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**The Impact of Perceived Ethical work climate on
Proactive Behavior
The Mediating Role of Psychological Empowerment
"An Empirical Study"**

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ABSTRACT

This research examines the direct and indirect impact of Perceived ethical work climate on proactive behavior at Tax Authority in Gharbia Governorate . A field study was then conducted using a sample of 259 employee working at all at all levels at the Authority and 235 questionnaires were completed , Results revealed that all dimensions of the Perceived ethical work climate have a statistically significant positive direct impact on proactive behavior at Tax Authority in Gharbia .

It was found also that all dimensions of Perceived ethical work climate have a statistically significant positive direct impact on psychological empowerment. Moreover, results revealed that psychological empowerment has statistically significant direct impact on proactive behavior Finally, , findings showed that psychological empowerment plays a fully mediating role in the relationship between Perceived ethical work climate and proactive behavior at Tax Authority in Gharbia Governorate.

Keywords : Perceived ethical work climate, psychological empowerment, Proactive behavior .

INTRODUCTION

The ethical work climate has attracted the attention of many researchers, especially after the spread of financial scandals and wrong practices in business organizations that led to the collapse of some large companies such as Enron Company for Energy and Worldcom Company for Telecommunications, as these organizations strived to manipulate their business and prices and to reduce the taxes giving bribes (Buff & Yonkers, 2005). These unethical behaviors destroy the organization's image and reputation in eyes of their customers, and affecting negatively employee morale and increasing turnover rates. (Mulki & Lassk, 2019)

Moreover, the ethical climate is considered one of the modern administrative concepts, ethical climate is the main factor in achieving the success and sustainability and enables organization to accomplish its goals, So the management of a successful organization is one that maintains healthy ethical climate (Shapira-Lishchinsky & Rosenblatt, 2010)

Additionally, the focus on the ethical climate which is part of the organizational climate is critical for those organizations that want to have a distinct prestige in market. In the light of the challenges facing organizations due to the intensive competition and the speed of technological change, they are in dire need for human resources with proactive behaviors that includes specific skills such as taking the initiative, the ability to take risks, assuming responsibility, have voice, a desire to innovate, and adapting to uncertainty imposed by the contemporary environment. (De Janasz et al., 2002)

These skills are enhanced through providing an appropriate ethical work atmosphere in which feelings of psychological empowerment are rife. The concept of psychological empowerment emerges as one of the modern administrative methods whose idea is based on the assumption of giving employees freedom of action and independence in handling work matters which generates a sense of confidence and motivation to assume responsibility and bursts their latent energies which appear in the form of innovations and suggestions that increase their proactive behavior and achieving their work efficiently and effectively. (Yukl & Becker, 2006)

Hence, the present research aims to investigate the effect of perceived ethical work climate on proactive behavior through psychological empowerment.



1. THEORETICAL BACKGROUND

This section provides a theoretical review of the study's three main concepts which are: Ethical work climate , psychological empowerment and proactive behavior.

1.1 Ethical Work Climate

During the last two decades researchers began to concentrate on topics related to business ethics especially after disclosing scandals of some companies such as Enron, Tyco, and Worldcom. Due to these facts and the shortage of applying transparency inside different organizations it became imperative for organizations to create its own ethical climate.(Trevino , et al., 2006)

Victor and Cullen (1988) provided an ethical climate theory that includes nine ethical climates based on three primary groups of ethical theories including egoism, benevolence, and principle theory. Egoistic climate refers to the norms that encourage employee self-interested behavior . The climate of benevolence refers to the individuals' ethical decision by considering whether behavior might cause positive or negative effects on other people. Principal climate concentrates on individuals' ethical decisions based on the general principle of right and wrong.

Today the ethical work climate represents the critical part of the organization's culture that seeks to achieve sustainability and excellence in the business through its human resources who follow ethical organizational procedures and practices and realizing what is right or wrong behavior so it is clear that the human resources play essential role in creating and improving the work ethical climate. (Diruza & Alqawaasmaa , 2014)

There has been a growing interest among researchers in the concept of ethical climate who presented a number of definitions of the ethical work climate, (Victor et al., 1987) was the first who introduced the term of ethical work climate as a common employees perception of an organization's ethical behaviors .Yener , et al., (2012) indicated that the ethical climate determines the personality of the organization , its culture , and the specific history of the organization, .

Additionally (Sabbagh & Marzouk , 2013) defined the ethical climate as a set of common organizational values or standards that represent guidelines for managers in ethical decision-making and in distinguishing between what is right and wrong. Moreover (Lau et al., 2017) indicated that Ethical work climate can be considered as a framework that helps employees in understanding the ethical issues.

Based on many researches and scientific studies, a set of dimensions of ethical work climate are represented as follows :-

Caring

This dimension means that the actions and behaviors of the individual are directed towards satisfying and helping others, and the individual is keen to ensure that his behavior is consistent with the standards of general behavior that should move away from subjectivity in issuing moral judgments . Moreover, by this dimension, individual should show a great degree of concern for the welfare of others , the organization and even extends to the welfare of society as a whole. (Martin & Cullen, 2006).

This dimension derives its roots from the theory of charity and ethical philosophy, so the main concern of any individual when making decisions is how these decisions will affect the well-being of others. numerous studies showed that the climate of caring has cardinal impact on reducing and deterring undesirable behavior by employees (Yuksel, 2012)

Independence

According to this type of climate individuals depend on their beliefs and personal convictions about what is right and wrong when making decisions, and their behaviors stem from ethical and societal values and principles and considering some external standards as constraints for them . Moreover , The ethical independent individual is less caring about engaging in any form of unethical behavior. (Fritzche, 2000)

Rules and procedures

Procedures refer to the internal rules and standards set by the organization to guide work, when making decisions. The



organizations' tendency towards considering the internal rules regarding moral and ethical behaviors has increased. In other words , employees follow the internal rules and procedures that the organization determines and formulates related to the different aspects of work in the organization. (Haldorai et al., 2020)

Law and professional conduct

. This type of climate is based on external principles and laws in decision making, as well as depend on code of conduct for various professions, such as the laws set by the state, the instructions and regulations that are enacted by human rights organizations. Therefore , decision makers in this climate constantly seek to avoid violating laws . In other words , employees are bound by the laws, regulations, and rules of professional conduct related to their profession that control how they act. (Nedkovski et al., 2017)

Instrumental climate

Employees according to this climate seek to achieve the best for the organization regardless of self-interest. Where the decision is considered correct from their point of view if it achieves the greatest benefit for the largest number of people including the person who made the decision.(Weber& Gerde, 2011)

1.2 Psychological Empowerment

Nowadays , Organizations face many challenges during the achievement of their goals, The appropriate response to meet these challenges takes several forms, the most important of which is focusing on human resources and the creation of an appropriate work environment that enables organization to achieve its success . (Bhatnagar & Sandhu , 2005)

The concept of empowerment emerges as one of the modern administrative approaches, whose idea is based on the assumption of giving employees confidence and independence in work which generates a sense of motivation for assuming responsibility and manifesting their latent energies

According to the recent literature , Psychological empowerment have been classified into four dimensions: meaning , competence , Impact , and self-determination.

