, and Human resource management, the standard format for writing scenarios and their judgments based on SJT design principles were agreed upon. The first step involved creating context-specific scenarios simulating everyday ethical situations that employees may face at the workplace. The SMEs created a total of 43 scenarios of similar length and format. Next, they generated potential responses or judgments for each scenario using a rating scale. Judgments were written based on the SMEs knowledge and observations of actual

employee ethical behaviours. Four response categories that showed high consensus among the experts were finalized for each scenario. After that, the SMEs created a scoring key for each judgment in each scenario, wherein options were given scores ranging from 1 to 4, with 4 representing the most effective judgment, 3 and 2 representing further down in the hierarchy and 1 representing the least effective judgment. It was decided that in the final test, the test-takers would be asked to select a response or judgment that he/she felt best responded to the scenario and the corresponding score will be provided to the test-taker.

2.2.2 Content and Face Validity of the EE scale

In the next step, seven academics experienced in teaching the psychological testing curriculum at the University of Delhi conducted a detailed review of the scenarios, judgments, and scoring keys. They validated the content of the scenarios and judgments, and built a consensus on the scoring keys. The validation process followed the empirical methodology of 'hit ratio analysis' of Moore and Benbasat (1991). Acceptable levels of congruence were reached (ICC = 0.72, <0.01) in the scenario-judgment SJT format, following the guidelines of Cicchetti (1994). Academicians also finalized the user-manual instructions for test-takers. Finally, eleven industry professionals and HR consultants face-validated the scenarios and reached agreements on the ratings assigned to each judgment and the answer key Fifteen scenarios were retained following content and face validation and after receiving recurrent refinements in clarity and grammar. A sample scenario of the SJT and its judgments is presented in the Appendix.

2.3 Research procedure

2.3.1 Research participants

For psychometric validation of the EE tool, 196 working professionals (Table 1) across Delhi-NCR took the 15-item SJT. Participants were volunteers (n = 196) drawn from community-based population using convenience sampling method. The age of the sample ranged from 20 to 60 years old. The gender groups represented in the sample included 113 males and 83 females. Most of the respondents (65.8%) had less than 5 years of work experience.

TABLE 1: Sample Characteristics (n=196)

Characteristics	Frequency	Percentage
Age		
20-29	133	67.9
30-39	28	14.3
40-49	26	13.3
50-59	8	4.1
60	1	0.5
Gender		
Male	113	57.7
Female	83	42.3
Years of experience		
5 and below	129	65.8
6-10	33	16.8
11-15	14	7.1
16-20	7	3.6
More than 20	13	6.6

Participants who agreed to participate in the study were provided with EE Scale and asked to return them to the researchers in stamped self-addressed envelopes. The overall response rate was 90%, while the overall completion rate was 95%. Responses were confidential to the researchers, and identification codes were used rather than names. Minor missing data (e.g., 1–2 unanswered item/s per questionnaire) were found for approximately 2% of individuals, and these were replaced with means.

2.4 Ethical Considerations

The research procedure followed was as per the Department Ethics Committee of the Department of Psychology, University of Delhi, India (Ethical Clearance Number: KMV-DU/2021/5/0017/40) Participants who agreed to participate in the study were asked for voluntary participation and guaranteed anonymity and confidentiality.

3. Statistical Analysis

3.1 EFA

The factor structure of the EE scale was examined through Exploratory Factor Analysis (EFA). The statistical package for the social sciences (SPSS)-

23 was used to carry out EFA with Principal Component Analysis (PCA), Varimax rotation, and Kaiser normalization. The factors were subjected to orthogonal (varimax) rotation because the researchers wanted to maximize the dispersion of the loadings within factors (Field, 2000). The aim was to develop an SJT questionnaire that met the following criteria: (a) Retention of factors with minimum factor **eigenvalues** of 1, (b) deletion of scenarios with **communalities** less than .30 as suggested by DeVellis (1991), (c) minimum factor membership of four scenarios, (d) exclusion of scenario with **factor loadings** less than .40 based on Stevens' (1992) suggestion that this cut-off point is appropriate for interpretative purposes, and (e) conceptual coherence of individual factors. Corrected-item (scenario) total correlation (the degree to which each scenario correlates with the total score) was calculated to identify items that need to be revised or discarded. All data was used for this process.

