

FACTORS AFFECTING EMPLOYEES WORK ETHICAL IN ORGANIZATIONS: THE CASE OF ADDIS ABABA CITY ROAD AUTHORITY

Tomas TADESSE

Jimma University, Ethiopia

Chalchissa Amentie KERO

Jimma University, Ethiopia

Abstract

The main objective of the study was to assess factors affecting employee's work ethics. To achieve objective of the study, 346 respondents were selected by simple random sampling method, and data were gathered through questionnaire. The major findings of the study show that leadership, organization structure, control, recruitment selection and training were factors affecting employee work ethics. Also the study found there was a statistically significant and positive relationship between the leadership, organization structure and control and recruitment selection and training and employee work ethics. Therefore, the study recommends organization administrator be supposed to involve employees in key decision making and create a relationship where employees can be open and free, management should support the employees and work together with employees in ensuring the procedures, code of conduct and processes are well understood and followed. Lastly recruitment should be done in a fair way and that the human resources department should ensure that proper vetting is done in order to hire staff with good ethical morals right from the beginning

Keywords: *Leadership, organization structure, control, recruitment and training and employee work ethics.*

1. Background of the Study

Ethics is the code of moral principles that guide the behaviors of a person, group, or organization, and that constitute the boundaries of truth or wrong, good or evil (Çalışlar, 1983). According to Drucker (1954) described ethical behavior as a reflection process and a communal exercise that concerns the moral behavior of individuals based on an established and expressed standard of individual values. The ethical purpose is based on Aristotelian thought and it is "to aim good life". The moral rule is "based on Kant's conservatism and it is an obligation to obey the rule." For this reason, a person must first have ethics in order to have morals; the ethical purpose must go through the sieve of the rule. Ethical the orientation of a leader is the key factor in promoting ethical behavior; ethical leaders must take personal, ethical responsibilities for their actions and decision making. Leaders who show high ethical standards become role models for others and raise the organizations overall level of ethical behavior (Dess, 2010).

Ethics has been a matter of public concern since the industrial revolution. Much of the current concern of ethics has been encouraged by a resurfacing of public criticism if organizations are perceived to have amassed a vast personal fortune at the expense of the public or being ruthless and corrupt in their dealings with anyone. Ethical dilemmas arise in business more frequently than it is convenient to recognize. Indeed what is right or wrong is sometimes very unclear in organizations and varies from place to place and change with time (Rollinson, 2002).

Unethical behavior is periodic and individualistic in nature, evil is systemic and embedded in the culture of the organization. Programs, policies, practices, reward systems, hiring and training, external and internal relations all are designed with the intention to seek immediate advantage through the deliberate harm of others. The climate in some organizations does not encourage people to think through the ethical consequences of organizational decisions. An organizational culture that de-emphasizes business ethics and considers all decisions to be purely economic ones, another cause of unethical behavior maybe pressure from top management to meet performance goals that are not realistic and can only be attained by cutting corners or acting in an unethical manner. An organizations culture can

“legitimize” behavior that society would judge as unethical, particularly when this is mixed with a focus upon unrealistic performance goals such as maximizing short-term economic performance regardless of the cost (Jones and Hill, 2013).

According to Rollinson (2002) there are various factors that influence workers behavior, some of which are not conducive to the individual behavior in a way that is ethical in a particular organizational context. Since the list of issues about the ethical standards is continually growing, a convenient way to consider matters is to examine two relationships: the internal relationship between the organization and its employees and the relationship between an organization and its external stakeholders. For this study the researcher focused on the internal relationship between the organization and its employees that is the way an organization deals with employees and the way that employees deal with the organization. Ethical and unethical behaviors are behaviors that occur within organizations by employees on a daily basis. Ethical behavior is the behavior companies seek to drive performance and success. Organization is highly concerned about unethical behavior for a number of reasons; decreases in organizational performance, financial losses, reputational damage, safety concerns, and a loss of customers are all concerns that are connected with unethical behavior, Unethical behaviors lead to damaging consequences for others through ignoring rules, standards, regulations, and company guidelines (Kaptein, 2011).

2. Statement of the Problem

The ethical dimension of public administration has engaged the attention of governments, scholars, donor agencies and public servants. According to the Economic Commission for Africa (1996), there has been an increase of interest in improving ethics in the public service throughout the world in the last two decades. Definitely, ethics in the public service has become a major concern in public administration and management in recent decades, with some intensification in the 1980s and 1990s (Kernaghan, 1993; OECD, 1996 as cited in Larbi, 2001).

