# Does Corporate Reputation Affect Safety Climate in Mining Operations? The Mediating Role of Perceived Ethical Climate

Maden İşletmelerinde Kurumsal İtibar Güvenlik İklimini Etkiler mi? Algılanan Etik İklimin Aracı Rolü

> Filiz DEMİR \* Adem ÖĞÜT \*\* Ahmet AKAR \*\*\*

#### ABSTRACT

The purpose of the research is to determine the effect of corporate reputation on safety climate, and the mediating role of perceived ethical climate in this relationship. In this context, a field study was conducted on the employees of a subsurface coal mine operating in the Ermenek District of Karaman Province. A total of 163 questionnaires were collected by using the questionnaire technique and convenience sampling method. The collected data were analyzed with the SPSS 23.0 analysis program. Consequently, the regression test revealed that corporate reputation perceived by employees positively affects safety climate and perceived ethical climate, while perceived ethical climate positively affects safety climate has a significant partial mediation effect between perceived corporate reputation and safety climate. Finally, the conclusions were handled within the scope of theoretical and practical contributions and some suggestions were made for future researchers and the sector.

## **KEYWORDS**

Corporate Reputation, Safety Climate, Perceived Ethical Climate

#### ÖΖ

Bu araştırmanın amacı, kurumsal itibarın güvenlik iklimi üzerindeki etkisini ve bu ilişkide algılanan etik iklimin aracı rolünü belirlemektir. Bu kapsamda Karaman ili Ermenek ilçesinde faaliyet gösteren bir yer altı kömür madeninin çalışanları üzerinde saha çalışması gerçekleştirilmiştir. Anket tekniği ve kolayda örnekleme yöntemi kullanılarak toplam 163 geçerli anket verisi elde edilmiştir. Toplanan veriler SPSS 23.0 istatistik programı kullanılarak analiz edilmiştir. Özet olarak, regresyon testi sonucunda çalışanlar tarafından algılanan kurumsal itibarın, güvenlik iklimi ve algılanan etik iklimi pozitif etkilediği, ayrıca algılanan etik iklimin de güvenlik iklimini pozitif etkilediği tespit edilmiştir. Öte yandan, hiyerarşik regresyon analizi ve Sobel testi sonucunda algılanan etik iklimin kurumsal itibar ve güvenlik iklimi arasında anlamlı düzeyde kısmi aracılık etkisinin olduğu izlenmiştir. Nitekim elde edilen sonuçlar teorik ve pratik katkılar bağlamında irdelenmiş ve sonraki sektörel araştırmalara yönelik kimi önerilerde bulunulmuştur.

#### ANAHTAR KELİMELER

Kurumsal İtibar, Güvenlik İklimi, Algılanan Etik İklim

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<sup>\*</sup> Assistant Pr. Dr., Karamanoğlu Mehmetbey University, filizdemir@kmu.edu.tr, ORCID: 0000-0002-5906-6982

<sup>\*\*</sup> Pr. Dr., Necmettin Erbakan University, ogut.adem@gmail.com, ORCID: 0000-0002-3628-8769

<sup>\*\*\*</sup> Research Assistant, KTO Karatay University, ahmet.akar@karatay.edu.tr, ORCID: 0000-0001-6172-318X

#### **INTRODUCTION**

In the new era where economic growth is not the only indicator of societal development, a community must fulfill human development criteria in order to be considered improved. In addition to general development criteria such as people's average life span, women's participation in social life, schooling rate, protection from basic diseases, there are also certain indicators showing progress in business life. The culture of protecting the environment, reasonable rates of occupational accidents and diseases, and the awareness of worth and respect given to employees are values that reveal quality of organizational life. Within the framework of the contemporary management approach, ensuring employees' health and safety, as well as the safety of the enterprise has become an increasingly significant issue. Furthermore, development in business life is also an indicator of its reputation. Corporate reputation is an important goal for organizations, which stems and simultaneously leads to the safety climate in organizations. However, in order to increase the effect of corporate reputation and safety climate, there is a need for a third element, the ethical climate, that points to important values in the business.