The Kaiser's Meyer Olkin measure of sampling adequacy conducted prior to the EFA was .67, demonstrating that the correlation patterns were relatively compact, indicating that factor analysis should yield distinct and reliable factors (Field, 2000, 2009). According to Field's (2005) criterion, 15 scenarios correlated sufficiently well with the extracted factors. Bartlett's test of sphericity was significant ($p < .001$), showing that there were some relationships between the variables. This information allowed for the identification of the factor model using the PCA approach. A PCA of the 15 scenarios yielded a one-factor model that accounted for 49.50% of the total variance (eigen value = 2.766). Seven of 15 scenarios with factor loadings below .40 were eliminated, yielding a final 8 SJT scenarios measure. Factor loadings of the eight retained scenarios, their communalities (h^2), mean, and SD is shown in Table 2. Pearson's correlation coefficients were computed to investigate the inter-relationships between the retained scenarios and between each scenario with the total score. All of the correlation coefficients were significant and positively correlated (Table 3).

TABLE 2: **Exploratory Factor Analysis of EE scale (n = 196)**

Scenario number	Factor Loading	h^2	Mean	SD
Scenario 1	.400	.353	3.42	.894
Scenario 2	.626	.391	3.45	.843
Scenario 5	.607	.368	3.48	.903
Scenario 6	.533	.384	2.83	.916
Scenario 9	.521	.372	3.14	.898

Scenario 10			.550	.303	3.31	1.023
Scenario 13			.458	.310	3.33	.874
Scenario 15			.507	.357	3.32	1.004

TABLE 3: **Correlation matrix of scenarios of EE Scale (n = 196)**

Scenario	**1**	**2**	**5**	**6**	**9**	**10**	**13**	**15**
1		.292**	.291**	.271*	.410**	.358**	.411**	.403**
2			.575**	.490**	.561**	.411**	.365**	.540**
5				.300**	.496**	.598**	.368**	.562**
6					.287*	.295**	.480**	.370**
9						.522**	.339**	.619**
10							.499**	.456**
13								.469**
EE scale	.614**	.746**	.747**	.610**	.746**	.737**	.681**	.780**

**. Correlation is significant at the 0.01 level

*. Correlation is significant at the 0.05 level

3.2 CFA

Next, AMOS Version 20 (Arbuckle, 2005) was used to carry out Confirmatory Factor Analysis, CFA (Bentler, 2004) with maximum likelihood method and robust statistics to address the non-normality of data and fit indices, as recommended by Hu and Bentler (1999). The same sample was used to confirm the EE scale factor structure identified in the EFA. Since both the analyses are based on common factor analyses with an assumption that causality flows from the latent construct(s) to the observed variables, the model generated from a reflective EFA was confirmed by a reflective CFA with the same sample and same estimation method. Model adequacy was examined by calculating the **χ2 value** (a statistic influenced by larger samples) and the ratio between χ2 value and degrees of freedom (**χ2/df**; ratio values between 1 and 3 are considered to indicate good quality (Wheaton, Muthen, Alwin, and Summers's, 1977; Hooper, Coughlan, & Mullen, 2008), Comparative fit index (**CFI**; Bentler, 1990; Hair et al., 2010; values greater than .90 is a good fit), Goodness-of-fit index (**GFI**; Hair et al., 2010; Awang, 2012; values greater than .95 indicates good model adequacy), Incremental fit index (**IFI**; Bollen's, 1989; values over 0.90 is a good fit), Root mean square error of approximation (**RMSEA**; Browne & Cudeck, 1993; values lower than .08 indicate good model fit to data; Browne, 1990) and Standardised root mean square

residual (**SRMR**; values lower than .08 indicate good model) were calculated.

