Determinants of an Individual’s Ethical Behavior: A Path Model Approach

Sahrish Saba, Afsheen Fatima, Jawwad Ahmad, and Qureshi Atif

Abstract—The present study has been done to examine the antecedents of individual’s ethical behavior within an organization. The target population for this study is universities of Rawalpindi/Islamabad region of Pakistan. The data were collected through questionnaire. A sample of 300 faculty members has been taken. SPSS and Amos softwares have been used for analyzing the data. The results of the study show that corporate ethical values, organizational justice and organizational citizenship behavior positively affects the ethical behavior of the faculty members. Limitations and practical and theoretical implications for academicians and managers have also been discussed.

Index Terms—Corporate ethical values, organizational justice, organizational citizenship behavior, ethical behavior.

I. INTRODUCTION

A. Background of the Study

The current research has investigated the antecedents of an individual’s ethical behavior (EB) with respect to the context of Pakistani universities. Ethics is considered to be an important factor in improving the ethical behavior of all the employees in the organizations. However, reviewing the previous research shows that a very rare work has been done on the ethical issues and their impacts in Pakistan in general and on the present topic particularly.

Nejati et al. and Western et al. studied the relationship of corporate ethical values and organizational justice that affect the ethical behavior of the employees in western countries [1], [2]. However, the results of the study in western countries regarding ethical behavior cannot be applicable to Pakistan. Thus, there is a gap of an empirical study on the current topic in Pakistan. The current research has significant contribution to the previous knowledge with respect to the developing country like Pakistan.

Baker, Hunt and Andrews studied some of the antecedents of ethical behavior of the employees in an organization[3]. In their research they studied the organizational citizenship behavior (OCB) as an outcome which has been considered as an antecedent in the present study in addition to corporate ethical values (CEV) and organizational justice (OJ).

CEV are considered as an important aspect of culture of any organization and these are related to the ethical behavior of all the individuals in any type of organization. The present study maintains that these values will lead to OJ that will further leads to OCB and these all will lead to EB of the employees in any organization.

Greenberg was the first who studied OJ in 1990. It can be defined as the degree of fairness i.e. to what extent the employees are treated with fairness [4]. Employees who find justice how they are treated they are very much satisfied with their work [5]. Justice is also referred as the fairness in the decisions made by the top management. OJ can also be considered as to determine the equal opportunities of promotion and fair pay perception etc.

In the current research OJ has been taken as an antecedent to the ethical behavior, which further leads to OCB which can be defined as those behaviors which are behind the job descriptions of an employee. OCB is related to perceptions of both types of organizational justice i.e. distributive and procedural justice [6]-[8]. Guangling did research on the relationship between OJ and OCB in private enterprises and said that by this relationship identification of an organization can be considered [9].

Kaptein has developed the CEV model which shows the dimensions of ethical and unethical behavior of the employees in any organization [10]. This ethical behavior is an expression of valuable framework of a work place and this must be communicated to all the employees to have better effect on the behaviors at all levels of management.

B. Problem Identification

The previous researches have studied the effects of ethical behavior in different organizations. The fairness in the procedures and decisions of an organization affect the OCB of the employees. Hence, it leads to behave ethically at the workplace. If employees think that there is no fairness in the decisions of the top management, employees will lose their citizenship behavior and thus, ethical behavior towards the organization will be affected.

C. Scope of the Study

The present study determined the links among CEV, OJ, OCB and EB within the universities of Rawalpindi/Islamabad region of Pakistan. Although, this study did not include some other factors which can be the antecedents of the ethical behavior like organizational culture, job satisfaction, organizational commitment etc. The present research is also limited due to space and time.
D. Objectives of the Study

Following are the main objectives of the study. To:  
- Determine the impact of CEV on OJ.  
- Determine the effect of OJ on OCB.  
- Determine the impact of OCB on EB of the employees.

II. REVIEW OF LITERATURE

Baker, Hunt and Andrews observed some antecedents of an individual’s EB at a work place. This study also found the outcome of organizational citizenship behaviors [3]. Turnipseed argued that OCB and EB have positive association [11]. Hence, it showed that this EB is related to the performance of an employee. They believed that OCB is said to be the outcome of EB in the organizations. It suggested that if we want to improve the behavior of the individuals in an organization then there should be high level of CEV. Turnipseed also reported that higher the level of OCB, higher will be the levels of individual’s productivity.