Ethical climates characterize organizational merits, since they are represented in the procedures and practices pertaining to attitudes and moral behavior (Cullen et al., 2003). One of the organizational climates is the safety climate. According to Bergh (2011), safety climate is a concept that is currently of great interest in numerous industries and sectors. This is mainly because a good safety climate is one of the major factors in attaining safe workplaces because a company with a proper safety climate is everyone's primary goal. In addition, one of the intangible assets ensuring the reputation of institutions is the perception of security climate. The more important the perception of the security climate by employees or stakeholders is, the more effective it is on the reputation of the company. If there is a climate of safety created in the workplace, a high perception of reputation will also be created; if not, low perception will occur. Based on this information, studies on corporate reputation and safety climate (Barling & Hutchinson, 2009), corporate reputation and ethical climate (Balkan, 2018; Chadha et al., 2021), ethical climate and safety climate (Tidwell, 2000; Zohar & Luria, 2004; Parboteeah & Kapp, 2008) have been researched in the literature. It has been observed that studies directly addressing the corporate reputation, safety climate, and ethical climate variables are quite limited. On the other hand, it has been observed that the perceived ethical climate has been quietly studied as a mediator variable in studies conducted with different variables rather than the variables of this study (Mayer et al., 2010; Cheng & Wang, 2015; Sabiu et al., 2019; Cahyadi et al., 2022; Ramos et al., 2021; Öncer & Yıldız, 2012).

Considering the results of the studies carried out, it can be said that corporate reputation in organizations embodying important values such as ethical climate and safety climate could be permanent. Therefore, safety climate and ethical practices, especially in risky jobs that involve danger in their daily routines not only provide a strong public image, good public relations, and improve the image of the institution, but they are thought to provide very important benefits such as diagnosing problems that may arise, preventing abuse, minimizing legal punishments, and protecting corporate reputation. Since the significance of corporate reputation, safety climate, and perceived ethical climate cannot be ignored in providing a sense of trust in such enterprises, these variables, which are considered to be appropriate for the current era, are assessed on the basis of employees of hazardous organizations, such as mining operations.

In this context, the investigation was carried out on the question "Does perceived ethical climate have a mediating role in the effect of corporate reputation on safety climate?". Therefore, the main objective of this study is to determine the mediator role of ethical climate in the effect of corporate reputation on safety climate and perceived ethical climate, and determining the effect of perceived ethical climate on safety climate are among the sub-purposes of this study. In line with the determined purposes, a model was proposed and the model was tested based on the traditional (causal steps) approach. The fact that there was no model proposal found in businesses dealing with the relevant variables has necessitated such a research. Therefore, it is thought that this research on mining industry employees in practice. In this context, first of all, relationships between the variables were revealed and hypotheses were developed. Then, information about the method was given and research findings were obtained using statistical programs. Finally, a general evaluation was done by taking into account the theoretical and practical contributions and some suggestions were presented.

#### **1. CONCEPTUAL FRAMEWORK AND HYPOTHESES**

In this part of the research, the conceptual framework, research model, and hypothesis development issues related to the variables are adressed.

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#### 1.1. Corporate Reputation and Safety Climate

Corporate reputation is a general evaluation made by stakeholders about the company. These ratings are based on the information for stakeholders about the company and leading competitors, and on direct experience with the organization (Gotsi & Wilson, 2001: 29). Compared with other leading rivals, a company's reputation is a perceptual representation of its past actions and future prospects that describes the company's overall attractiveness to all of its key stakeholders. A company's reputation evolves from its uniqueness and identity-building practises that are sustained over time and result in stakeholders' perceptions of the organisation as reliable, responsible, trustworthy, and credible. The most respected companies gain their reputation by systematically practicing regular management. They strictly adhere to practices that consistently and reliably result in decisions that are respected and approved by other stakeholders. By strengthening trust and faith in the company's actions, credibility and reliability create economic value (Fombrun, 1996: 36-37).

Corporate reputation is fundamentally based on the stakeholder theory, which claims that firms exist to serve stakeholders. This view is a management philosophy that asks managers to consider all stakeholder groups or all individuals who can ifluence the success of the business or are affected by it (Freeman, 1984, s.25). Therefore, it would not be wrong to say that an organization's reputation is one of the most significant non-financial assets it can ever possess. Reputation has a direct effect on the companies' values such as customer loyalty, brand value, reaching qualified personnel, ensuring an efficient working environment, and improving employees (TEID, 2019). Even, for entrepreneurs and managers, a good reputation is the most valuable intangible resource of an organisation. The reason is that corporate reputation strengthens competitive advantage, reduces stakeholder uncertainty about the organization's future performance, contributes to the trust and value creation of the target audience, and maximizes its ability to provide high value-added products and services (Vidaver-Cohen, 2007: 280).