To confirm the one-factor structure of the EE scale identified through the EFA, the subsequent CFA was calculated on (a) the total sample, (b) male sample and (c) female sample. The split-sample method enhances the power and validity of the study, increases researcher's learning from the data and reduces the likelihood that relevant hypotheses were untested. Six measurement indices were calculated to assess model fitness: the relative/normed χ2/df, the CFI, the GFI, the IFI, the RMSEA and the SRMR. Overall, these indicators indicated a goodness of fit for the model. The **total sample model** indicated a good fit to the data obtained: χ2/df = 1.734, p = .002; CFI = .897; GFI = .96; IFI = .903; RMSEA = .061; SRMR = .045 (Browne &Cudeck, 1993; Hoyle, 1995; Kenny & McCoach, 2003). The **male sample model** indicated an average fit to the data obtained: χ2/df = 2.429, p = .000; CFI = .725; GFI = .911; IFI = .745; RMSEA = .062; SRMR = .071. The **female sample model** indicated a good fit to the data obtained: χ2/df= 1.375, p = .122; CFI = .883; GFI = .920; IFI = .896; RMSEA = .068; SRMR = .060. The results of the CFA are documented in Table 4 and the structural model is shown in figure 1.

TABLE 4: Confirmatory Factor Analysis of EE scale
Total sample (n=196) Male sample (n= 113) and Female sample (n=83)

Model	χ2	df	p	χ2/df	CFI	GFI	IFI	RMSEA	SRMR
Total sample	34.68	20	0.02	1.734	.897	.960	.903	.061	.045
Male	48.57	20	0.00	2.429	.725	.911	.745	.062	.071
Female	27.49	20	.122	1.375	.883	.920	.896	.068	.060

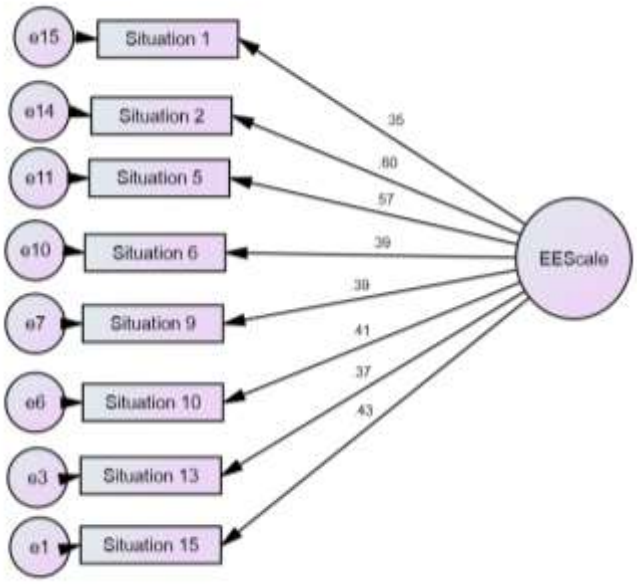

FIGURE 1: Final 8-item (scenarios) model of the Employee Ethics Scale (n = 196).

Returning to Table 4, the χ2/df ratio is ≤ 2.5 in three data samples (total, male, and female). This demonstrates that the one-factor model adequately represents the data, reflecting a good fit. The χ2 is insignificant for the female sample, which may be attributed to the small sample size of the female cohort. In reviewing the values of CFI, GFI, and IFI in Table 4, it is evident that the one-factor model represents a good fit to the total sample and marginal though acceptable fit with data for male and female samples, satisfying thus, to an extent the criteria for convergent validity. RMSEA and SRMR are other fit indices that assess the absolute fitness of a model. Values of RMSEA and SRMR of < 0.08 in the three data samples indicate a good fit. Overall, it is apparent from the goodness-of-fit indices that the one-factor model best fits the observed data.

