

IMPACT OF WORK PLACE ETHICS ON EMPLOYEE AND ORGANIZATION PRODUCTIVITY

Dr. K Sunanda

Associate Professor, Shadan Institute of Management Studies for Girls,
Khairathabad, Hyderabad, India

ABSTRACT

Good ethics is a good business. Bad ethics can derail even the best organizations. The framework of employment relationship necessitates continuous interrogation of the complex issues, which arise from the difference between productivity and employees' commitment. This paper examines the effects of etiquette and unethical behaviour on employee commitment and productivity in India. A descriptive survey research method was adopted for the study using 100 questionnaires, which were administered on Employees in different sectors in India. Secondary data as well as documented evidence were used for the data collection. The sampling procedure was carried out randomly. The data collected were analyzed through Structural Equation Modeling and supported by descriptive statistics. Each item was based on a 5-Point-Likert scale. AMOS 22 was adopted in testing the hypotheses. The data was presented with the use of SPSS while Structural Equation Modeling (SEM) was utilized. The results show that significant relationship exists between ethical standards and organisational productivity, in India.

Key words: Work Ethics, Work Attitudes, Teamwork, Integrity, Self-Discipline, Profitability

Cite this Article: Dr. K Sunanda, Impact of Work Place Ethics on Employee and Organization Productivity. *International Journal of Management*, 9 (1), 2018, pp. 22–28. <http://www.iaeme.com/IJM/issues.asp?JType=IJM&VType=9&IType=1>

1. INTRODUCTION

Ethics refers to principles that define behavior as right, good and proper. Such principles do not always dictate a single "moral" course of action, but provide a means of evaluating and deciding among competing options.

ETHICS, Morals and Values

Ethics is concerned with how a moral person should behave, whereas values are the inner judgments that determine how a person actually behaves. Values concern ethics when they pertain to beliefs about what is right and wrong. Most values, however, have nothing to do

with ethics. For instance, the desire for health and wealth are values, but not ethical values. Importance of advertising is significant but on the other hand, one cannot avoid its bad impact on the society and culture.

- Ethics describes a generally accepted set of moral principles
- Morals describe the goodness or badness or right or wrong of actions.
- Values describes individual or personal standards of what is valuable or important

Most people have convictions about what is right and wrong based on religious beliefs, cultural roots, family background, personal experiences, laws, organizational values, professional norms and political habits.

Ethical values such as trustworthiness, respect, responsibility, fairness, caring and citizenship personal and professional beliefs vary over time, among cultures and among members of the same society. They are a source of continuous historical disagreement, even wars. There is nothing wrong with having strong personal and professional moral convictions about right and wrong, but unfortunately, some people are "moral imperialists" who seek to impose their personal moral judgments on others. The universal ethical value of respect for others dictates honoring the dignity and autonomy of each person and cautions against self-righteousness in areas of legitimate controversy.

Ethical Behavior and Employee Relations

Ethical behaviour and the employment relations in any work organizations is very crucial for general development, the production of goods and services, both for domestic consumption and international trade or exchange, creation of national wealth, the attainment of political stability and the inclusive benefits of sustainable human developments. Organizations adhering to ethical standards determine the well-being of all the stakeholders, the organization's productivity and the subsequent profitability, as well as the macroeconomic growth and development of the nation.

The concept of efficiency as applicable to the context of employment relationship is a function of proper management of employees at work, including the adherence to workplace ethical standards. Work dominates the lives of most men and women, and the management of employees, both individually and collectively, remains a central feature of organizational life . The totality of the essence of work in society is that it is the primary determinism around which human lives are ordered, organizations improved and nations are developed. Indeed, organizations advance the fortunes of nations through efficiency, productivity, output level and performance, as engendered by the institutional labour or a group of people known as workers.

2. REVIEW OF LITERATURE

The Oxford Advanced Learner's Dictionary defines ethics as "the science which deals with morals" Ethics is the systematic study of the fundamental principle of the moral law; or as normative science of human conduct. This implies that ethics is basically a normative science, as distinct from the descriptive or empirical sciences. Moral principles that form the subject matter of ethics are about the way people ought to behave in terms of the commitment to their work and their team, integrity and being self-disciplined. It follows that ethics, primarily is the critical investigation of the norms of conduct to which human actions ought to conform.

According to Justin Kuepper (2013), Investing in India may seem foreign to many in the United States, but the country's positive demographics and rapidly growing economy make it a great opportunity for international investors.

According to Rick Ferri (2013), what was not expected or reasonable was how the fund company chose to compare the hypothetical results of the new global index with ETF investment because those comparisons make the hypothetical global index look spectacular.

According to Eric Dutram (2010), Transparency International, ranked countries from least corrupt to the most corrupt, takes into account the results of 13 independent corruption surveys. The top of the list consists of countries such as New Zealand, Denmark, and Singapore with countries such as Somalia, Afghanistan, and Myanmar at the very bottom (India ranked 84th).