Meaning

Pratt and Ashforth described the meaning as the employee's feeling of the importance of the work and the value of the task he performs. (Pratt & Ashforth, 2003) , moreover , Dickson and Lorenz defined the meaning as the degree of compatibility between the requirements of performing the work and the values, beliefs and behavior of the individual. (Dickson & Lorenz, 2009)

Additionally , Numerous studies had shown that the feeling of the employee with the meaning of the task in any work he performs depends on his view of the importance of that work. in other words, the individual feels the meaning of work if he can express himself through work.(Pratt and Ashforth, 2003)

Competence

Competence can be defined as the individual's ability to perform work effectively when exerting more effort. Competence is closely related to self- efficacy. And it is linked to the individual's internal motivation which affects the his behavior, also competence arises from institutional training, education, experience, and managerial reinforcement. (Men & Stacks, 2013).

Impact

It can be defined as the extent to which an individual feels that he has an impact on the work environment, also can be defined as the ability to influence work outcomes, whether at the strategic, administrative or operational levels. Moreover , Ertürk added that impact means the ability to influence the organizational direction that makes employees more productive and encourage creativity for employment-related issues (Ertürk, 2012)

Self-Determination

Self-Determination holds that individuals possess a psychological need for autonomy . The individual must perceive autonomy to generate increased levels of intrinsic motivation. besides , this dimension refers to the individual's sense of control over his actions by increasing his ability to initiate and set the rules that regulate his behavior, meaning that the greater the



individual's sense of independence, the greater his ability to control his actions. It expresses the individual's feeling of freedom of choice in achieving his work , So he has the right to choose the right alternative to carry out the work, in accordance with his own point of view appreciation . (Pan et al., 2012).

1.3 Proactive Behavior

The concept of proactive behavior revolves around how individuals implement work requirements and activities automatically and more successfully without the need for external direction.(Fuller& Marler, 2009) Crant defined Proactive behavior as a set of proactive actions and initiatives performed by the individual to make change or development in his work. (Crant , 2000) Moreover, Fritz & Sonnentag see proactive behavior as the the extent to which an individual takes self-actions to anticipate or change the work system and support personal or organizational effectiveness(Fritz & Sonnentag, 2009)

Wu & Parker referred to Proactive behavior as the phenomena in which the individual himself takes responsibility to master and change his or her condition or its external environment .Besides , They mentioned that proactive behavior encourages employees voice to generate ideas associated with innovation and self-efficacy to solve or prvent problems and address obstacles before its occurance, propose appropriate solutions through personal initiative(WU & Parker, 2013) so procative behavior includes the following diminsions :-

Assuming Responsibility

assuming responsibility can be defined as voluntary and constructive efforts undertaken by an individual in a workplace to make an organizational

functional change (Morrison & Phelps,1999). This means that taking responsibility is a voluntary behavior aims to improve the internal work environment (Moon, et al.,2005) .Moreover, assuming responsibility means that employees take the initiative to introduce or create new work procedures these procedures are intended to be

beneficial for organizations rather than the achievement personal interests of employees, (Onyishi&Ogbodo,2012)

Employee voice

The employee's voice is defined as the voluntary communication that the employee carries in form of ideas, suggestions, concerns, information about work issues .Besides voice of an employee means sending a message and an expressive action that includes constructive views to improve the work environment. this is in contrast to the concept of organizational silence(Morrison, 2014)

Innovation

The innovation is defined as the tendency of the individual in the workplace to present recent ideas or methods(Goepel et al., 2012). Moreover, It is also defined as those behaviors that involve the creation and the application of new ideas (Parker & Collins, 2010)

The concept of innovation is similar to the dimension of assuming responsibility and the voice of the employee by focusing on improving work environment , but differs from focus on originality and modernity (Goepel et al., 2012)

Prevention of problems

The concept of problem prevention is defined as a self-action based on predicting problems andtrying to prevent its occurrence in future (Frese & Fay, 2001).the proactive work behavior that aims to prevent problems focuses on how to deal with the challenges and obstacles in the work environment through planning for the future and thinking about the causes of it. (Parker and Collins , 2010)

2. PREVIOUS STUDIES

This study is dealing with three contemporary interesting topics in today's world, These topics are ethical work climate, psychological empowerment and proactive behavior, Some of the previous studies that dealt with these topics were presented in this section.

2.1 Studies show relationship between Ethical work climate and Proactive Behavior:



Lau et al., (2017) attempted to explore the impact of Ethical work climate which was measured by (rules , law and professional conduct , caring , independence and instrumental) on reinforcing proactive behavior through organizational politics as a mediating variable by applying on six shopping malls in Taiwan . The results showed that all dimensions of ethical work climate have direct positive significant impact on promoting proactive behavior.

Additionally , Li (2017) conducted a study to determine how ethical work climate directly enhances employees proactive behavior from different organizations and industries in Canada. The findings indicated that Employees' proactive behaviors are highly influenced by the employees' working atmosphere such as support and caring , feeling of independence , following laws , applying rules and producers of work environment.

Moreover , a study that was conducted by Al-Tijani and Al-Hasan (2019) on commerical in Khartoumon to investigate the impact of Ethical work climate on employees proactive behavior through organizational commitment as a mediating variable asserted the direct significant and positive effect of all dimensions of ethical work behavior (independence , caring , laws and rules) on boosting proactive behavior of employees . In addition , Permata and Mangundjaya (2021) investigated the impact of job independence as a dimension of ethical work climate on proactive work behavior through work engagement as a mediating variable based on a sample of employees working in the private and public sectors, in Indonesia . Results indicated that job independence has direct significant positive impact on boosting proactive behavior.

Finally , Zhange and Chen study's (2022) aimed to identify the impact of all dimensions of Ethical work climate (caring - independence - rules – laws and professional code) on proactive behavior through the moderating roles of education and party affiliation in China. The results revealed that there are direct significant positive impacts of all dimensions of ethical work climate on encouraging employees proactive behavior.

From the studies that are mentioned previously , the the first main hypothesis that can be formulated as follows:

***H₁ : perceived Ethical work climate dimensions (Caring, Independence, Rules & procedures, Laws & professional conduct and Instrumental climate) have a statistically significant direct impact on employees' proactive behavior .**

2.2 Studies show relationship between Ethical work climate and Psychological Empowerment

In Wangombe & Yohannes's study (2018), a model was proposed to demonstrate the positive effects of dimensions of ethical climate on developing employees psychological empowerment in Market and Social Research Firms (MSRFs) in Kenya. , results showed that there were positive significant effects of all dimensions of ethical work climate (independence , caring , laws and rules) on improving the psychological empowerment .Also , a study conducted at tertiary Tianjin hospitals in China by Zhang et al., (2019) showed that creating a consistent and positive ethical climate at any organization lead to reduce the impact of unethical issues ,improve enthusiasm and satisfaction which in turn boosting psychological empowerment .

Additionally , Zerroukhi et al., (2020) studied the impact of ethical climate on activating the psychological empowerment that can be measured by (meaning , competence , impact , self-determination) of the staff of the Directorate of Public Supplies in the Wilayat of Chlef .The findings indicated that dimensions of ethical climate have a significant and positive impact on achieving psychological empowerment

In the same regard Ganji et al., (2021) presented a theoretical and applied framework that examined the effect of ethical work behavior and organizational support on psychological empowerment through job satisfaction as a mediating variable n) at the biggest universities in Mashhad, Iran .The study asserted impact of all dimensions of ethical climate inncouraging the empowerment of its human resources .

