

Impact of Work Ethics on QWL, Productivity and Corporate Image of an Organization

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Abstract: Ethics is the difference between right and wrong. Work ethics is desirable factor in any organization. It is a cultural norm that advocates that employees are personally accountable and responsible for the work they perform. The main purpose of this research paper is to find out the relationship between work ethics and Quality of work life (QWL), Corporate Image and productivity in the organization. For the purpose of this study the data were obtained from employees currently working in multinational company (IT company) in Bengaluru. The paper discussed how work ethics is related to three key variables, QWL, Productivity and Corporate Image. The study would help business persons and managers to anticipate emerging ethical issues which are related to employee's job performance and to manage their day-to-day life.

Keywords: Work Ethics, Organization, Quality Of work Life, productivity, Corporate Image.

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I. INTRODUCTION

A major changes could be seen in today's business world is exertion of ethical and spiritual values in the work place. Now a day, managers acknowledge and accept the importance and need of ethical or spiritual working environment at work place and also in society for the effective performance (Mehta & Joshi, 2010). Proper execution of ethics in the society and work place, not only motivates its employees but also have considerable impact on elements linked with it (Palchoudhary, 2016). Goodwill and positive attitude are required to the survival of the organization for long time. Unethical practices and wastage of resources has negative impact on the productivity and its image. That's why ethical norms much needed to opt by both employer and employees for the success of the organization and for own development (Palchoudhary, 2016). In past few years, India has been witnessed of the ethical failure in all dimension, it could be seen in the form of increasing the corruption related cases in all level. Transparency International, (2018) publishes its annual Report in every year in which level of corruption measured by Corruption Perception Index (CPI). The index ranks 180 countries and territories by their perceived level of public sector corruption in the scale of 0 to 100; where 0 stands for highly corrupt and 100 is clean or not corrupts. Survey report of 2017 shows that two-third countries score below 50, India scored 40 and ranked 81 among 180 countries. As compared to year 2016, score was same (40) but ranking risen from 79 to 80. Reports also draw attention about the remarks given to India and other Asia-Pacific countries are among the "worst regional offenders" in terms of human right violation and other matters related to ethical misconduct. It could be seen that, one of the main reasons of corporate fraud or unethical practices is decision based on the economic consideration in work (Rao, 2014). This is high time for all, individual, business and government to pay attention to find the solution of this current situation.

Thus, in this study, an attempt is made to understand the impact of work ethics on employee's performance and their outcomes in the organization. Quality of work life, productivity and good corporate image are essential and fundamental component for the survival and growth of an organization. This study investigated the impact of work ethics in organisational prevalent variables such as; quality of work life (QWL), productivity and corporate image.

II. CONCEPT OF ETHICS AND WORK ETHICS:

According to Institute of Business Ethics (2005), "Ethics start where law ends" further adds, ethics is not about the right and wrong, but what is acceptable behavior based on the core values of society in general and an organization in particular (Webley & Dryden, 2005, pp.12). Ethics is a branch of Philosophy that involves with defining 'morality' (Halis, Akova & Tagraf, 2007) by guiding what is right and wrong, or set a standard of

behavior which should be followed by the people (Kovacs, 1987). Manuel G. Velasquez defined that, "The discipline that examine one's moral standard of a society to evaluate their reasonableness and their implications for one's life is referred as ethics ". The term work ethics considered as an area of 'Applied Ethics' (Mayowa, Samuel, Taiwo & Kayode, 2015). Work ethics is a commitment to the value and importance of hard work among potential employee and it is related with positive work attitude having moral values and norms (Brauchle & Azam, 2004). Organization or work ethics also provides general guideline of the set of rules and regulation based on some standard for effective decision making process (Mayowa et al., 2015). It is not only focused into development and success of individuals but also on the collective mindset of a nation or society which is looking towards the grasping new opportunity (Ali, 2014). Considerably, work ethics is a cultural norm that states in favor of being personally accountable and responsible for the work that one does and based on a belief that work has intrinsic value to the individual and followed by the each level of the employee working in the organization (Brauchle & Azam, 2004).