Corporate ethical value model can be used to examine the virtuousness of the ethical culture of organizations [10]. Kaptein found that the integrity of an organization can also be found to that level at which the organizational culture promotes the ethical behavior and restricts the unethical behavior of members in the organization.

Deyreh studied the factors which are supposed to be found among managers and their effect on organizational justice [12]. In his study, he encompassed different dimensions of OJ. It depends upon the justice in an organization and fairness of managers [13]. Lilly and Virick suggested that OJ is based upon the values of the work place and the employees of that organization play an important role in it [14]. This concept of justice is varied from an individual to individual and also from culture to culture.

OCB can be considered as that behavior of employees which is not described in their job description but employees show that behavior to help others and to be satisfied. Hodson defined OCB as a behavior of the employees to enhance the effectiveness and communication in the organization but that are described in their organizational duties [15]. Bogler and Somech examined the factors which affect the teachers on their job and they argued that there exist relation between OCB and endowing, occupational commitment and job [16]. They concluded that organizational citizenship behavior is associated with job satisfaction level and the faith of the employees in their top management [1]. He studied that there is a relation between the organizational justice and organizational citizenship behavior of an employee’s sense in private organizations [10]. Organizational identification enhances the organizational citizenship behavior of employees in positive manner.

Fu, Deshpande and Zhao argued that the ethical behavior of subordinates and top management had an important impact on the organizational commitment [17]. Previous researches showed a strong association between organizational commitment and ethical climate in an organization [18], [19]. Malik et al. argued that organizational commitment is associated with satisfaction of work, supervision, pay and co-worker [20]. Results of their study suggested that if the employees show higher level of ethical behavior, they will be considered to stay more likely in the organization.

Padilla and Schaubroeck showed the behavior of unethical and harmful leaders. According to their study such individuals damage the ambiguities in the management systems in organization [21]-[22]. These people try to accomplish their own wishes and benefits by affecting the policies of the organization [21]-[22]. Ladkin suggested that if the leaders perform good and ethically, it will lead to show the ethical dimension of that leader [23]. The results of his study showed that employee outcomes and organizational culture has a mediating effect of ethical leadership. Bagley argued that ethical leader’s decision can solve the problems that are ethical and the queries which are to be faced daily [24].

Jafari and Bidarian studied the positive relation of OJ and OCB [25]. Eric et al. argued that if the employees show the greater level of OJ, they will have the higher level of OCB [26]. Furthermore, they studied OJ for three important reasons: first reason is that justice is associated to many factors of organizational life styles. Second reason is that it is the vital part of human resource in every organization and affects their future attitudes and behaviors as how to behave and treat them. Third is that the earlier studies argued that there is an association between procedural justice and OCB.

Miles et al. noted the rising interest in OCB [27]. Podsakoff et al. observed that there are more than 400 articles that have been related to OCB and published since 2000 up to now [28]. They also concluded that there exists a negative relation between turnover intentions and OCB in any organization [28]. Cohen-Charash and Spector also argued that organizational justice is a well-established antecedent of a variety of behaviors and organizational results [29]. OCB is taken as an antecedent to ethical behavior in the current study. It is an important factor in the literature of any organization. Chapman and Zarate[30].

Appelbaum et al. argued that organizational citizenship behavior is not considered or not involved in the job but it is associated to the effectiveness of the organization [31]. Allen et al. stated OCB as it symbolizes those gestures which are effective and supportive, remunerated by that system of rewards which is considered as formal system in the organization [32]. Bolino and Turnley found that it is the ability of an organization to provoke behavior of an employee that went beyond the call of duty [33].

Organizational justice is considered as a multipurpose term as it shields from the payment methods to conduct of manager. According to Colquitt et al., Greenberg and Zapata-Phelen, organizational behavior comprises of distributive justice, procedural justice, interactional justice and informational justice [34]. It is considered as important factor of those organizations which are very successful. Elamainsaid that managers should manage decisions to enhance the job satisfaction of employees and they should increase the level of job commitment to lessen the turnover intention of the employees also increase organizational commitment to decrease employees’ turnover intention [35].

Lee said that if employees are dissatisfied relating to their rewards, they can leave the organization [36]. It means that if employees perform well for their organization but the
authority never appreciate them for their good work and provide no chances for future success then it might be possible that these employees may leave that organization and find some other where their work may be appreciated and they get motivation to improve their skills and get promotions as well.