Moreover, Another study conducted by Akkoç et al., (2022) to investigate the impact of ethical work climate and innovative Culture on Job Performance and Innovative Behavior through psychological empowerment as a mediating variable , using a



sample of nurses from University Hospital in Turkey showed that there is the direct significant and positive effect of all dimensions of ethical work behavior on enhancing psychological empowerment.

From the studies that are mentioned previously the second main hypothesis can be formulated as follows:-

H2 : perceived Ethical work climate dimensions (Caring, Independence, Rules & procedures, Laws & professional conduct and Instrumental climate) have a statistically significant direct impact on employee psychological empowerment.

2.3 Studies that show relationship between Psychological Empowerment and Proactive Behavior:

The purpose of Hashemi et al. study (2012) was to investigate the impact of psychological empowerment on encouraging proactive behavior of agricultural personnel from Karaja in Iran . Results showed that all dimensions of empowering employees in organizations had a direct significant positive impact on proactive behaviors . In addition to , Huang 's study (2017) examined the relationship between employees' psychological empowerment employees proactive behavior through mediating role of self-efficacy at 4 universities in South China, The findings indicated that managers who fostering employees' psychological empowerment and self-efficacy promote employees proactive behavior.

El- Eatwy & El –Husaynaa (2018) studied the effect of error management culture on employees' proactive work behaviors (problem prevention, voice, taking charge, and individual innovation) through the psychological empowerment as a mediating variable at 49 work units of ten public organizations in the province of Muthanna . the research findings asserted the direct significant positive impact of psychological empowerment on enhancing the proactive behavior.

Moreover , Haq et al., (2019) empirically examined the impact of psychological empowerment on followers proactive behaviors at Hospitality industry in Pakistan (bearing responsibility , employee voice , innovation and prevention of problems). Depending upon the

analysis of collected data, the results showed that empowering employees psychologically has a significant positive impact on encouraging the proactive behaviors.

Additionally, Gultom, et al., (2022) conducted a study to examine how the psychological empowerment enhanced employees proactive behavior at Indonesia Financial Services Authority (IFSA). The results showed that psychological empowerment has a significant positive impact on all dimensions of proactive behavior (bearing of responsibility, employee voice, innovation and prevention of problem)

From the studies that are mentioned previously, the researchers derived the third main hypothesis that can be formulated as follows:-

***H₃ : Psychological Empowerment has a statistically significant direct impact on Proactive Behavior.**

Based on what has been mentioned before in the previous studies, The fourth main hypothesis which represents the research gap will be formulated as follows:

*** H₄ : perceived Ethical work climate dimensions (Caring, Independence, Rules & Procedures, Laws & professional conduct, and Instrumental climate) have a statistically significant indirect impact on employees' proactive behavior through psychological empowerment.**

Comments on Previous Studies

According to what has been mentioned before in the previous studies, it has been noted that:

- All studies highlighted the importance of perceived ethical work climate as one of the most influential factors in the different aspects of the work of the organization.
- There aren't previous studies investigated the mediating role of psychological empowerment in the relationship between all dimensions of perceived ethical work climate and proactive behavior.
- There aren't previous studies investigated the impact of all these dimensions of perceived ethical work climate (caring -



independence - rules – laws and professional code , instrumental climate) on proactive behavior through psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate.

3. RESEARCH PROBLEM

Given that the organizational levels within any organization need training, development and defining empowerment behaviors of employees. Based on this, the organization needs a policy, guide of how to implement it. This is can be achieved through the presence of a healthy ethical climate. Therefore, under this climate employees develop a sense of positive psychological behavior moreover, Such empowerment motivates employees toward proactive behaviors (Berraies, et al., 2014).Therefore , Regarding the role of perceived ethical work climate in enhancing the proactive behavior , there is necessity for more theoretical and empirical researches about the impact of such climate in different organizations for reaching to more extended results.

After reviewing previous studies relevant to perceived ethical work climate and proactive behavior , the review identified that there isn't any study investigated the impact of perceived ethical work climate on proactive behavior indirectly through psychological empowerment as a mediating variable. So, there is research gap that has been recommended for research. Therefore, the present research will investigate the direct impact of perceived ethical work climate on proactive behavior, and the indirect impact of perceived ethical work climate on proactive behavior through psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate ..

In the light of Exploratory Study by interviewing sample of 30 officials and employees at Egyptian Tax Authority in Gharbia Governorate and The researchers were able through their answers to reach a range of negative phenomena can be summarized as follows:

- a. Employees are not given opportunities to express their opinion before taking decisions related to their work, especially with regard to transfer and promotion.

- b. Some employees complained when they did extra work.**
- c. Weakness of employees' desire to help their colleagues who have a lot of workloads in their work.**
- d. Weakness of some employees' sense of the importance of the role they play inside the authority.**
- e. Deviation of some employees in their ethical behavior by giving priority to their personal interests over the public interest which affects the work environment.**
- f. Some employees suffer from one way communications and the rigid of organizational rules and procedures.this can affect negatively their proactive behavior**

Depending on what previously mentioned, research problem can be formulated in the following questions:

- What is the impact of perceived ethical work climate on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate?**
- Does psychological empowerment plays a mediating role in this relationship?**

4. RESEARCH OBJECTIVES

This research aimed at:

- a. Investigating the impact of Perceived ethical work climate dimensions on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate and determining the most important one affecting proactive behavior.**
- b. Examining the impact of Perceived ethical work climate dimensions on psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate and determining the most important one affects the psychological empowerment.**
- c. Investigating the impact of psychological empowerment on proactive behavior at Egyptian Tax Authority in Gharbia Governorate.**
- d. Clarifying whether the psychological empowerment plays a mediating role in the relationship between Perceived ethical work climate and proactive behavior.**
- e. Come up with results and recommendations to convince leaders of EgyptiaTax Authority in Gharbia Governorate about the**



influence of Perceived ethical work climate in enhancing proactive behavior which positively enables the Tax Authority in Gharbia Governorate to achieve its overall objectives effectively .

5. RESEARCH IMPORTANCE

This research derives its significance through the contributions expected to be provided at both the scientific and practical level.

- a. This research helps to fill the gap related to previous studies by examining the indirect impact of perceived ethical work climate on proactive behavior at Egyptian Tax Authority in Gharbia Governorate through psychological empowerment
- b. This research is dealing with three contemporary topics in today's knowledge – based economies, which are perceived ethical work climate, proactive behavior and psychological empowerment. This study will contribute to fine-tuning of these topics literature.
- c. This research contributes to the development and deepening of academic research through its measurements and variables that can be used to study the relationship between perceived ethical work climate and proactive behavior.
- d. The researchers tried to aggregate the most important dimensions of perceived ethical work climate that may affect proactive behavior through psychological empowerment.
- e. Studying the direct and indirect impact of perceived ethical work climate on proactive behavior will help Egyptian Tax Authority in Gharbia Governorate to improve its efficiency
- f. The management of Egyptian Tax Authority in Gharbia Governorate should grasp the importance of practicing perceived ethical work climate in the Authority . so it is essential for leaders to know the dimensions of perceived ethical work climate that should be maximized.
- g. Enhancing the achievement of the overall goals and create value for Egyptian Tax Authority in Gharbia Governorate.