If an example regarding corporate reputation should be given, the Chernobyl Nuclear Power Plant can be mentioned. This example is one of the best to be given to bad reputation for an organization. After the nuclear accident in Chernobyl in 1986, a report was prepared by the OECD Nuclear Agency. The concept of safety climate, which refers to the role of organizational failure and employees' violations in the emergence of the disaster was first used in this report in 1987 (Pidgeon & O'Leary, 2017). The safety climate concept can be based on Beck's (2011) Risk Society Theory. Beck argues that the risk society consists of threats posed by manufacturing and industrial societies. Accordingly, traditional societies and industries are modernized and replaced by the risk society. Institutions within the production and industry, which have become producers of the hazards and are defined as the risk society, cannot control the hazards. Therefore, safety climate is employees' shared perception on issues such work environment, safety environment, and risks inherent in the business (Cevhun, 2014: 93). When defined extensively: it is the whole feeling of beliefs, attitudes, rules, roles, responsibility; and the social, technical, and political practice of giving priority to security and safety, which aims to minimize the harm of creatures or objects (eg., equipment, tools, etc.) whose security can be threaten in the public or domain (Özkan & Lajunen, 2003: 3). Every organization's safety climate is peculiar to itself. From this aspect, it can be said that organizations which are supporting health and safety, have a preventive approach, allowing participation and open communication, and encouraging the reporting of hazards cause a positive safety climate within the institution (Sungur, 2008; Barling & Hutchinson, 2009). The absence of such security elements, on the other hand, paves the way for the formation of an unfavorable security climate, thus a bad reputation for the business. Based on this information and the mentioned theories, it was decided to develop the following H1 hypothesis.

H1: Corporate reputation has a positive effect on safety climate.

# **1.2.** Corporate Reputation and Perceived Ethical Climate

The ethical climate, which has become one of the most influential concepts in the field of business ethics, is a type of organizational business climate (Wimbush & Shephard, 1994: 637). The ethical climate determines what members believe is right or wrong and shapes their ethical decisions and behavior (Johnson, 2009: 267). Ethical climates can be classified according to the standarts members use while making moral decisions and the groups they refer to when making ethical decisions (Victor and Cullen, 1988: 101). The formation of an ethical climate in organizations is only possible with the application of ethical management principles such as taking responsibility, telling the truth, acting logically, understanding, expecting to be understood, and valuing people (Şimşek et al., 2014).

The ethical climate is a theory that serves as "perceptual lenses" to support the manager in identifying and resolving moral dilemmas. The ethical climate theory consists of "utilitarian" and "deontological" moral philosophy theories that are used to evaluate the moral aspect of management practices and actions. The

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utilitarian theory evaluates the moral character of an action based on the consequences it produces, while the deontological theory evaluates the ethical dimension of an action in relation to predefined universal standards. This approach tries to explain the ethical behavior of organizational members not only by their motivations, but also by defining the effects of situational factors and organizational context on understanding individual ethical behaviors (Martin & Cullen, 2006).

Based on the relationship between corporate reputation and ethical climate, Chadha et al. (2021) revealed in a study examining the effect of ethical climate on corporate reputation some common factors that influence banks' reputations for sustainable growth. According to Pruzan (2001), corporate reputation has gained importance with the emergence of ethical consumers and investors, and the desire of businesses to attract qualified employees. Similarly, Balkan (2018) explained in a study on corporate reputation risk and ethics, that strengthening the ethical climate with reputation will contribute to a better reputation risk management. In this context, he has revealed that an effective corporate ethics program should be implemented to strengthen the reputation in institutions. Considering these examples in the literature, it was decided to form the following H2 hypothesis.

H2: Corporate reputation has a positive effect on perceived ethical climate.

#### 1.3. Perceived Ethical Climate and Safety Climate

When the relationship between ethical climate and safety climate is investigated in the literature, generally conceptual analyzes and overviews of the two variables are encountered. Accordingly, a quiet strong relationship between ethics and safety has been revealed. Ethical behaviour in the workplace resulting in a safer work environment is only one indicator of this relationship (Tidwell, 2000). In other words, ethics plays an important role in the safety performance of an organization. Therefore, moral principles such regarding employees' basic human rights and identifying acceptable risks at work that oversee the prevention of occupational injuries and diseases are set (Angelini, 1987). These principles serve the processes related to ethical climates, concerning employees' general welfare and well-being. So, it can be said that the ethical climate in any institution will ensure guidance on safety-enhancing behaviors, also on safety climates (Zohar & Luria, 2004). For example, in a study of ethical climate and workplace safety behaviors, Parboteeah and Kapp (2008) have revealed that certain types of local ethical climates are incorporated with safety adherence and safety engagement, the two types of safety-enhancing behaviors. Additionally, Schneider (1990) has argued that there are important reasons proving the close relationship between an ethical climate and workplace safety. In the light of this information, it was deemed appropriate to develop the following H3 hypothesis.