Organizational justice is related to the ethical behavior of the mangers. Yavuz and Hossain concluded that it is necessary for different dimensions of organizational justice in the education system to examine any positive consequences [37]. Raymond also examined the relation of job satisfaction and organizational justice [38]. Raschee expressed in different school types, there will be difference in levels of job satisfaction [39].

Zeinabadi and Salehi studied the effect of different factors i.e. procedural justice, job satisfaction and organizational commitment on organizational citizenship behavior of faculty members and then proposed a model of modified social exchange [40]. Ngodo argued that the trust and faith in a leader is conceptualized as belief and faithfulness to the leader [41]. It means that if a follower has a belief in the decisions of his/her leader and also has confidence that these decisions will be beneficial for him then it is said that he has trust in his/her leader.

Leonard and Haines studied the influence of computer mediated group on the ethical behavior of the employees [42]. They assumed that attitude of an individual can affect the behavioral intention (toward ethical behavior).

Valentine, Godkin, Fleischman and Kidwell examined the effect of corporate ethical values, job satisfaction level and turnover intention in an organization [43]. Ethical practices are considered as an influential tool for improvement in an organization; especially when there are different approaches are designed to form an ethical work culture for the workers in that organization. Oliver et al. argued that a part of this identity is also related to the practices of ethical business [44].

Andreoli and Lefkowitz argued that the approaches which are related to the ethical values are also associated with the decrease in the misconduct or unethical behavior of students who are working in different organizations [45]. Mulki et al. studied the survey of service employees and then found that turnover intention is influenced by the ethical climate of an organization indirectly [46]. This is done by different work outcomes such as stress, conflict, individual trust in a supervisor and job satisfaction. It means that if there is role stress and conflict with other people in that organization and has no trust in his supervisor then it will lead to the unethical behavior of an employee.

Previous researches related to OCB showed that there are many variables which can be considered as antecedents of organizational citizenship behavior i.e. traits related to the personality, attitude of an individual, perceptions regarding fairness and features of job [28].

Turner et al., argued that transformational leaders use universal principles of reasoning to make any decision instead of concentrating on obedience and self-interest in terms of controlling their behavior and to communicate with others [47]. In addition to it, Engelbrecht et al. concluded that altruism (dimension of OCB) is associated with transformational leadership strongly, which shows that it has a positive impact on the corporate ethical values of the organization [48]. The results of this study showed that corporate ethical values are associated to the specific styles of behavior that engender ethical and socially responsible attitudes in organizations and other local communities.

III. MATERIALS AND METHODS

A. Conceptual Framework

![Conceptual Framework Diagram]

The present study was done in two stages i.e. pilot and main study. The detail is given below (Fig. 1).

B. Pilot Study

1) Sample of the study

Pilot study has been done on the sample of 100 faculty members from the different universities of Rawalpindi/Islamabad region of Pakistan. Purposive sampling has been used for this purpose.

2) Instruments

Questionnaire tool has been used for the data collection. All scales were anchored at point 5 Likert scale ranging from point 1 (strongly disagree) to point 5 (strongly agree).

Scale of CEV developed by Hunt et al. (1989) has been used which consists of five items [49].

Scale of OJ developed by Niehoff and Mooman (1993) and was developed by Niswander and Moorman (1993) [50].

Scale of OCB was developed by Podsakoff, Mackenzie, Moorman and Fetter (1990). It consists of 24 items to explore altruism, conscientiousness, sportsmanship, courtesy and civic virtue [51].

The scale developed by Faedrich (1993) has been used to measure EB which comprises of 5 items [52].

3) Results of pilot study

Pilot study has been done to check the reliability of the questionnaires that are used in the current study. Results of the pilot study are as follows in Table I.

**TABLE I: MEAN, STANDARD DEVIATION, RANGE AND ALPHA RELIABILITY COEFFICIENTS (N=100)**

<table>
<thead>
<tr>
<th>Measures</th>
<th>No. of items</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Range</th>
<th>Alpha Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEV</td>
<td>5</td>
<td>3.5</td>
<td>0.82</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>OJ</td>
<td>19</td>
<td>2.9</td>
<td>1.07</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>OCB</td>
<td>24</td>
<td>3.07</td>
<td>0.87</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>EB</td>
<td>6</td>
<td>3.62</td>
<td>0.67</td>
<td>2</td>
<td>5</td>
</tr>
</tbody>
</table>

* a) Confirmatory factor analysis (CFA)

CFA has been done to check the validity of the instruments that have been used in the present research. It also examines the other psychometric characteristics of the data. Every item
of CEV, OJ, OCB and EB has been examined by this method. Structural equation modeling (SEM) has shown that the model is fit when the values of goodness of fit index (GFI), adjusted goodness of fit (AGFI), Tucker-Lewis (TLI) and comparative fit index (CFI) should be equal or greater than 0.95, chi-square goodness of fit (CMIN/df) should be between 3.00-5.00, root mean square error of approximation (RMSEA) is 0.08.