Statement of the Problem

In this era of globalization and multinational competition, ethical practices in business are assuming importance as relationships with various suppliers and customers are shaped by ethical practices and mutual trust. Therefore, ethical decision taking assumes importance in today's corporate world. When using the Internet and E-Commerce, it is important to remember that, there are many legal, moral and ethical issues to consider. Businesses entering the e-commerce world will be facing a new set of ethical challenges. It is easy for businesses to become side tracked in the technical challenges of operating in this way and to pay little attention to the ethical implications.

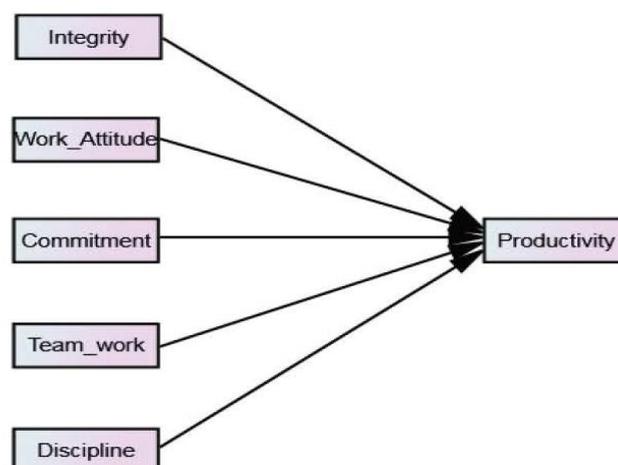
There is a research gap in the study of ethical issues which, influence performance of business, which in turn can influence at various levels in the complex society in India. This study envisages the need for comparison of various ethical issues in the current business scenario and throws light on the key takeaway points for best Ethical Practices in Business: An Indian Perspective in the Present Business Scenario.

The desperation of the productive enterprise to achieve corporate goals and workers' desire for equity has naturally affected etiquette, integrity, self discipline and by extension the level of performance and productivity within the framework of employment relationship.

3. OBJECTIVES OF THE STUDY

- To study the need of Business ethics in organizations.
- To study the impact of determinant variables of work place ethics of the study on the productivity levels.

4. CONCEPTUAL FRAME WORK OF THE STUDY



5. RESEARCH METHODOLOGY

Research design was Survey method .Structured questionnaire was used as research instrument to obtain relevant and valid data from 100 respondents from private and public sector companies.

Questionnaire

The questionnaire was divided into two parts; the first part contained the demographic profile of the respondents data such as gender, age, marital status, etc. while the second part contains twenty items that focused on observed variables of the study, which were developed from literature and each item was based on a5-Likert scale. AMOS 22 was adopted in testing the hypotheses.

The data was presented with use of SPSS and Structural Equation Modeling (SEM) was utilized due to its generality and flexibility to evaluate the validity of regression and correlation between the observed variables.

Table 1 Data analysis and interpretation

Demographic variables		Frequency	Percent%
Gender	Male	60	60%
	Female	40	40%
	Total	100	100%
Age	Below 21years	10	10%
	21-30 years	16	16%
	31-40 years	28	28%
	41-50 years	25	25%
	Above 50 years	12	12%
	Total	100	100%
Marital status	Married	68	68%
	Unmarried	32	32%
	Total	100	100%
Educational qualifications	Under graduate	58	58%
	Post graduate	34	34%
	PhD	8	8%
	Total	100	100%
Designation	Senior staff	37	37%
	Middle staff	46	46%
	Junior staff	17	17%
	Total	100	100%
Experience	Below 5 years	33	33%
	5-10 years	45	45%
	10 years	22	22%
	Total	100	100%

Interpretation of the Data

As obtained in Table 1, the valid sample for the study shows those sixty (60) males and forty (40) females representing 60% and 40% respectively. Significant percentages (68%) of the respondents were married and 22% were unmarried. About 33% have worked for below five years and with 45% between 5-10 years and above 10 years 22%.

In structural equation modeling, chi -square value is expected not to be significant and different standards are considered to be appropriate model fit using this measure, the value ranges between 2 and 5. The chi-square value is (CMIN/DF = 4.234) from the study it could

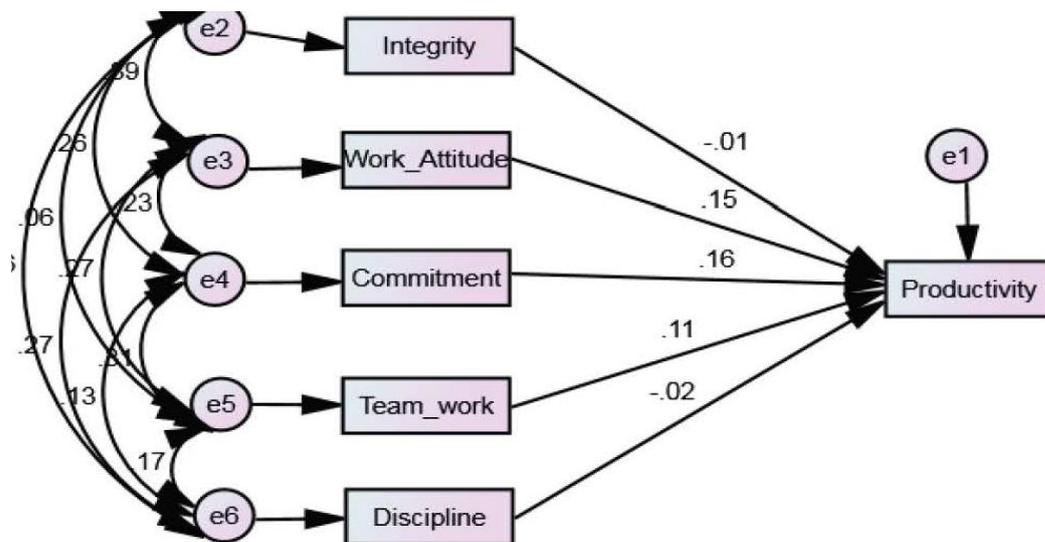
be considered to have good model fit. The NFI and CFI values obtained are .872 and .873, respectively, while .9 and above are considered to have acceptable or good fit.