H3: Perceived ethical climate has a positive effect on safety climate.

## 1.4. The Mediating Role of Perceived Ethical Climate

Different studies of ethical climate with corporate reputation and safety climate were mentioned above (Tidwell, 2000; Zohar & Luria, 2004; Balkan, 2018; Chadha et al., 2021). In the literature, it is also possible to encounter different studies in which the perceived ethical climate is measured as the mediating variable. Some of these are the mediating effect of ethical climate; on the relationship between ethical leadership and employee misconduct (Mayer et al., 2010), on the link between paternalistic leadership and team identification (Cheng & Wang, 2015), in the relationship between performance appraisal and organizational performance (Sabiu et al., 2019), on the relationship between personality types and employee mindfulness (Ramos et al., 2021), and so on. Beside these, Öncer & Yıldız (2012) have measured the influence of ethical climate on the relationship between corporate reputation and organizational identification. It is noteworthy that the authors observed two different but effective ethical climate types in this relationship. This finding has been effective in determining perceived ethical climate as the mediating variable in this study. In this regard, the following H4 hypothesis has been developed.

H4: Perceived ethical climate has a mediating role in the effect of corporate reputation on safety climate.





When given information is evaluated, it is seen that the variables of corporate reputation, safety climate, and perceived ethical climate are studied with each other. It is thought that this study, in which the three variables in question are investigated together, will contribute to the extension and enrichment of the subject in relational context. Therefore, in this study, the research model shown in Figure 1 was created based on the literature to test the mediating role of perceived ethical climate in the effect of safety climate on corporate reputation in mining operations. In this context, four research hypotheses have been developed for the analysis of the recommended research model.

## 2. METHODOLOGY

This study was designed using the relational screening model, which is a quantitative approach. The survey method; used as a data collection tool in the study, is a systematic approach of collecting information from a sample to create quantitative descriptors for the attributes of the larger population to which the units belong (Groves et al., 2004). In this context, a field study was conducted to test the hypotheses developed for the purpose of the research.

# 2.1. Sample and Procedure

The population of the study consists of employees in the mining sector in Karaman, Ermenek. According to the employee/occupational statistics of the General Directorate of Vocational and Technical Education, there are approximately 276 active subsurface mine workers in the 4 mining operations in the region (https://meslekiegitimharitasi.meb.gov.tr). The reason for choosing this sample is the flooding that occurred in a mine operation in Ermenek in 2014 and deaths that followed. Measuring the perceptions of corporate reputation, safety climate, and ethical climate felt by miners working in the company with such a notoriety, generates the thought that a suitable sample has been chosen to uncover the relationships between these variables, sensitive in this regard.

For the implementation of the questionnaires, an ethics committee approval, dated 26.10.2021 and decision numbered 180-185, was acquired from the "Karamanoğlu Mehmetbey University Scientific Research Publication Ethics Committee". After obtaining the ethics committee permission, the questionnaires were collected face-to-face between 20.11.2022 and 30.11.2022. With the convenience sampling method, 200 questionnaires were distributed to the actively working mining operations, and 163 questionnaires suitable for analysis were obtained. In accordance with the Sekaran (1992: 253) scale, a sample of 152-169 is a reasonable number to represent a universe of 250-300 people. Thus, 163 questionnaires were evaluated.

When the demographic distribution of the mine workers taking part in the research are examined; it is seen that 163 (100 %) of them are male, 131 (80.4%) are married, and 32 (19.6%) are single. In terms of age distribution, 35 (21.5%) of the respondents are between the ages of 20-30, 72 (44.2%) are between 31-40, and 56 (34.4) are over 41. In accordance with the working time, 31(19%) employees having been working in the enterpise for 1-5 years, 63 (38,7%) for 6-10 years, 48 (29,4%) for 11-15 years, and 21 (12,9%) for 16-20 years. Additionally, it was observed that 66.9% of the employees had not experienced a work accident before and that 79.8% of the employees' relatives did not have a mining accident.