4) Discussion of the pilot study

CFA has shown that there are all properties of fitness of model but with very slight differences. Some of the items were also removed because they have significant values i.e. 1 item from OJ and 5 items from OCB.

C. Main Study

1) Target population

The statistical population that has been taken for the primary data were 300 respondents from the different universities of Rawalpindi/Islamabad region of Pakistan. We get 300 questionnaires from 350 distributed.

2) Statistical analysis

Amos and SPSS softwares have been used to measure the results.

D. Main Study Results

Following table (Table II) shows the values of reliability i.e. Cronbache’s Alpha, which are in the acceptable range.

<table>
<thead>
<tr>
<th>Scale</th>
<th>No. of items</th>
<th>Cronbache’s Alpha values</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEV</td>
<td>5</td>
<td>0.7</td>
</tr>
<tr>
<td>OJ</td>
<td>18</td>
<td>0.96</td>
</tr>
<tr>
<td>OCB</td>
<td>19</td>
<td>0.95</td>
</tr>
<tr>
<td>EB</td>
<td>6</td>
<td>0.78</td>
</tr>
</tbody>
</table>

Table II shows the values of Cronbache’s alpha i.e. reliability of the instruments.

1) Fitness of model

After the fitness of model, estimation has been done through regression coefficients. In the SEM, the results show that CEV has a positive effect on OJ i.e. OJ increases by 44% with the change in CEV, OJ has also a positive impact on OCB i.e. 93% increase in OCB with the increase in OJ. Similarly, OCB positively affects the EB of the individuals i.e. 15% increase in EB due to increase in OCB of the employees. Following table represents the results of hypotheses testing (Table III).

<table>
<thead>
<tr>
<th>Casual paths</th>
<th>Hypotheses</th>
<th>Reg. Coefficients</th>
<th>P-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEV-OJ</td>
<td>1</td>
<td>0.44*</td>
<td>0.00</td>
<td>Accepted</td>
</tr>
<tr>
<td>OJ-OCB</td>
<td>2</td>
<td>0.93*</td>
<td>0.00</td>
<td>Accepted</td>
</tr>
<tr>
<td>OCB-EB</td>
<td>3</td>
<td>0.15*</td>
<td>0.00</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Note: *p≤0.001

IV. Results

The present study has determined the antecedents of EB i.e. CEV, OJ and OCB. All the proposed hypotheses have been accepted with respect to the previous studies.

The results of this study concluded that CEV positively affects the OJ of the organization which enhances the OCB and it will ultimately leads to the EB of the individuals (teachers) working in the universities of the Rawalpindi/Islamabad region of Pakistan. This EB increases the overall effectiveness the organizations.

A. Practical Implications

Practical implications of the present research for future studies are that top management should pay attention to the OJ and CEV to increase the faculty’s OCB and EB. EB of the teachers plays vital role in enhancing the effectiveness of the organizations. Fairness and justice in procedures by the top management improve the OCB and EB which ultimately increases the productivity of the employees in the organizations. This research also concludes that CEV, OJ and OCB can improve the EB significantly and it will play an important role to get the desired results at the individual level as well as organizational level.

B. Limitations and Future Recommendations

The current study has few limitations also. For example generalizability of the findings. The results can also be different when one studies the differences between male and female teachers model. Organizational culture can also be the factor which can help in better understanding of the proposed variables. It was only cross-sectional study. Some other sampling techniques can also be used to collect the data.

In future the relationship of ethical behavior and organizational commitment can be examined. Job satisfaction and organizational culture can increase the effectiveness of the work place, so these should also be studied.
V. CONCLUSION

The present research has significant purpose of exploring the antecedents of the EB of an individual in a work place i.e. universities of Rawalpindi/Islamabad region. The results were according to the proposed hypotheses. CEV increases the justice in the procedures of the top management. These values and OJ further encourages the OCB of the employees to behave ethically in the organization. In the past the authors also studied the OCB of the teachers and concluded that OCB increases the EB of the teachers in the universities [12]. The workplaces that have ethical values in their dealings will always have the high effectiveness and productivity of the organizations.

REFERENCES

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