Strong relationships that exist between the variables work attitude, Commitment, team work and Discipline are a vital predictor of organizational productivity. The regression coefficient value between commitment and productivity is 0.16, being the highest. While the coefficient value between both work attitude and productivity; team work and productivity is .13.

Table 2 Model Fit Summary

Model	N PAR	C MIN	D F	P	CMI N/DF
Default model	2 5	8 468	2	014	4.234
Saturated model	2 7	0 00	0		
Independence	1 2	6 5.942	1 5	000	4.396
Model	N FI Delta	R FI Rho 1	I FI Delta	T LI rho	CFI
Default model	.8 72	.0 37	.8 99	.048	.873
Saturated model	1 000		1 000		1.000
Independence model	.0 00		.0 00	.000	.000

From the above table we interpret that close relationship exists amongst the observed variables such as integrity, work attitude, commitment, team work and discipline. Strong relationships that exist between these variables is a vital predictor of organisational productivity. The regression coefficient value between commitment and productivity is 0.16, being the highest. While the coefficient value between both work attitude and productivity; team work and productivity is .13.



Standardized parameter estimates of the model

Interpretation of the Data

There is no significant positive correlation between integrity and organizational productivity

Results obtained from the study showed that integrity and discipline have negative impact on the improved productivity level of organization,. In other words, both hypothesized statements regarding these variables are accepted

Self-discipline will not contribute to organizational productivity

Organisations to flourish and survive, stimulation of self-discipline at work are essential. Further, others hypotheses should be rejected having obtained that variables work attitude, commitment, and team work are strong predictors of organizational productivity.

Employees' commitment is a determining factor of organization productivity and lack of teamwork could lead to failure in organizations. Work attitude has also been found to be vital in organization productivity.

6. CONCLUSION AND RECOMMENDATIONS

The urge to attain and maintain high level of productivity is needed for the establishment of commercial and business ventures. Ethical consideration in labor management relationship is a concomitant for organizational development. For high productivity, it's important that all stakeholders observe ethical conducts in their dealings with one another. This must be openly displayed through positive attitudes; committed teamwork, high integrity and self-discipline. the above mentioned variables serve as indicators of organizational development. This implies that efforts must be made to ensure and observe etiquette and ethical conducts within work centers for the expected goals of the complex organization to be attained. Absence of etiquette in work places has created among the employees attitude, which may hinder productivity. \ On the part of the Indian workers, for ethical conducts to have been properly observed, there is the need to align wage demands and increase in productivity and performance. A stable pattern of rising productivity will naturally improve and sustain wages and favorable conditions of employment relationship in India.

REFERENCES

- [1] Eric Dutram (2010) Seven Most Corrupt Country ETFs <http://etfdb.com/2010/seven-mostcorrupt-country-etfs>
- [2] Justin Kuepper (2013) the Ultimate Guide to Investing in India <http://internationalinvest.about.com/od/globalmarkets101/a/The-Ultimate-Guide-ToInvesting-In-India.htm>
- [3] Rick Ferri (2013) A Call for Ethics in ETF advertising
- [4] Fowers, B. J. (2008). From Continenence to Virtue: Recovering Goodness, Character Unity, and Character Types for Positive Psychology. *Theory & Psychology*, 18, (5). pp. 629-653.
- [5] Habib A., Khursheed A. & Idrees A. S. (2010) Relationship between Job Satisfaction, Job Performance.
- [6] Attitude towards Work and Organizational Commitment. *European Journal of Social Sciences*, Vol. 18(2), 257-267.

- [7] Ratna Mappanyukki, Imam Ghozali, Etna Nur Afri Yuyetta and Puji Harto, The Role of the Non Assurans Service In Mode rating The Effect Professional Ethics, Materiality and Risk To Audit Quality Reduction. *International Journal of Civil Engineering and Technology*, 8(9), 2017, pp. 1065–1073.
- [8] Dr. Shivakumar Deene. An Empirical Examination of Liquidity Risk Management with Special Reference to Vijaya Bank. *International Journal of Management*, 6(11), 2015, pp. 01-18.
- [9] Jagannath Mohanty, Bhabani P Rath, Examining the Sustainability Of Ethics In Business: An Academic Perspective. *International Journal of Management*, 1(2), 2010, pp. 164-173.