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#### 2.2. Measures

To collect data for the research, the following three different scales were used to measure the variables stated as corporate reputation, ethical climate, and safety climate. In addition, in the first part of the questionary, 5 questions were included to obtain some demographic information. To measure miners' corporate reputation perceptions, the corporate reputation scale developed by Fombrun et al. (2000) was used. To measure the safety climate perceptions of mining employees, the safety climate scale developed by Zohar and Luria (2005), but modified by Fugas et al. (2012) was used. Lastly, to measure ethical climate perceptions, the scale developed by Schwepker (2001) was utilized. All scales were implemented in the 5-point Likert format.

#### 2.3. Data Analysis Procedure

Data collected by the survey method was analyzed with the SPSS 23.0 program. First, the collected data were reviewed to make them suitable for analysis. Afterwards, reliability and validity analyses of the data were performed respectively, and hypothesis tests were conducted on the data whose validity and reliability were found to be appropriate.

Before starting the analysis, the normality assumption of the data was examined. In this context, it was determined that the "Skewness and Kurtosis" values of the items were between -2 and +2. According to George and Mallery (2019), the fact that the data is between -2 and +2 can be considered as evidence of a normal distribution. Hence, the distribution of the data meets the assumption of normality. As a result of the outcomes, necessary analyzes were made considering the normal distribution of the expressions in the study. In addition, exploratory factor analysis (EFA), Bartlett's Test of Sphericity, Kaiser-Meyer-Olkin (KMO) test, and reliability analysis (Cronbach's Alpha) were conducted for the validity and reliability of the research. For the relationships and effects between the variables, correlation analyses were conducted to test the research hypotheses, followed by regression analyses by the causal step approach known as the "Barron and Kenney" method. Finally, the Sobel test was conducted to test the significance of the mediating effect of perceived ethical climate.

#### **3. RESULTS**

#### 3.1. Reliability and Validity of Research Scales

Reliability analysis "is a method developed to evaluate the characteristics and reliability of tests, questionnaires, or scales used in measurement" (Kalaycı, 2014, p. 403). The Cronbach's Alpha reliability and validity results of the scales are found to be ,895 for corporate reputation; ,880 for safety climate, and ,855 for perceived ethical climate. The fact that the alpha coefficients are between  $0.81 < \alpha < 1$  indicates that it has a good level of internal consistency (Aslan, 2018, p. 157). When the obtained values are tested, it is seen that the scales are in high confidence intervals.

Validity is the proof that a measurement gives accurate and meaningful results. The validity of a measurement tool means that it fully and accurately reflects the property being measured. In this study, Exploratory (Explanatory) Factor Analysis and Bartlett's Sphericity Test were applied to determine the accuracy. "KFA is performed to define the observed variables, to summarize these variables, to manage them, and to determine the factors that can be worked on". "KMO Kaiser-Meyer-Olkin Sampling Adequacy" is examined to measure the relationship of the collected data between the variables and to understand whether these relationships are sufficient for factor analysis. A KMO value less than 0.6 generally indicates that factor analysis is not appropriate (Gürbüz & Şahin, 2018, p. 319). Again, as stated by Gürbüz and Şahin (2018), EFA was performed based on the factor loadings of at least .50 to ensure the strong structure of the research items.

To determine the corporate reputation dimensions, exploratory factor analysis was performed. As a result of the exploratory factor analysis, the total variance of the corporate reputation scale was 61.3%, the Kaiser-Meyer-Olkin (KMO) value indicating the suitability of the sample size was 0.859>0.60, and the Bartlett's Test of Sphericity result ( $\chi 2= 629.983$  df=21, Sig<000) was found to be statistically significant, so it was seen that factor analysis could be applied to the variables. With the exploratory factor analysis, it was determined that the corporate reputation scale expressions were collected in one dimension. In the safety climate scale, the variance explained was 62.9%, the KMO value was 0.832>0.60, and the Bartlett's Test of Sphericity result ( $\chi 2= 523.768$  df=15, Sig<000) was found to be statistically significant, so it was seen that factor analysis could be applied to the variables. With exploratory factor analysis, it was determined that safety climate scale, the variance explained was 62.9%, the KMO value was 0.832>0.60, and the Bartlett's Test of Sphericity result ( $\chi 2= 523.768$  df=15, Sig<000) was found to be statistically significant, so it was seen that factor analysis could be applied to the variables. With exploratory factor analysis, it was determined that the expressions of the safety climate scale were collected in one dimension. As a result of the EFA, one item with a factor load below 0.5 was removed from the ethical climate scale and the analysis continued. The variance explained in the

ethical climate scale was 63.3%, the KMO value was 0.821>0.60, and the result of Bartlett's Test of Sphericity ( $\chi 2=546,784$  df=15, Sig<000) was found to be statistically significant, so it was seen that factor analysis could be applied to the variables. With the exploratory factor analysis, it was determined that ethical climate scale expressions were collected also in one dimension.