III. ETHICAL CODES AND ETHICAL TRAINING:

Ethical codes play a significant role in developing ethical environment at work place. In recent definition, ethical codes are written document, consists of policies which is based on ethically driven standards, formulated to guide the behaviors of the employee and the organization as a whole. In addition to, basic driven forces to develop the ethical codes are external environment of the business, public authority, people and customers to act in accordance with an awareness of responsibility (Halis et al., 2007). A study conducted by Valentine & Barnette (2003) highlights the importance of awareness of ethical codes in the organization which generate corporate ethical values among the employees. Many studies also state that ethical values among employees leads them to organization commitment (Salahudin, Alwi, Baharuddin & Halimat, 2016). Many organizations provide guidelines to their employees, defining expected behavior and decision making process should perform at the work place considering ethical concern. That is known as 'Code of conduct' or 'Code of ethics'; it is obligatory to everyone (IBE, 2005, pp.12). Ethical training and awareness program might be a technique to convey the members of the organization about ethical code of conduct. Remarkably, organization must ensure that ethical code of conduct must be fairly implemented and equally followed by all employees in the organization (Palchoudhary, 2016).

III. Objective of the study:

- 1.** To find out the relationship between Work ethics and quality of work life (QWL) for employee.
- 2.** To understand the relationship between work Ethics and the productivity of an organisation.
- 3.** To study the role of Ethics in creation of positive corporate image.

IV. LITERATURE REVIEW

Relation between Work Ethics and QWL

Quality of work life can be defined as, "QWL as employee satisfaction with a variety of needs through resources, activities, and outcomes stemming from participation in the workplace" (Sirgy, Efraty, Siegel, & Lee, 2001). Many researches emphasize that QWL comes from the job satisfaction, work commitment, job performance and lower attrition rate of the employee at work place (Kanten & Sadullah, 2012). Noor & Abdullah, (2011) in their study said, quality of work life can be recognized where employees are satisfied towards their performance, which is responsible factor for employee retention and their turnover. Job satisfaction is as the 'indicator' for quality of work life (Sirgy et al., 2001). As per the study performed by Marta, Singhapakdi, Lee, Sirgy, Koonmee, Virakul, 2013), Quality of work life has positive impact on organization, society and as well as in the employee's personal life. A satisfied employee will definitely feel positive towards their work and family. Quality of work life is achieved in the organization when its employees are able to satisfy their personal needs while achieving organizational objectives (Aswathappa, 2008). QWL and employee satisfaction level are related with Maslow's need of hierarchy at different stages (Marta et al., 2011). Study shows that interrelation between Institutionalization of ethics and quality of work life plays significant role in the development of attributes such as job satisfaction, work commitment and creating strong team spirit among employees working in the organization (Torlak, Tiltay, Ozkara & Dogan, 2013). Here, institutionalization of ethics refers to involvement of work ethics in decision making process whether it is involved directly or indirectly. The quality of work life related to employees as positive perception towards their work and fulfillment of employee's meaningful desire by the organization comprises the quality of work life (Torlak, et. al., 2013). Work ethics and quality of work life interrelated to each other in which ethics works as influential factor for QWL and QWL is responsible for enhancing the employee's job performance (Shaw, 2005).

Relation Between Ethics and productivity:

Many business researches and studies are conducted to find out the key variables to increase the productivity in an organization (Mayowa et al., 2015). Employee's perceived outcomes such as performance satisfaction, job commitment and overall performance comes when organisation have proper ethical environment (Kim & Miller, 2008). Most of the organization has their written ethical policy, which provides general guideline for the employee to perform task, based on moral values. Ethical practices performed by individual and company have great impact on the productivity of the organisation (Palchoudhary, 2016). Human factor considered as above all the factors such as machine, material, methods etc. because utilization of all resources depends upon the decision making capability of human being (Sharifi, 2002). Meanwhile, the ultimate goal of any organisation is to attain maximum productivity. Now, the companies are more responsible for creating the ethical environment. Researches prove that those companies which follow fair code of conduct and fulfil all the responsibilities towards the society as well as for their employee producing highest quality of workforce. Ethical environment not only motivates the employee but also leads to organisation and individual to achieve the maximum productivity. It has been seen that motivated employees have greater level of job satisfaction and commitment (Palchoudhary, 2016). Organisational ethics comprised of set of rules and regulations which can be used by top level authority to develop effective decision making ability (Mayowa et al, 2015). Mayowa et al., in their study in Nigerian University finds the relationship between work ethics and employee level productivity. It was observed that, there was no significant role played by the Organizational Ethics towards enhancing the productivity. But it is suggested that, proper supervision and reward for their ethical attitudes at workplace by the management could generate employee's inclination towards the work ethics. Equal and fair treatment of employee no discrimination on the basis of any criteria of employees by the management, creates great level of satisfaction among them. A satisfied or happy employee further turns to be a productive employee for the organization (Palchoudhary, 2016).