The preliminary survey taken by the researcher at Addis Ababa city road authority showed that managers and salaried employees have adequate technical qualifications, they lack the will and commitment to deal with uncertainties and conflicting interests constructively and to enable them to shape change processes. There also exist widespread perception that unethical practices are uncontrolled in the civil service including acceptance of gifts or favors; engaging in outside employment or activities that conflict with one’s official duties; disclosure of confidential information; not having a good attitude and care with regard to one’s work; using organization’s work time for conducting personal business; unauthorized use of organizational resources for personal gain; getting to work late and going out early; wanting less work, more fun, and quicker promotion; taking no initiative when one sees problems in the workplace; cheating with regard to leaves, absenteeism and others; stealing; and the like. There is a widespread conviction among the public that work ethic is declining in the country in general, and in the civil service in particular.

Ethics was identified by the Ethiopian government as one of the areas requiring attention and was made an integral part of the ongoing Civil Service Reform Program since 1996. Despite the reform efforts that have been going on for many years, no rigorous academic and empirical research has been conducted to understand the nature and depth of the problems. Moreover, the theoretical discourses in the general literature and the national efforts made by the government and its development partners also emphasize on the structural and procedural issues of ethics, giving little focus to the behavioral components or dimensions of ethics of civil servants, There for realizing this, this study intended to fill the gap by considering the variables like organization structure and control, leadership, socio-cultural and recruitment selection and training effect on employee work ethics. This study aimed at finding out which factors are affecting employee’s work ethics in the organization in the case of Addis Ababa city road authority.

4. Research Questions

1. What is the effect of organizations structure and control on employee’s work ethics?
2. Does leadership affect employee’s work ethics in organizations?
3. How does recruitment selection and training effect on employee’s work ethics?

5. Objectives of the study

5.1. General Objective of the Study

The main objective of the study was to assess factors affecting employee's work Ethics in Organizations the case of Addis Ababa city road authority.

5.2. Specific Objective of the Study

- To examine the extent to which organizations structure and control affect employee's work ethics in organizations.
- To investigate how leadership factors affect employees work ethics in organizations.
- To examine the extent to which recruitment selection and training affect employee's work ethics in organizations.

6. Research Methodology

The cross-sectional design with field work was used in the study. In this study, the descriptive and explanatory research design was used to fulfill the objectives of the research, descriptive method was used to investigate the major factors that affect employee's work ethics in organizations the case of Addis Ababa city road authority while explanatory method was used to examine the relationship between independent variables and dependent variable and to determine effects of each factors on employee work ethics. The target population of the research paper was all permanent employee of the Addis Ababa city road authority their total number is 2612. To decide on sample respondents from the total study population, probability sampling specifically Simple random sampling technique were used since it avoids biases and helps to generalize data gained from sample respondents and avoiding an error that could arise from sampling.

According to Kothari (2004) sample size should be optimum in which it fulfills the requirement of efficiency, representativeness, reliability, and flexibility. The number depends on the accuracy needed, the population size, population heterogeneity and resources available. So, the sample size should be determined by using a statistical formula. Of course, different authors use different formulas to determine the sample size of the study. For this study, the formula set by (Yamane, 1967) was used to determine the sample size, which is reliable when the population size is known and sample size of the study were 346 respondents. The study used primary and secondary source of data, primary data was collected by using questionnaires, the questionnaires were prepared thematically on the basis of the research objectives and secondary sources of data were books, magazines and the internet that involves; looking into already done materials, document analyses from various published and unpublished documents.

Validity refers to the extent to which an instrument measures what is supposed to measure, data need not only to be reliable but also true and accurate. If a measurement is valid, it is also reliable (Mugenda and Mugenda, 2003). In the study, the validity of instruments was pre-tested by potential experts and consultant. The reliability of the instrument was measured by using Cronbach's alpha test. The internal consistency reliability results in the study were 0.912 that is classified under excellent categories. Analysis of data was done in order to answer research questions of the study. Data collected was sorted, classified and coded then tabulated for ease of analysis. The data was summarized and categorized according to common themes to analyze the data, different kinds of statistical methods including descriptive statistics and inferential statistics was used. Furthermore, descriptive are applied for percentage standard deviation, and mean value was computed using SPSS (20).

7. Results and Discussions

Based on the sample size, questionnaires were prepared and distributed to the participants and from these, only 10 respondents did not return back the questionnaire, Due to this reason 336 (97.1%) of the distributed questioners are collected. According to Mugenda and Mugenda(2003) a response rate of 70% and over is excellent; therefore, this response rate is adequate for analysis and reporting.