# **3.2.** Correlation Analysis

The results of the correlation analysis performed to reveal the mean and standard deviation values and the relationship between the dimensions are shown in Table 1.

Variables	Mean	SD.	1	2	3
<b>Corporate Reputation</b>	2,9316	,98915	1		
Safety Climate	2,7761	,93923	,696**	1	
Perceived Ethical Climate	3,8497	1,05510	,508**	,487**	1

#### Not: \* p<0,05 \*\* p<0,01

As a result of the correlation analysis, a statistically significant positive correlation was found between corporate reputation and safety climate (r=0.696; p<0.001). There is also a statistically significant positive correlation stated between safety climate and perceived ethical climate (r=0.487; p<0.001). Similarly, a statistically significant positive correlation was found between perceived ethical climate and corporate reputation (r=0.508; p<0.001).

# 3.3. Hypothesis Tests

To determine the mediating effect of perceived ethical climate in the relationship between corporate reputation and safety climate, which constitutes the model of the study, the causal steps approach, also known as the Baron and Kenny method, was performed. In each step of this method, regression analyzes consisting of four stages were used (Gürbüz and Şahin, 2018: 285). In the first step, the linear regression analysis was performed to determine the effect of corporate reputation on safety climate.

# Table 2: Regression Analysis Results of Corporate Reputation-Safety Climate

Independent	Dependent Variable	<b>Regression Coefficients</b>			Model Statistics	
Variable		В	SH	β		
Corporate	(Constant)	,838	,166	-	R <sup>2</sup> : ,485	
Reputation	Safety Climate	,661	,054	,696	F(1,161):151,353	
-					P < ,01	

As seen in Table 2, in the first step, it was observed that corporate reputation has a significant positive effect on safety climate ( $\beta$ : ,696, p <,01) and explains it by 48.5%. Accordig to this result, the hypothesis H1: "Corporate reputation has a positive effect on safety climate." has been confirmed.

In the second stage of the analysis, linear regression analysis was performed to determine the effect of corporate reputation on perceived ethical climate.

<b>Table 3: Regression Analysis</b>	<b>Results of Corporate Repu</b>	station - Perceived Ethical Climate
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Independent	Dependent Variable	<b>Regression Coefficients</b>			Model Statistics
Variable		В	SH	β	
Corporato	(Constant)	2,260	,224		R <sup>2</sup> : ,258
Corporate Reputation	Perceived Ethical Climate	,542	,072	,508	F(1,161):56,098
					P < ,01

As can be seen in Table 3, it has been observed that corporate reputation has a significant positive effect on perceived ethical climate ( $\beta$ : ,508, p <,01) with a ratio by 25.8%. Within the scope of these results, the hypothesis H2: "Corporate reputation has a positive effect on the perceived ethical climate." has been accepted.

In the third stage of the analysis, linear regression analysis was performed to determine the effect of perceived ethical climate, which is the mediating variable, on the dependent variable.

Independent	Dependent Variable	Regres	ssion Coeffi	cients	Model Statistics	
Variable		В	SH	β		
Perceived	(Constant)	1,106	,244		R <sup>2</sup> : ,237	
Ethical Climate	Safety Climate	,434	,061	,487	F(1,161):56,098	
					P < ,01	

Table 4: Regression Analysis Results of Perceived Ethical Climate-Safety Climate

As seen in Table 4, in the third stage, it was observed that perceived ethical climate has a positive and significant effect on safety climate ( $\beta$ : ,487, p <,01) with a rate by 23.7%. Therefore, the hypothesis H3: "Perceived ethical climate has a positive effect on safety climate." has been confirmed.

According to the Baron and Kenny method, the first three stages are provided in order. In the fourth and final stage of the analysis, hierarchical regression analysis was conducted to determine the mediating role of the perceived ethical climate in the effect of corporate reputation on safety climate.