- h. Direct the research to Egyptian Tax Authority as one of the most important strategic Authority related to economic development and growth and depend on strategic planning to achieve more success.

6. RESEARCH METHODOLOGY

6.1 RESEARCH VARIABLES AND MEASURES

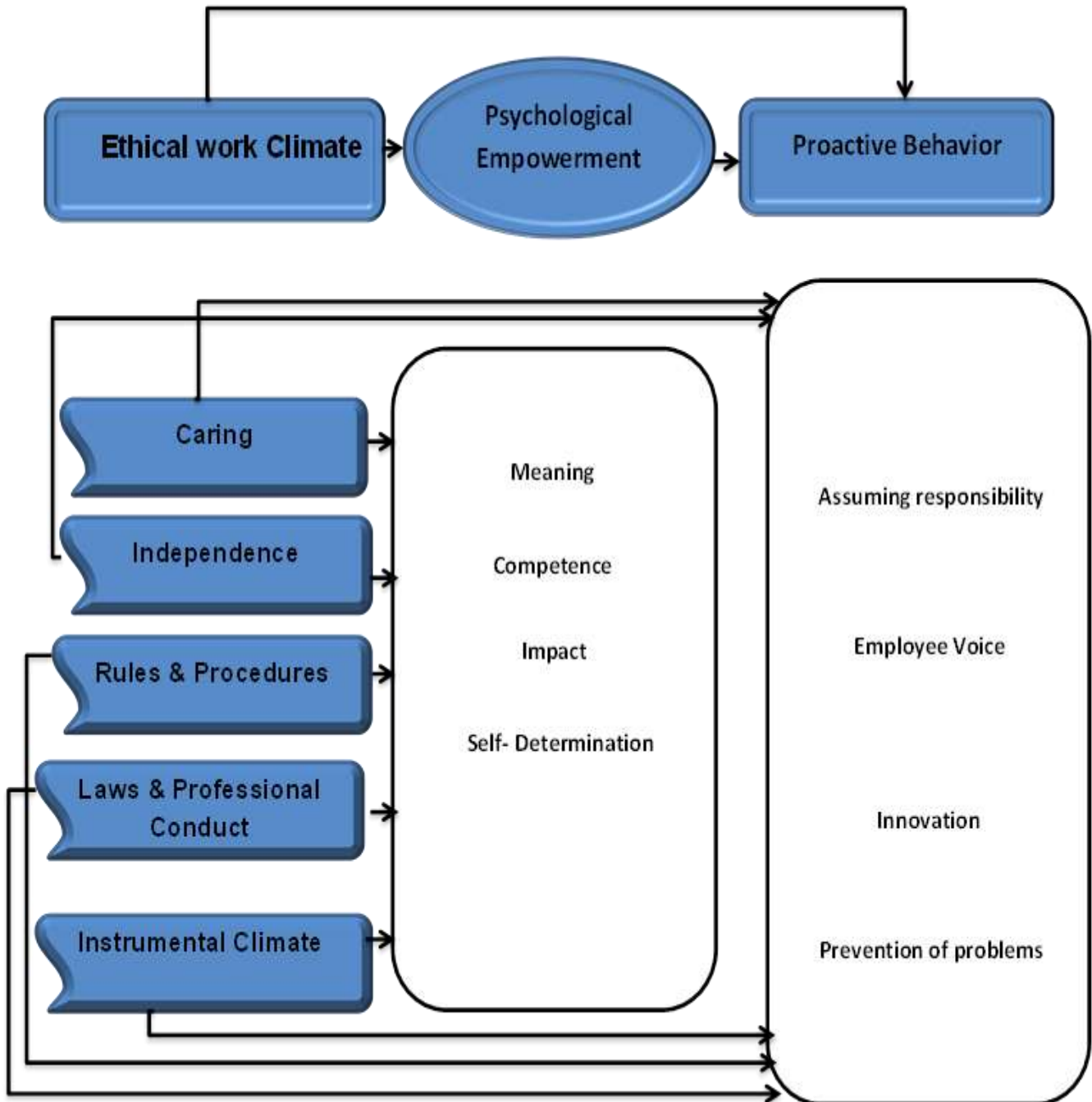
Table.1.Research variables and Measures

Independent Variable	
Perceived ethical work climate	<p>It will be measured using a set of statements related to:</p> <ul style="list-style-type: none"> • Caring • Independence • Rules and Procedures • Law and professional conduct • Instrumental climate <p>{ This measure was used by many researchers (Agarwal&Malloy,1999), (Huang et al., 2012) , (Martin & Cullen, 2006), (Buchan et al., 2019) and(Ismail & Yuhanis, 2019)</p>
Mediating Variable	
Psychological Empowerment	<p>It will be measured using a set of statements related to:</p> <ul style="list-style-type: none"> • Meaning. • Competence • Impact • Self-determination <p>This measure was used by many researchers (Spreitzer, 1995) (Wang et al,2013).</p>
Dependent variable	
Proactive Behavior	<p>It will measured using a set of statements related to :</p> <ul style="list-style-type: none"> • Assuming responsibility • Employee Voice • Innovation • Prevention of problems <p>{ This measure was used by many researchers (Morrison & Phelps , 1999), (Parker, 2000) and (Parker & Collins, 2010)</p>



The following figure illustrates the proposed relationships between research variables:

Figure .1 . Research variables and proposed relationships



6.2 TECHNIQUES OF DATA COLLECTION

Office Technique:

This technique aims at collecting secondary data from sources such as books, references, reports, periodicals and previous studies that related to research variables (Perceived ethical work climate, proactive behavior and psychological empowerment) for constructing the theoretical framework of the study.

Field Technique:

This technique aims at collecting primary data by using questionnaire prepared for the purposes of the current study. This questionnaire directed to the sample selected randomly (employees at all levels (top, middle, executive) at Egyptian Tax Authority in Gharbia Governorate.

6.3 QUESTIONNAIRE DESIGN

The researchers developed 39 items to measure the constructs of this study. 15 items were used to measure the ethical work climate dimensions: 3 items were used to measure caring, 3 items were used to measure Independence , 3 items were used to measure rules and procedures, 3 items to measure laws and professional conduct and the last 3 items were used to measure instrumental climate, and . Regarding the psychological empowerment, 12 items were used to measure this construct , 3 items to measure meaning, 3 items to measure competence , 3 items to measure impact , and 3 items to measure self-determination . With respect to proactive behavior , 12 items were used to measure it , 3 items to measure assuming responsibility , 3 items to measure employee voice , 3 items to measure innovation and 3 items to measure prevention of problems. A five-point Likert scale was used to measure the respondents' opinions in which 1= "strongly disagree" 2= "disagree" 3="neutral" 4= "agree" and 5= "strongly agree".

6.4 LIMITATIONS OF STUDY

This research is applied on the Egyptian Tax Authority in Gharbia Governorate that includes Tax Region- Gharbia First and 6 commissions (Tax Commission - Tanta First ,Tax Commission - Tanta



Second, Tax Commission - Tanta Third , Tax Commission - Tanta forth , Tax Commission - Kafr El Zayat , Tax Commission - Basyoun)

This research will focus on a sample of employees at all levels (top, middle , executive) that represent the following jobs (Manager Auditor , Officer, Administrative) at Egyptian Tax Authority in Gharbia Governorate since they are the most capable ones to assess the situation of the authority.