The result of background of respondents indicated that majority of the respondents are male with total of 65.5% while the remaining 34.5% were female. With regarding to marital status of the respondent majority of respondent 76.8 % were married, with mention to age most of them are in the age range of 18-30 at 41% and education background majority of the employee sample group were first degree holders which represents 84.1% from the total employee participant, in addition majority of respondents have a working experience from 6-10 years which represent 44.5% from employee participant of research.

Descriptive Statistics

The analysis is based on the assumption Zaidatol (2009) comparison bases of mean score for five point Likert scale instruments to compare the mean value. According to Zaidatol (2009), the mean score below 3.39 is considered as low; the mean score from 3.40 up to 3.79 is considered as moderate and the mean score above 3.8 is considered as high.

Table 1: Effect of Leadership on employees work ethical

No	Effect of Leadership on employees work ethical	No	Mean	Stand. Devotion
1.	Employees are oriented properly on ethical issues and how to handle ethical problems.	336	2.81	0.956
2.	Leaders motivate employees to work in an ethical behavior in achieving the set goals and objectives.	336	2.61	1.154
3.	Leaders involve employees in key decision making.	336	2.01	1.341
4.	Employees communicate their grievances to top manager without fear.	336	2.84	1.189
5.	Leaders encourage employees to develop their skills in an ethical manner.	336	2.94	1.042

Source: Data obtained from respondents through questionnaire, 2019

According to the findings in table 1 employee are oriented properly on ethical issues and how to handle ethical problems, employees communicate their grievances to top manager without fear and leaders encourage employees to develop their skills in an ethical manner at grand mean score of 2.81, 2.61, 2.01, 2.84 and 2.94 respectively. The findings in regards to the impact of leadership on ethical behavior showed that management did indeed play a crucial part in ensuring ethics behavior is practiced in the organization and that the relationship between managers and subordinates should be a positive one and encourage ethical behavior. It implies that ethical leadership and leader effectiveness negatively influences both work related stress and turnover intention, this indicates that a type of leadership which is both ethical and effective at the same time helps reduce both stress and turnover. These findings

and implications are mostly in line with Van Knippenberg et al, (2007) Leader behavior has an important effect on employee behavior, such as job satisfaction and organizational commitment.

Table 2: Effects of Organizations Structure and Control on Employees Work Ethical

No	Effects of organization structure and control on employees work ethical	No	Mean	Stand. Devotion
1.	Organizations structure and control encourage employees work ethical.	336	2.745	1.213
2.	The control of the organization promotes ethical behavior in the organization.	336	2.61	1.168
3.	The organization has benefited from the measures put in place to ensure ethical behavior	336	2.541	1.378
4.	The organization ensures auditing is done in accordance with the laid procedures and processes.	336	2.781	1.179

Source: Data obtained from respondents, 2019

As per table 2, Organization structure and control encourage employees work ethical, the control of the organization promotes ethical behavior in the organization, the organization has benefited from the measures put in place to ensure ethical behavior and the organization ensures auditing is done in accordance with the laid procedures and processes at the grand mean score of 2.745, 2.61, 2.541 and 2.781 respectively. The finding implies that organizations structure and control affect employee work ethics. Finding is consistent with finding of Rees and Porter (2001), organizations structure and control facilitates clear communication and coordination of activities within the employees and customers, this intern leads to and ethical environment within the organization. Effective controls are a guideline to any strategy the organization wants to realize. Good controls ensure that laid out plans are followed and avoid deviating from what was intended to be realized. Strategic controls do promote ethical behavior and give the organization a competitive advantage and a good public image. Therefore in order to ensure ethical behavior is practiced proper control and procedures have to be established.

Table 3: Effect of Recruitment and Training on Employees on Work Ethical

No	Effect of Recruitment and Training on employees on work ethical	No	Mean	Stand. Devotion
1.	Recruitment is done in a fair and open way, where skills match job description.	336	3.24	1.021
2.	Employees are trained on ethical behavior and how to	336	2.261	1.324

	carry themselves in an ethical manner.			
3.	Compensation is used to rewards personnel and reduces employee dissatisfaction.	336	2.698	1.301
4.	Employees are motivated by the pay for their contribution in the organization.	336	2.94	1.09
5.	Unethical behavior is punished/unaccepted in the organization.	336	2.71	1.241

Source: Data obtained from respondents, 2019

According to the findings in table3; recruitment is done in a fair and open way, where skills match job description, employees are trained on ethical behavior and how to carry themselves in an ethical manner, compensation is used to rewards personnel and reduces employee dissatisfaction, employees are motivated by the pay for their contribution in the organization and unethical behavior is punished/unaccepted in the organization at mean score of 3.24, 2.261, 2.698, 2.94 and 2.71 respectively. The findings of the descriptive statistic indicated that Recruitment and Training have effect on employees on work ethical. This finding is steady with the finding of Bentham (1996) notes that a focus on ethics in human resource management have been perhaps a response to employee dissatisfaction, lack of commitment, frustration, or growing distrust in the workforce among other things, the increasingly wider gap between managers pay and lower cadre employees’ pay, inequalities that arise once individuals work along, like discrimination, favoritism, harassment, work-life balance, inconsistencies in discipline, or just how staff get at the side of managers.