3.3 Reliability of EE Scale

The reliability of the EE scale was examined using Cronbach alpha and split-half reliability methods. Cronbach's alpha for the scale was.66, whereas the split-half reliability coefficient with Spearman-Brown correction was .65.

3.4 Criterion-Related Validity

Criterion-related validity was evaluated by investigating whether the EE scale could discriminate between non-ethical people and ethical persons. For this, the standard scores of the EE scale were calculated based on mean and SD. The score range and their respective interpretations are given in Table 5. Based on the standard scores, the participants were divided into two groups: EE group 1: Low on ethical score (those who scored at or below M - 1SD, n = 33) and EE group 2: High on ethical score (those who scored at or above M + 1SD, n = 45).

TABLE 5: **Standard Scores of Employee Ethics Scale (n = 196)**

Standard Score	Score Range	Interpretation
Mean + 1.5 SD	32 and above	Very High
Mean + 1 SD	30-31	High
Between Mean - 1 SD and Mean + 1 SD	23-29	Average
Mean - 1 SD	20-22	Low
Mean - 1.5 SD	Below 20	Very Low

Results of ANOVA showed that there was a significant difference between the two groups in relation to their total score ($F_{1,76}$ = 1054.09, p< 0.000). Similar results were found for each scenario, scenario 1 ($F_{1,76}$ = 52.52, p< 0.001), scenario 2 ($F_{1,76}$= 51.85, p< 0.001), scenario 5 ($F_{1,76}$ = 67.78, p< 0.001), scenario 6 ($F_{1,76}$ = 54.03, p< 0.001), scenario 9 ($F_{1,76}$= 77.71, p< 0.001), scenario 10 ($F_{1,76}$ = 92.14, p< 0.001), scenario 13 ($F_{1,76}$= 56.24, p< 0.001) and scenario 15 ($F_{1,76}$ = 98.48, p< 0.001). Means and standard for each of the groups are shown in Table 6.

TABLE 6:**Means (and standard deviations) of the EE scale and individual scenarios for the EE Group 1 and EE Group 2**

EE Scale	EE Group 1 (Lowscores) (n = 33)	EE Group 2 (High scores) (n = 45)
EE Scale	19.21 (2.23)	30.55 (.62)
Scenario 1	2.36 (1.19)	3.80 (.50)
Scenario 2	2.60 (1.17)	3.91 (.28)
Scenario 5	2.45 (1.20)	3.95 (.20)
Scenario 6	2.06 (1.05)	3.37 (.49)
Scenario 9	2.39 (.933)	3.77 (.42)
Scenario 10	2.30 (1.13)	3.95 (.20)
Scenario 13	2.63 (.929)	3.80 (.40)

Scenario 15	2.39 (1.05)	3.97 (.14)

4. Discussion

In this study, we developed a psychometric assessment tool that would support organisations in determining the ethical intention of employees. The results from the EFA suggested a single-factor model with good reliability and validity. The confirmation of this model was achieved through CFA. The EE scale was found to be a reliable and valid measure of employee ethics using Cronbach alpha and split-half reliability methods. The test was also found to discriminate between ethical and unethical people effectively. The results of this study supported the usefulness of the EE scale as a brief, reliable and psychometrically valid scale to assess ethical intentions among employees. The single factor structure of the EE scale may require further research towards developing more specialized instruments to assess specific domains of ethical intentions of a person.

As organisations expand their outlook to overcome challenges and function optimally, employers are concerned about an alarming increase in accusations of unethical or scandalous behaviours of employees. They seek to employ and promote those candidates, who are talented, righteous and ethical, and self-disciplined (Binsaeed, Unnisa, & Rizvi, 2017). A survey conducted by Richens and McClain (2000) revealed that employers have increased their focus on employees' soft skills and interpersonal competencies, including ethics. Since organisations are giving importance to employee values, behaviour, and soft skills (Subramanian, 2017), there is a need to adopt various assessment methods during selection and training rather than relying on conventional aptitude tests and interviews. Interviews add a subjective dimension to the recruitment process and allow employers to attain a bird's-eye view of an individual's behaviour and personality characteristics (Subramanian, 2017). It is, however, difficult to assess soft skills through interviews, especially ethics, by intuition alone. SJTs have been used previously to assess ethical intention and have been considered as a valid predictor of job performance (McDaniel, Morgeson, Finnegan, Campion, & Braverman, 2001) and resist the probability of respondents' faking responses
(McDaniel & Nguyen, 2001).