6.5 RESEARCH POPULATION AND SAMPLE SELECTION

This research will focus on employees that are working at all levels (top, middle , executive) at Egyptian Tax Authority in Gharbia Governorate, the total population size of the present research is 793 employee . The following table shows the total number of employees who are working at Egyptian Tax Authority in Gharbia Governorate.

Table.2.Numerical Statistics for the total number of population size at Egyptian Tax Authority in Gharbia Governorate

NO	Commission /Job	Manager	Auditor	Officer	Administrative	Total
1	Tax Region- Gharbia First	31	-	12	59	102
2	Tax Commission - Tanta First	13	18	63	50	144
3	Tax Commission - Tanta Second	15	27	68	23	143
4	Tax Commission - Tanta Third	9	7	44	34	104
5	Tax Commission - Tanta Forth	16	20	58	36	130
6	Tax Commission - Kafr El Zayat	11	11	38	31	91
7	Tax Commission - Basyoun	10	12	36	21	79
	Total	105	105	319	264	793

Calculate sample size had been used to determine the overall sample size of employees that are working at all the following levels (Manager, Auditor , officer , administrative) at Egyptian Tax Authority in Gharbia Governorate. By applying the previous method

on the total size of population research, the researcher reached that the total size of sample (n*) is 259 (35 manager , 34 auditor , 104 officer , 86 administrative) at Egyptian Tax Authority in Gharbia Governorate.

In addition to, the sample was distributed by using class random sample method proportionately at all levels,

The following table shows the size of research sample at Egyptian Tax Authority in Gharbia Governorate.

Table.3.Numerical Statistics for the total number of sample size at Egyptian Tax Authority in Gharbia Governorate

NO	Commission /Job	Manager	Auditor	Officer	Administrative	Total
1	Tax Region- Gharbia First	10	-----	4	19	33
2	Tax Commission - Tanta First	5	6	20	16	47
3	Tax Commission - Tanta Second	5	9	22	10	46
4	Tax Commission - Tanta Third	3	5	15	11	34
5	Tax Commission - Tanta Forth	5	6	19	12	42
6	Tax Commission - Kafr El Zayat	4	4	12	12	32
7	Tax Commission - Basyoun	3	4	12	6	25
Total		35	34	104	86	259

The above table shows that 259 questionnaire have been distributed to collect the required data. The number of completed questionnaires that have been statistically analyzed was 235 questionnaire by the percentage 91%



6.6 CODING OF RESEARCH VARIABLES

Table .4. Coding of research variables

Research Variables	codes	Questionnaire Questions' Nos.
Independent variable		
Perceived ethical work climate	X	1 → 15
Caring	X ₁	1 → 3
Independence	X ₂	4 → 6
Rules and Procedures	X ₃	7 → 9
Laws and professional conduct	X ₄	10 → 12
Instrumental climate	X ₅	13 → 15
Mediating variable		
Psychological Empowerment	M	16 → 27
Meaning	M ₁	16 → 18
Competence	M ₂	19 → 21
Impact	M ₃	22 → 24
Self-determination	M ₄	25 → 27
Independent variable		
Proactive Behavior	Y	28 → 39
Assuming responsibility	Y ₁	28 → 30
Employee voice	Y ₂	31 → 33
Innovation	Y ₃	34 → 36
Prevention of problems	Y ₄	37 → 39

6.7 TOOLS OF STATISTICAL ANALYSIS

1- Cronbach's Alpha Test

Cronbach's Alpha is one of the most commonly used tests in the field of management to verify the reliability of the measures related to research variables and is considered appropriate and beneficial for evaluating the degree of internal consistency between the items that make up each variable.

2- Structural Equation Modeling (SEM)

Due to the multiplicity of relationships within the model proposed for the study and the existence of a number of independent variables, mediating and dependent variables, it will be more suitable to use Structural Equation Modeling

(SEM) where this technique allows the researchers to conduct the following test :

- Path analysis : this analysis helps the researchers to achieve the following objectives:

- 1- Measuring the direct impact of perceived ethical work climate dimensions on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate.
- 2- Measuring the direct impact of perceived ethical work climate dimensions on psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate.
- 3- Measuring the direct impact of psychological empowerment on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate.
- 4- Measuring the indirect impact of perceived ethical work climate dimensions on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate through psychological empowerment.

7. DATA ANALYSIS

7.1 RELIABILITY AND VALIDITY TEST FOR THE SCALES OF THE RESERCH

The validity of the measures of research (Perceived ethical work climate , Psychological empowerment , proactive behavior) was confirmed by using the confirmatory factor analysis (CFA) using (AmosV.21). According to this, the quality of conformity (model fit) is evaluated by set of indicators for model fit through which the model is accepted or rejected. The following table 5 shows the indicators of the model fit as follows:

Table .5. Indicators of CFA Test

Indicators of model fit	Obtained	Suggested
CMIN /DF	2.155	CMIN/DF ≤ 5
NFI (Normed of Fit Index)	0.943	NFI ≥ 0.9
IFI (Incremental Fit Index)	0.969	IFI ≥ 0.9
TLI (Tucker- Lewis Index)	0.953	TLI ≥ 0.9
CFI (Compare Fit Index)	0.968	CFI ≥ 0.9
RMSEA (Root Mean Square Error Approximation)	0.069	0.8 ≥ RMSEA ≥ 0.05

Based on the previous table , the previous indices confirmed that the overall fit of the model to the data was good. but which related to Convergent Validity, which means that the items of the scale that



measure one concept have a strong positive correlation, where (Anderson & Gerbing, 1988) indicated that it is possible to verify this through four criteria, the first of which is the Factor Loading FL (the value of coefficient Weighted standard regression) for each of the variables measured ≥ 0.7 at a significance level ≤ 0.5 , the second is that the average variance extracted AVE for each of the variables ≥ 0.5 , the third is Construct Reliability ≥ 0.5 and finally FL (weighted standard regression coefficient for each of the measurement elements) should be more than twice the standard error (S.E) corresponding to this element, Table (6) shows the results that were used to evaluate those standards.

Table .6. The results of Convergent Validity

Variables	FL	S.E	C.R	Error	Value of Estimated error
X ₁ → Caring	0.755	0.109	8.804	e1	0.655
X ₂ → Independence	0.836	0.118	9.349	e2	0.694
X ₃ → Rules and procedures	0.746	0.108	7.507	e3	0.405
X ₄ → Law	0.735	—	—	e4	0.109
X ₅ → Instrumental climate	0.722	0.125	6.432	e5	0.251
M ₁ → Meaning	0.771	0.058	14.097	e6	0.127
M ₂ → Competence	0.827	0.059	15.706	e7	0.167
M ₃ → Impact	0.838	—	—	e8	0.157
M ₄ → Self-determination	0.770	0.050	13.772	e9	0.177
Y ₁ → Assuming responsibility	0.866	0.103	12.854	e10	0.207
Y ₂ → Employee voice	0.879	0.101	13.045	e11	0.248
Y ₃ → Innovation	0.718	—	—	e12	0.135
Y ₄ → Prevention of Problems	0.708	0.060	11.965	e13	0.155

Using the data mentioned in the previous table, the AVE value was calculated as well as the C.R value for each variable according to their calculation equations. Table (7) shows these values:

Table .7. Calculation of AVE and C.R.

