

## Impact of Work Place Ethics on Employee and Organization Productivity

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### Abstract

*In the present globalised and competitive scenario businesses are expected to function within social, ethical, and legally accepted principles in our society in order to satisfy their stakeholders. Ethics in work place has become a very important area for both researchers as well as practitioners. 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 behavior 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 organizational productivity, in India.*

**Keywords:** : Work Ethics, Work Attitudes, Teamwork, Integrity, Self-Discipline, Profitability

### 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

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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.

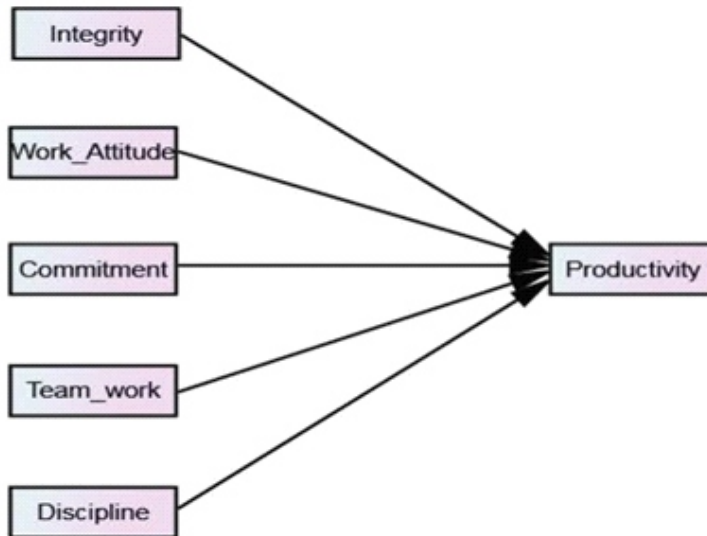
There is a research gap in the study of ethical issues which, influence performance of business, which in turn can influence at various levels in the complex society in India. This study envisages the need for comparison of various ethical issues in the current business scenario and throws light on the 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 THESTUDY



Impact of Work Place Ethics on Employee and Organization Productivity

Integrity in the workplace comes in many forms, but above all refers to having upstanding character traits and work ethics including sound judgement, honesty, dependability, and loyalty.

Having a high degree of integrity at work means that:

- You are trustworthy and reliable
- You practice and encourage open and honest communication
- You are responsible for your actions

Maintaining integrity at work is crucial for employees at all levels, but especially as you continue to move up the ladder. Having integrity helps foster an open and positive work environment and an ethical approach to decision-making.

Not only is workplace integrity beneficial to businesses, but it is also beneficial to the individual. By showing that you are an honest and dependable person, you'll gain respect

and trust from your peers and managers.

#### **How to demonstrate integrity in the workplace**

**Respect and follow company policies** – Workplace policies are created to guide you on best practices for everything from conduct to dress code. Following your company policy enables you to make informed decisions based on the business' values and objectives.

**Be ready to work** – Many of us know people who are willing to delegate but hesitant to get their hands dirty. Employees with integrity, on the other hand, are willing to go above and beyond with their own work and help others out if the situation calls for it.

**Lead by example** – Your working style and attitude towards others will help set a solid foundation for what you value most in others, especially people who report to you. Working to a high standard and maintaining professional conduct encourages others to follow suit.

**Respect others' opinions, even if you don't agree with them** – No matter how great your working environment may be, chances are there will be times when you simply don't agree with someone else's opinion. In these cases, it's still important to be respectful, listen, and take on board what the other person is saying.

**Be accountable for your mistakes** – Everybody makes mistakes from time to time. Owning up to and being accountable for your mistakes demonstrates that you're honest and open to constructive feedback – both traits that are common to people with a high degree of workplace integrity.

The Work Attitude helps employers and managers understand how people will “fit” to roles and corporate values and attitudes by providing a preview of an individual's natural work style and default settings. The reports provide insights that lead to increases in positive outcomes such as retention, productivity and engagement, and decreases in negative outcomes such as turnover, management challenges, and poor organizational and culture fit. The WVA can be used:

- To identify and develop world-class talent for all levels of the organization
- To identify people who “live and breathe” the organization's values and culture
- To reduce turnover rates and administrative costs associated with hiring wrong fit employees
- To improve interview and on boarding processes
- To manage role changes, promotions and organizational change
- To reduce management challenges,

employer-employee work dissatisfaction, and negative workplace morale

- To increase retention rates, productivity and employee engagement
- To reduce absenteeism, turnover, lost expertise, lost training resources and customer dissatisfaction

Commitment matters because it fosters what Peter Senge, systems scientist and MIT lecturer, calls “shared vision”. In his seminal book *The Fifth Discipline* Senge writes:

- In a corporation, a shared vision changes people's relationship with the company. It is no longer “their company”; it becomes “our company”.
- A shared vision uplifts team members' aspirations. It gives a higher purpose to work. It creates a sense of immersion, excitement and passion.
- A shared vision is what inspired cathedral builders of the Middle Ages to labor on cathedrals that could take 100 years to complete. It's what inspired NASA to put a man on the moon by the end of the 1960's. It's what inspired Apple to realize its vision of a computer which people could understand intuitively.

## 5. CONCLUSION AND RECOM MENDATIONS

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.

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