#### Table 5: Hierarchical Regression Analysis Results Regarding the Mediating Role Between Variables

Independent Variable	Dependent Variable	$\mathbb{R}^2$	F	В	SH	β	t	Р
Corporate Reputation	Safety Climate	,485	151,353	,661	,054	,696	12,303	<0,001
Corporate Reputation	Safety	.509	82,794	,574	,061	,605	9,395	<0,001
Perceived Ethical Climate			,	,160	,057	,180	2,797	<0,001

When the hierarchical regression results in Table 5 are examined, it can be seen that corporate reputation has a positive and significant effect on safety climate ( $\beta$ : ,696, p <,01) and explains it by a rate of 48.5%. When perceived ethical climate is added to the model as a mediator variable, it was observed that the effect of corporate reputation on safety climate continued, but the value of the  $\beta$  coefficient decreased ( $\beta$ : ,605, p <,01). It was determined that the established two-variable model explains the safety climate at a rate of 50.9%. In the light of the findings, it can be stated that perceived ethical climate has a partial mediating effect on the effect of corporate reputation on the safety climate. The Sobel Test was performed to determine whether the mediating effect was significant. As a result of the Sobel test, the effect was found to be significant (Sobel=5.17(0.04), p<0.01). According to these results, the hypothesis H4: "Perceived ethical climate has a mediating role in the effect of corporate reputation on safety climate reputation on safety climate as "having a partial mediating effect".

#### CONCLUSION, DISCUSSION, AND SUGGESTIONS

As known, the mining industry is one of the heaviest and most dangerous business lines in the world. Therefore, it is of particular importance for the business to have a significant corporate reputation, to be safe, and even to have an ethical climate in such businesses. In this research, the mediating role of perceived ethical climate in the effect of corporate reputation on safety climate has been tried to be elaborated on the basis of mining operations. The selected sample consists of employees of coal mines operating in the Ermenek district of Karaman province. The risky nature of the mining sector has been effective in the selection of such a subject. At this point, considering that owning a good corporate reputation, good safety and ethical climates are significant for a successful mining industry management, it was deemed appropriate to study the corporate reputation, safety climate, and ethical climate issues on coal mining enterprises in the context of research.

In the research, it has been revealed that the miners perceive their workplace as reputable; trust it, and think that a good ethical climate takes place within the organization. Besides, significant relationships have been identified between corporate reputation, safety climate, and perceived ethical climate. In this context, firstly, it has been determined that corporate reputation has a positive effect on safety climate. Therefore, as miners' perceptions of corporate reputation increase, their level of perceived safety in the organization also increases.

This result and the result of the limited studies measuring reputation and safety climate alone in the literature support each other. Accordingly, Barling and Hutchinson (2009), who investigated the effect of safety reputation on perceived safety climate on firm managers found important support for the direct and indirect impacts of safety climate. Also, Schneider et al., 1994; Burian & Barshi, 2003; and Zohar, 2000 found in various studies that beside leadership, procedures, policies, and similar physical and social outcomes positive reputation is an indicator of a positive safety culture.

Secondly, it was uncovered that corporate reputation also has a positive effect on perceived ethical climate. To be said otherwise, employees' high perception of the company's reputation leads to a high perceived level of ethical climate. The result obtained reveals the importance of corporate reputation in perceived ethical climate. Thus, reputable organizations are effective in creating an ethical climate in employees' perceptions. These results are coherent with the results found in the literature examining the relationship between corporate reputation and ethical climate (Pruzan, 2001; Balkan, 2018; Chadha et al., 2021). Similar results have been revealed by a study made by Wagstaff et al. (2021). Accordingly, measures of organizational ethical climates from shareholders of Fortune 500 companies align with well-known reputation. Also, according to Maremont (1995) aside from creating a culture that is receptive to an external disclosure and internal evaluation of reputation, the evaluative process should involve specific attention to the ethical climate of the organization. Thus, it is known that ethical violations have the potential to create significant negative reactions from all stakeholder groups. The Bausch and Lomb event, which suffered from negative publicity after exposure of unethical sales practices in a Business Week cover article is an convenient example for corporate reputation and ethical climate interaction.