Research variables	AVE	C.R
Perceived ethical work climate	0.758	0.872
Psychological empowerment	0.801	0.942
Proactive Behavior	0.792	0.930

Table No. (6) showed that the FL (weighted standard regression coefficient) for all variables is greater than 0.70 and at a level of significance less than 0.05, and the values of the loading coefficient FL for each of the measurement elements is greater than twice S.E, in Table No. (7), the results indicated the AVE (Average Variance Extracted) and C.R (Construct Reliability) values for all variables are greater than 0.50, which means that the four criteria are identical with the values previously clarified, which reflects the convergent validity of the research variables.

But which related to the Discriminant Validity that indicates that the scale items that measure a particular theoretical concept differ from the scale items that measure another theoretical concept, (Crowley & Fan, 1997) showed that this can be verified through two criteria, the first of which is that the Cronbach's alpha coefficient for each variable should be higher than the coefficients of the correlation of this variable compared with other variables, and the second is the squared root of the average variance extracted (AVE) for the variable is also greater than the coefficients of the correlation of this variable with other variables, and the following table No. (8) showed the results used to evaluate these criteria:

Table .8. Results of Discriminant Validity

Variables	Cronbach's Alpha	AVE	Ethical work climate	Psychological Empowerment	Proactive Behavior
Ethical work climate	0.814	0.773	1		
Psychological Empowerment	0.823	0.777	0.561	1	
Proactive Behavior	0.851	0.791	0.531	0.516	1

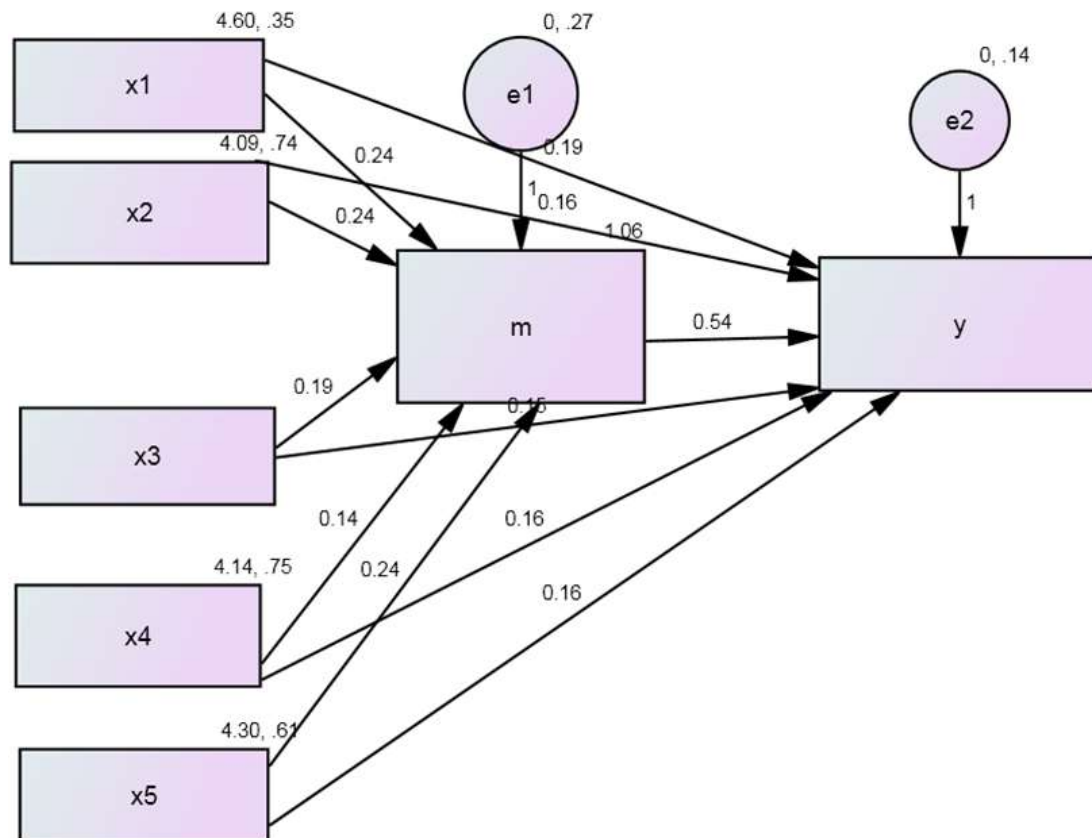
It is noted from the previous table that Cronbach's alpha coefficient for each variable as well as the AVE values for each variable are higher than the correlation coefficients of each variable with the other variables, which reflects the discriminatory validity of



the variables measures. As a recap, according to the aforementioned tests, the scales used to measure the research variables are characterized by content validity (model fit), Convergent Validity, and Discriminant Validity .

7.2 RESULTS OF STRUCTURAL EQUATION MODELING (SEM)

SEM analysis aims to answer the research questions which investigate the impact of Perceived ethical work climate on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate and whether psychological empowerment plays a mediating role in this relationship. The collected data was analyzed using Amos v20 and Amos Graphic was used to draw a path diagram specifying four main relationships and sub- relationships between research variables as illustrated in figure (2). SEM results were used to test research hypotheses.



With respect to testing research hypotheses , this study either accepts or rejects the hypothesis depending on the results of the test performed on the observed data. The path estimates in the model were

used to test research hypotheses . The main determinant for accepting or rejecting the hypothesis is the significance of standardized coefficient of research parameters. Levels of significance that will be used in this study are 0.05 , 0.01, and 0.001 reflecting strong significance , very strong significance and highly strong significance respectively.

According to the proposed research model , there are four main hypotheses representing the proposed relationships among research variables .these hypotheses were tested as follows :-.

*** Perceived ethical work climate and Proactive Behavior**

The first main hypothesis (H₁) investigated the direct impact of dimensions of perceived ethical work climate on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate; it has been formulated as follows:

H₁ : Perceived ethical work climate dimensions have a statistically significant direct impact on Proactive Behavior.

Table .9. SEM Results Related to the impact of Perceived ethical work climate dimensions on Proactive Behavior.

Independent variable	SRW	T-value (CR)	P Value	Estimate	S.E	Rank
Caring (X ₁)	0.191	3.981	0.000	.1270	.0320	1
Independence (X ₂)	0.169	3.524	0.000	.1460	.0410	2
Rules and Procedures (X ₃)	0.158	3.285	0.001	.1030	.0310	5
Law and Professional Conduct (X ₄)	0.159	3.313	0.000	.1290	.0390	4
Instrumental Climate (X ₅)	0.163	3.398	0.000	.1440	.0420	3

Analysis results shown in table (9) revealed that :

Caring has a statistically significant positive direct impact on proactive behavior at at the Egyptian Tax Authority in Gharbia Governorate (T-value = 3.981, $\beta = + .191$ with $p < 0.001$). With respect to Independence, Independence has a statistically significant positive direct impact on proactive behavior at the Egyptian Tax



Authority in Gharbia Governorate (T-value = 3.524, $\beta = + .169$ with $p < 0.001$).

