Ethical Climate in Nonprofit and Government Sectors: A Comparative Study Between Japan and UK.

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[Purpose]

Since the 1980s, public administrations have been viewed increasingly as inefficient in comparison with organisations governed through market principles, which are considered as being both more conducive to the promotion of quality and more cost effective. As a consequence, the role played by private organisations (for-profit and nonprofit) has broadened. In this new environment, nonprofit organisations, which had previously been seen as fulfilling the demand for social services which the state did not provide, now clearly abandoned this supplementary role in favor of a complementary one in which nonprofit organisations and governments came to be engaged primarily in a ‘contract relationship’ in which the latter finance public services and the former deliver them. An important factor that leads governments to engage in public services contract with nonprofits is the belief that they share similar ethical and value orientations that will allow governments to reduce monitoring costs. However, the notion of the existence of similarities in ethical climate has not been systematically examined. This study aimed exactly to this scope. It is an investigation of ethical climates in nonprofits and government in Japan and UK, to determine the extent to which similarities (and differences) exist in ethical climate dimensions, what drives the differences and what are the implications for the sectors in these two countries.

[Research Design]

Using survey data and structural equation modeling techniques, the factors structure equivalence and measurement invariance of ethical climate in the two sectors were tested. The Ethical Climate Scale (developed by Victor and Cullen in the ‘80s to test ethical climate in the for-profit sector and then revised by Agarwal and Malloy recently in the non-profit) which I have used for my previous study, was tested empirically in the two country-contexts by means of a survey and interviews with several of the respondents to the survey. The Sample is made by 2000 respondents (500 in the government sector and 500 in the nonprofit sector in each country).

As for the Data Collection:

- Data from the government sector was collected from 3 or 4 governmental departments such as education, health, social services, and labor in some Wards of the two biggest cities in each country (so Tokyo, London, Yokohama, and Birmingham) [Officials/employees in these departments were asked to complete a questionnaire];

- Data from the nonprofit sector was collected from several organizations who operate in these Wards and who have full-time employees and managers with supervisory responsibilities. [Managers and full-time employees were asked to complete the same questionnaire];

[Original Contributions]

The outcome of this study would be a deeper awareness of ethical perceptions of each sector and an enhanced sense of trust during intersectoral negotiations. This study would provide important insights that would allow policy makers in government to better understand the implications of using nonprofit partners to deliver services. The study would also provide a theoretical and empirical starting point from which government - Nonprofits relationships in Japan and UK can be better understood.