Coefficient of Determination

The variation employee work ethics in organization needs to be explained by leadership, organization structure and control and recruitment and training.

Table 4 Coefficient of Determination Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841 ^a	.707	.703	.65068

According to table 4, the independent variables that were studied explain only 70.7% of the employee work ethics in organizations presented by the R². This, therefore, means that the independent variables only contribute to about 70.7% to the employee work ethics in organization while the other factors not studied in this research contribute 29.3 % to the employee work ethics in organization hence there is a need to further study the other factors.

Multiple Regression Analysis

Multiple regression analysis was done to determine various factors that influence employee work ethics in organization

Table 5 Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.180	.109		2.581	.011
	Leadership	.318	.052	.319	6.146	.000
	Organization structure and control	.235	.072	.237	3.271	.001
	recruitment and training	.331	.059	.284	2.782	.007
Dependent Variable: employee work ethics						

According to table 5, taking all factors (Leadership, Organization structure and control and recruitment and training) constant at zero the employee work ethics in organization realized would be 0.180. The data findings analyzed also shows that taking all other independent variable at zero. A unit increase Leadership at beta value .318, which implies that a 1% increase in Leadership unit will cause a 31.8% increase in employee work ethics. Organization structure and control at the beta value of .235 which implies that a 1% increase in Organization structure and control unit will cause a 23.5% increase in employee work ethics; recruitment and training unit will cause a 33.1% increase in employee work ethics; the statically significance level of this variable is 0.000; this is at 95 percent confidence interval.

8. Conclusion

From the finding researcher revealed that ethical leadership is critical in ensuring ethical behavior in the organization and have a big influence on the ethical behavior as they set the standards in which the rest of the employees work under. Ethical behavior should be nurtured in an organization and management encourages and motivates employees to realize the set goals and objectives in an ethical manner.

The study established that the organizational structure and control does truly determine the level of employee work ethical in an organization. Well laid down procedures, policies and open communication channels facilitate coordination of activities and realizing the main goals and objectives of an organization. Employees and management should be keen in ensuring the procedures and processes are in check in order to encourage and ensure ethical behavior is practiced within the organization. Management would also strengthen the structures and controls in place and constantly review the procedures which will enforce ethical behavior in the organization. The human resource has the main responsibility of ensuring recruitment is done in a fair and open way and that skills match the job description. Human resource also ensures that training on ethical behavior is carried out. Employees are greatly influenced and motivated by the rewards and compensation they receive in respect to their contributions to the organization; therefore good packages encourage employee work ethical in the organization. Human resource is also responsible for ensuring the employees are aware of the ethical officers in an organization and their duties and

responsibilities. Unethical behavior should also be punished to bring forth the consequences of behaving in unethically.

Based on the correlation analysis the relationship between leadership, organization structure and control and recruitment and training and employee work ethics in organization were strong and positive relationship and the results of regression analysis observed that leadership, organization structure and control and recruitment and training and employee work ethics in organization has a significant positive effect on the employee work ethics.

9. Recommendations

Based on the findings of study and conclusion made, the study recommends that Addis Ababa City road authority administrator be supposed to involve employees in key decision making and create a relationship where employees can be open and free and management should be effective by constantly seeking information that may lead to unethical behavior. It is significant to continuously review and ensure that the organizations structure and controls are up to date. Make certain the organizations formal procedures, processes, governance, control mechanism is in line with the organizations strategy and is effective in the implementation of ethical behavior in the organization. Finally the study recommends that recruitment should be done in a fair way and that the human resources department should ensure that proper vetting is done in order to hire staff with good ethical morals right from the beginning. Employees should also be trained on how to carry out their duties in the most ethical manner and how to tackle ethical issues and dilemmas. Human resources should also ensure that employees are compensated and rewarded according to their input to the organization, that way employees are most likely to be motivated and work in an ethical environment. Punishment of unethical behavior is recommended that way unethical behavior will not be taken lightly.

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