Thirdly, the significance of perceived ethical climate in the formation of safety climate has been revealed. It is possible to say that comparable results come to the fore and similar inferences can be made in conducted studies. To be mentioned, Parboteeah and Kapp's (2008) survey results support the view that ethical climates are positively associated with safety-enhancing behaviors. Similarly, Schneider (1990) has demonstrated that there is a strong relationship between ethical climate and workplace safety. Also, Zohar and Luria (2004) stated that ethical climate in any institution will ensure guidance to safety-increasing behaviors, since the ethical climate is related to issues regarding the general welfare and well-being of employees.

The fourth and final result attained from the research is related to the mediation effect. According to the hierarchical regression and Sobel test, perceived ethical climate has a partial mediating effect on the relationship between corporate reputation and safety climate. In other words, the existence of an ethical climate in an organization affects the degree of the effect of perceived corporate reputation on perceived safety climate. The striking aspect of this result is that in the hierarchical regression, the mediating variable reduces the effect of the independent variable. The decreasing effect of the independent variable is reflected through the mediating variable and a partial effect emerges. Although investigated not exactly with the same variables as in this study, only one similar study was encountered in the literature. Öncer and Yıldız (2012), measured the mediating role of perceived ethical climate in the relationship between perceived corporate reputation and organizational identification. The findings has been concluded in accordance with the outputs of this study. Accordingly, a significant moderator role of ethical climate has been found between the variables.

#### **Theoretical Implications**

It is believed that this research makes certain contributions to both the literature as well as the practise. As can be understood from the explanations above, there are various studies examining the relationships among corporate reputation, perceived ethical climate, and safety climate in the literature, but that the moderator effect of perceived ethical climate is examined and revealed between corporate reputation and safety climate for the first time, can be considered as the theoretical contribution of the study to the literature. There is no study dealing with relevant variables as a field study in mining operations, therefore, in this research on miners, it is thought that it is a significant contribution to the literature to consider the mining industry in terms of its risky nature. At the same time, it is seen that these three variables haven't been studied together in any variant and model before. In this respect, it is thought that this study will make important contributions to the theory.

#### **Practical Implications**

Besides theoretical contributions, it is thought that the research also provides some practical contributions. In this research, it is considered that an essential practical contribution for the mining industry is made in terms of considering the subsurface coal mines, and to reveal the opinions of the miners working in the area since the recently experienced mining disaster. It is believed that the research also provides some input for managers, employers, and employees in the mining industry regarding corporate reputation, workplace ethics, and safety

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climate. The management's commitment to reputation, ethics and safety in a business is a vital factor that directly affects the continuity and success of the organization. Furthermore, one of the most important elements of reputation is that the organization fulfills its responsibilities towards its stakeholders, society, and the environment within the framework of its values and principles of behavior. Therefore, the protection and development of reputation is accepted as a very important condition for institutions (Pruzan, 2001). To protect corporate reputation and create a system based on ethical values, organizations should first recognize themselves through a self-assessment, ensure that the top management believes that long-term success will be achieved with commitment to ethical values, create written ethical codes, communicate corporate values to employees, provide ethical trainings, conduct audits and measurements, and finally review the entire process and make improvements. In addition, to ensure and improve the safety climate in the enterprise, safety in job design should be taken into account, job training programs should be established, and senior managers should participate in safety committees. The assumption is that managements that don't ignore responsibility regarding safety and complies with government regulations will inevitably be successful in creating a positive safety climate in the company. Additionally, all accidents and incidents should be ascertained in detail including the reasons and responsibles due to the nature and special conditions of mining. It should not be forgotten that minor accidents are a precursor of major accidents. So, various health and safety measures should be taken from time to time to hinder problems, which workers face occasionally or regularly. The point of the research, which tries to draw attention within the scope of practical contributions will be that it is vital for businesses to minimize such negativities, as they lead to loss of reputation, ethical problems and perceptions of insecurity.

#### **Limitations and Future Research**

Beside theoretical and practical implications, there are some limitations in the study such the variables, method, location, and sample. The research was limited to the variables of corporate reputation, perceived ethical climate, safety climate, and was implemented with the survey method. Conducting similar studies with different variables and methods can provide a basis for a comprehensive research on the subject. At the same time, the survey was limited to the mine operations in the Karaman province. It is recommended that related and similar studies on this topic should be conducted with different samples in different sectors. Similar studies can be done, for example; with forest workers, kitchen staff, construction employees, marble quarry workers, factory workers, etc. In fact, it would be beneficial to conduct research on corporate reputation, ethics, and safety climate in any sector regardless of commerce, manufacturing, service, public, and private sectors as such interesting and important issues are embedded in all areas of life.

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