Regarding Rules and Procedures (X_3) and Law and Professional Conduct (X_4), have a statistically significant positive direct impact on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate (T-value = 3.285, 3.313, $\beta = + 0.158, + 0.159$ with $p < 0.001$).

Finally , Instrumental Climate has a statistically significant positive direct impact on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate (T-value = 3.398, $\beta = + .163$ with $p < 0.001$).

Results also revealed that Care come in the first place in terms of its effect on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate ($\beta = + 0.191$) , followed by Independence ($\beta = + 0.169$) , then Instrumental climate ($\beta = + 0.163$) , Law and Professional Conduct ($\beta = + 0.159$) and finally comes Rules and procedures ($\beta = + 0.158$).

So Previous results showed that the dimensions of ethical work climate (Caring , Independence , Rules and procedures , Law and Professional Conduct , Instrumental climate) have a statistically significant direct impact on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate. Therefore, the first main hypothesis H_1 is supported.

* Perceived ethical work climate and Psychological empowerment

The second main hypothesis (H_2) investigated the direct impact of perceived ethical work climate dimensions on Psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate; it has been formulated as follows:-

H_2 : Perceived ethical work climate dimensions have a statistically significant direct impact on Psychological empowerment.

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Table.10. SEM Results Related to the impact of dimensions of Perceived ethical work climate on Psychological empowerment.

Independent variable	SRW	T-value (CR)	P Value	Estimate	S.E	Rank
Caring (X ₁)	0.245	4.101	0.000	0.214	0.052	1
Independence (X ₂)	0.243	4.066	0.000	0.274	0.067	2
Rules and Procedures (X ₃)	0.193	3.243	0.001	0.064	0.020	4
Law and Professional Conduct (X ₄)	0.145	2.419	0.016	0.141	0.058	5
Instrumental Climate (X ₅)	0.242	4.052	0.000	0.178	0.044	3

Analysis of results as shown in table (10) revealed that :

Caring has a positive significant direct impact on Psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate (T-value = 4.101) , ($\beta = +0.245$) with $p < 0.001$).

Regarding Independence and its impact on Psychological empowerment, results revealed that Independence has a statistically significant positive direct impact on Psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate (T-value = 4.066),($\beta = +0.243$) with $p < 0.001$).

With respect to Rules and Procedures and Law and professional Conduct, results showed that Rules and Procedures and Law and professional Conduct have a statistically significant positive direct impact on Psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate (T-value = 3.243 , 2.419) ($\beta = +0.193, +0.145$ with $p < 0.05$),

Finally , regarding the Instrumental climate and its impact on Psychological empowerment , results revealed that Instrumental climate has a statistically significant positive direct impact on Psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate (T-value = 4.052),($\beta = +0.242$) with $p < 0.001$).

Results also revealed that Caring in the first place in terms of its effect on Psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate ($\beta = + 0.245$) , followed by Independence ($\beta = + 0.243$) , then Instrumental climate ($\beta = + 0.242$) , Rules and procedures



($\beta = + 0.193$) and finally comes Laws and professional conduct ($\beta + 0.145$).

The previous results showed that the dimensions of Perceived ethical work climate (Caring , Independence , Rules and procedures , Law and Professional Conduct , Instrumental climate) have a statistically significant direct impact on Psychological empowerment at the Egyptian Tax Authority in Gharbia Governorate, therefore, the second main hypothesis H_2 is supported.

*** Psychological Empowerment and Proactive Behavior**

The third main hypothesis (H_3) investigated the direct impact of Psychological Empowerment on Proactive Behavior at the Egyptian Tax Authority in Gharbia Governorate ; it has been formulated as follows:

H_3 : Psychological Empowerment has a statistically significant direct impact on Proactive Behavior.

Table.11. SEM Results Related to the impact of Psychological Empowerment on Proactive Behavior.

Independent variable	SRW	T-value (CR)	Sig.	Estimate	S.E	Dependent variable
Psychological Empowerment	0.549	13.793	0.000	.507	.037	Proactive Behavior

Analysis results shown in table (11) revealed that:

Psychological Empowerment has a statistically significant direct impact on Proactive Behavior at the Egyptian Tax Authority in Gharbia Governorate, where (T-value = 13.793, $\beta = +0.549$ with $p < 0.001$). Therefore, the third main hypothesis H_3 is highly strongly supported.

***Perceived ethical work climate , Psychological Empowerment and Proactive Behavior**

The last main hypothesis (H_4) examined the mediating role that Psychological Empowerment plays in the relationship between Perceived ethical work climate and Proactive Behavior at the Egyptian Tax Authority in Gharbia Governorate; it has been formulated as follows: -

H₄ : Perceived ethical work climate dimensions have a statistically significant indirect impact on Proactive Behavior through Psychological Empowerment

Table.12. SEM Results Related to the indirect impact of dimensions of Perceived ethical work climate on Proactive Behavior through Psychological Empowerment

Independent variable	St.Beta	Sig.	Mediating Variable	Dependent variable	Rank
Caring (X ₁)	0.128	0.000	Psychological Empowerment	Proactive Behavior	1
Independence (X ₂)	0.110	0.000			3
Rules and Procedures (X ₃)	0.059	0.000			5
Law and professional conduct (X ₄)	0.073	0.000			4
Instrumental Climate (X ₅)	0.112	0.000			2

From the statistical results shown in the previous table(12), it can be noted that :

Caring has a statistically significant positive indirect impact on Proactive Behavior through Psychological Empowerment at the Egyptian Tax Authority in Gharbia Governorate ($\beta = +0.128$ with $p < 0.001$).

Results also revealed that Psychological Empowerment plays a mediating role in the relationship between (Independence , Rules and procedures , Law and Professional Conduct , Instrumental climate) and proactive behavior at the Egyptian Tax Authority in Gharbia Governorate ($\beta = +0.110$, $\beta = +0.059$, $\beta = +0.073$ and $\beta = 0.112$ with $p < 0.001$).

Path diagram shown in figure (2) has been used to explore the indirect effect of the Perceived ethical work climate construct on proactive behavior through the psychological empowerment.

Therefore, based on the previous results, the fourth main hypothesis (H₄) is supported which assumed that Perceived ethical work climate has a statistically significant indirect impact on proactive behavior at the Egyptian Tax Authority in Gharbia Governorate through the psychological empowerment. Considering the findings, it can be said that the effects of the five dimensions of Perceived ethical work climate on Proactive behavior are enhanced and improved by a



fully mediating role played by psychological empowerment in this relationship.

Table (13) shows the direct, indirect and total effects among research variables.

Table.13.Direct,Indirect and Total Effects Among Research Variables

Effect			St.Beta	Significance Level
Direct Effects			0.191	
- X ₁	Y			***
- X ₂	Y		0.169	***
-X ₃	Y		0.158	***
-X ₄	Y		0.159	***
-X ₅	Y		0.163	***
Indirect Effects				
X ₁	M	Y	0.128	***
X ₂	M	Y	0.110	***
X ₃	M	Y	0.059	***
X ₄	M	Y	0.073	***
X ₅	M	Y	0.112	***
Total Effects (Direct + Indirect)				
X ₁	Y		0.319	***
X ₂	Y		0.279	***
X ₃	Y		0.217	***
X ₄	Y		0.232	***
X ₅	Y		0.275	***

*** P ≤ 0.001

According to the previous table:

Caring has a significant indirect effect on proactive behavior through the psychological empowerment. According to the statistical results, the existence of psychological empowerment as a mediating variable between Caring and proactive behavior, this indirect effect increases the standardized effect of caring on proactive behavior from 0.191 to 0.319

Additionally, Independence and rules and procedures have a significant indirect effect on proactive behavior through psychological empowerment . According to the statistical results, these indirect effects increase the standardized effect of Independence and rules and procedures on proactive behavior respectively from 0.169 to 0.279 and from 0.158 to 0.217.