There is a need for organisational leaders to act in an ethical and responsible manner toward their employee's and other stakeholders as this engenders employees' trust in their organisation and their perceptions of justice within the organisation (Mendonca & Kanungo, 2007; Xu, Loi& Ngo, 2016). The integrity of both leaders and employees is

necessary for long-term success and corporate sustainability (Duggar, 2009). Appointing employees at different levels of the organisation with high moral judgment and ethical behaviour is beneficial for the development of ethical leadership. Eventually, some of these employees will get promoted, form a part of the core leadership, and make critical policy decisions. If these leaders are ethical, they will make sound decisions that will protect the organisational disrepute behaviour and broaden individual and corporate priorities beyond profit and shareholder enrichment (Emery, 2015). The concise nature of EE scale, making it a time efficient tool, can be instrumental to determine the ethical intention of both job applicants and existing employees, including current and future leaders' behaviour.

4.1 Practical implications and recommendations

The EE Scale can be used as part of the selection process to differentiate between the ethical intention of candidates in a more objective manner. Understanding that no self-reported measure can be entirely objective, the results of the EE scale can be used together with information derived from the interview and other selection predictors in gaining a richer understanding of the ethical stance of job applicants. Candidates' responses to the test situations could be further probed, elaborated on or clarified during the interview. However, this should be approached with caution, understanding that it would require an interviewer well-versed in the assessment and interview process; further the recognition that any selection predictor should not be used to unfairly discriminate between job applicants and needs to be clearly linked to the inherent requirements of the position.

While it has been indicated that the EE scale can be used to determine the ethical intention of job applicants and current employees, including that of leaders, it could also find further application for organisational development purposes. For example, determining employee ethical intention through the use of specific and work-relevant scenarios may highlight areas of concern at risk for ethical breaches. This would assist in the development of training and other interventions to reduce risk and promote the importance of ethical behaviour in support of an ethical organisational culture.

As organisations build an ethical culture by hiring and developing employees who value and showcase ethical practices, they build a workforce that respects their work environment, nurtures their personal

goals (Huhtala et al., 2013), has improved job satisfaction (Chye Koh & Boo, 2004), and experiences improved overall psychological well-being (Valentine, 2014). The EE scale could play an instrumental role in building this culture.

4.2 Limitations of the study

The study has some limitations. The small sample size and homogenous nature of the sample requires further consideration. The tool should be validated on a larger and more diverse sample. Further, the EE scale was developed in the Indian urban setting and may require adaptation for use in different cultural contexts. Further, most situational judgment tests are suitable for specific situations only. Although the presented scenarios in the EE scale were designed to be of a general nature, they might not be appropriate for all jobs and different work contexts. Finally, while the EE scale was developed to determine ethical (behavioural) intention, it cannot decisively predict actual behaviour.

5. Conclusion

This study determined the EE scale to be a reliable and valid psychometric situational judgment tool that provides an indication of the ethical intention of employees. This in turn, provides an indication of their stance in relation to ethical decision-making. The EE Scale can be beneficial for human resource managers, IOP psychologists and employers in providing a more objective measure of ethical intention as opposed to more traditional self-reported measures. The EE scale can supplement existing recruitment and selection processes and aid in the development of training and other interventions to mitigate potential areas at risk of ethical breaches.

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Data Availability

Dataset that support the results of this study can be made available upon reasonable request from the corresponding author G.V.

Disclaimer

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