With respect to Laws and professional conduct and instrumental climate, results revealed that Laws and professional conduct and instrumental climate have a significant indirect effect on proactive behavior through psychological empowerment. According to the statistical results, this indirect effects increase the standardized effect of Laws and professional conduct and instrumental climate on proactive behavior respectively from 0.159 to 0.232 and from 0.163 to 0.275.

9. DISCUSSION OF RESEARCH RESULTS

In the light of the results that are previously mentioned, The study indicated following :-

- The first main hypothesis (H₁) which investigates the direct impact of perceived ethical work climate dimensions on proactive behavior was supported this result is inline with (Lau, et al., 2017) (Al-Tijani & Al-Hasan, 2019), (Permata & Mangundjaya, 2021), (Li, 2022) and (Zhang & Chen, 2022) that indicated that perceived ethical work climate dimensions have significant positive direct impact on Proactive behavior where all these studies asserted on that the employees at all levels offer more positive behaviors inside the organizations under the ethical work climate where include (climate that govern organizational procedures and practices, instrumental climate, and climate that emphasizes law, professional code, care, independence) which promote positive behaviors from employees towards their organizations.

- Research results also showed that the second main hypothesis (H₂) which investigates the direct impact of perceived ethical work climate dimensions on psychological empowerment was supported. This result is consistent with (Zhang, et al., 2019), (Zerrrouki, et al., 2020), (Wangombe & Yohannes, et al., 2021), (Ganji, et al., 2021) and (Akkoç, et al., 2022) that showed that Perceived ethical work climate dimensions have significant positive direct influence on enhancing psychological empowerment when employees working under positive, optimistic and ethical climate, this enhances the development a positive psychological dimensions (meaning, impact, competence, and self-determination),



- Research results also indicated that the third main hypothesis (H₃) which investigates the direct impact of psychological empowerment on proactive behavior was supported. This result agreed with (Huang , 2017) , (El-Eatwy &El- Husaynaa, 2018), (Haq ,et al. , 2019) , (Taha &Taha, 2022) , and (Gultom , et al., 2022) studies that asserted significant positive direct impact of psychological empowerment on proactive behavior . this means that four dimensions of psychological empowerment help in promoting aspects of proactive behavior such as assuming responsibility, enhancing voice of employee , individual innovation, and preventing problems
- Finally , the fundamental and significant contribution of this study is represented through the fourth hypothesis(H₄) that tests the indirect impact of perceived ethical work climate on proactive behavior through psychological empowerment.

10. Implications OF RESEARCH AND FUTURE RESEARCH

10.1 Theoretical implications

The fundamental and significant contribution of this study is to develop and provide body of further theoretical knowledge on Perceived ethical work climate, psychological empowerment, proactive behavior by assessing relationships among these concepts that have not been investigated in the previous studies. This contribution is represented through studying the indirect effect of Perceived ethical work climate on proactive behavior through psychological empowerment as a mediating variable. The main theoretical implications of this study can be shown in the following:-

-First, this study suggests that Perceived ethical work climate has significant positive direct impact on proactive behavior. The perceived ethical work climate framework developed in this study indicates that organization can use it as an tool for encouraging employees proactive behaviors where employees at all levels manifest more positive behavior in organizations under ethical work climate. According to the principle of reciprocity in social exchange theory , when employees receive favourable treatment from the organization, they will show more proactive behavior .Moreover, employees who have learned how to behave ethically become more satisfied ,more engaged in their jobs

and ready to assume responsibility , have a voice , have various innovative ideas , and have the ability to solve problems which all are considered the dimensions of proactive behavior.

-Second, this study additionally asserted that perceived ethical work climate has a significant positive direct influence on enhancing psychological empowerment. according to perceived ethical work climate that mainly focus on caring , independence , rules and procedures , laws and professional conduct , instrumental climate . this study added to the literature in this regard

-Third, this study contributes to the proactive behavior literature by proposing that there is significant positive direct impact of psychological empowerment on encouraging proactive behavior. .

-Fourth, this study also contributes to the proactive behavior literature by investigating the positive indirect effect of perceived ethical work climate on proactive behavior. This indirect effect is mediated by psychological empowerment. moreover, existing theory and empirical evidence on the impact mechanisms through which psychological empowerment translates into desirable outcomes is relatively rare and inclusive. so, this study can be considered as a pioneer attempt that examined the indirect impact of perceived ethical work climate on proactive behavior through psychological empowerment.

10-2 Practical implications

Based on the results of the field study, this study also provides significant practical implications through views from various obtained form managers, practitioners, on how to enhance proactive behavior at Egyptian Tax Authority in Gharbia Governorate.

Generally, the management at Egyptian Tax Authority in Gharbia Governorate should focus more on the ethical work climate concept and try to develop this concept among different levels of the Tax Authority which foster the development of proactive behavior through:

- Activating the laws and prepare an ethical guide through including the ethical dimension in the vision and mission of the organization, encouraging employees to report any ethical violations by establishing a system to receive suggestions and complaints, and providing the necessary protection for employees who report the violation.



- Taking care of the employees and solving their problems through the following: Participation of all employees in the celebration of various occasions. Sympathy with employees, appreciation of their viewpoints related to work matters, and continuous pursuit to solve the problems they face.

- Redesigning jobs to enrich employees jobs, empower employees, and to reduce conflict and work pressures .

- Developing ethical behaviors by creating a climate characterized by mutual trust between superiors and their subordinates,

- Encouraging instrumental climate through training courses that encouraging employees to take into account each other's interests when making decisions and caring about the consequences of their behavior on others

-Activating organizational communication channels between different managerial

Levels to maintain more cooperation and to receive instant feedback about work problems .

- On the other hand It is recommended that top management should follow some strategies to enhance the psychological empowerment which lead to enhancing proactive behavior. This can be achieved through :-

- providing employees with financial and non-financial benefits to motivate employees to do all their best and to be more competitive and efficient in executing their tasks.

- listening to the voice of employees , and taking into account their suggestions about their tasks , organizational policies and strategies , paying attention to solve their complains and protect their rights.

- Encouraging their employees to participate in training courses that increase their competencies in decision-making.and in assuming responsibility to introduce more innovative ideas which results in boosting proactive behavior.

11. FUTURE RESEARCH

Based upon the study's results and conclusions, the following recommendations for future research are suggested:

- 1- Investigating the impact of perceived ethical work climate on improving organizational commitment through perceived leader integrity.**
- 2- Examining the impact of perceived ethical work climate on attitudes toward organizational change through psychological safety as a mediating variable at Egyptian Banks.**
- 3- Conducting a comparative study among pharmaceutical firms in Egypt (governmental- private – multinational) to study the impact of perceived ethical work climate on achieving the firms social responsibility towards its diverse stakeholders .**



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