Relation Between Corporate Image and Work Ethics:

Company's identity recognized by its business strategy, moral value, organization culture and its structure. The actual identity of a corporation is described as current attributes as shaped by corporate ownership, leadership and performance. 'Identity' is made by the perception of other people depending upon how corporation act or conduct towards other. It can be defined as "Corporate Identity as the signature that runs through the core of all a corporation does and communicates" (Fukukawa, Balmer & Gray, 2007). It can be used as a tool to gain competitive advantage in which customer make purchase and investment decisions concerning with corporate image (Melewar, Karosmanglu & Paterson, 2005). It seems to be overall representation of the organization in front of different stakeholders (Kleyn, Abratt, Chipp, Goldman, 2012). Ethical dimension integrates with corporate identity form the concept of 'corporate ethical identity'. Corporate ethical identity (CEI) can be defined as "the set of behaviors, communications, and stances that are representative of an organizations ethical attitudes and beliefs"

The main purpose behind the image construction of the organization is to attract potential stakeholders or clients. Company's identity could be understand and distinguished by different business strategies followed by the organization, embracement of ethical values, culture and philosophy. In 2001, Gray and Balmer introduced the term "Ethical Identity" by arguing the area related to business ethics and corporate social responsibility. Ethical image is not viewed only for the marketing dimension of the organisation, its implication is also needed in managerial level function or in major corporate level activities. Strong corporate ethical identity leads to generate satisfaction among different stakeholders linked with the organization. Stakeholder's perception towards organization positive image results stakeholders satisfaction and sound financial strength of the company (Berrone, Surroca, Tribo, 2005). It is proved that maintaining ethical corporate identity is beneficial for company and their business significantly (Mare, 2017).

V. RESEARCH HYPOTHESES

H1: There is a positive relation between work ethics and quality of work life (QWL).

H2: Work ethics have significant effect on the productivity of an organization.

H3: Work ethics helps in creating positive corporate image.

VI. METHODOLOGY

The principal focus of the research was to analyse the relationship between work ethics and three key variables, Quality of Work life, Productivity and Corporate Image. A descriptive and empirical study was undertaken to understand the various aspects of organisational stress. Survey method using questionnaire was adopted to collect the opinion of employees working in IT sector. Survey questionnaire was designed to provide details about their organization culture and values, including acceptance of ethical values and its impact on the organizations activities, in which respondents could chose multiple categories. The category ranges from Never

to Every time; all items are rated on a five-point Likert-type scale (1=never to 5= Every time). The population of the study consists of randomly selected full-time employees working in IT sector in Bengaluru (India). The statistical analysis has been done using SPSS 20.0. Mean, standard deviations, Pearson correlation and one-way ANOVA (two tailed) test were used to analyse the response.

VII. FINDINGS AND ANALYSIS:

The sample size of employees was 85, with a mean age of 31.54 (S.D. = 4.6536) and a minimum and maximum age of 24 and 45 years respectively. The sample had a gender distribution of 74.1% male and 25.9% of female.

Table 1: Characteristics of respondents by Gender:

Number	Gender	Frequency	Mean	S.D.
1.	Male	63		
2.	Female	22		
Total		85	1.2599	0.44059

Table 2: Characteristics of respondents by Age:

Number	Ages	Frequency	Mean	S.D.
1.	below 25	02		
2.	25-30	30		
3.	30-35	38		
4.	35-40	07		
5.	40 or over	08		
Total		85	31.5412	4.65360

Table 3: Characteristics of respondents by Work Experience

SL. No.	Work Experience	Frequency	Mean	Standard Deviation
1.	<i>5 or under</i>	22		
2.	5-10	39		
3.	10-15	17		
4.	15 or above	07		
Total		85	4.6530	31.5412

Table 4: characteristics of respondents by Designation

SL. No.	Designation	Frequency	Percentage
1.	Sr. Staff /Manager	06	07.06%
2.	Sr. Lead staff	32	37.64%
3.	Engineer	47	55.30%
Total		85	100%

Hypotheses Testing:

Hypothesis 1: There is a positive relation between Quality of work life and work ethics.

H₀ : There is no relationship between quality of work life (QWL) and work ethics.

H_A : A relationship between quality of work life (QWL) and work ethics.

Kind of test	Variable 1	Variable 2	Sample size	The correlation coefficient	The significance level
Pearson Test	Quality of work life	Work ethics	85	0.416	0.002

Based on the above table, since significance level of the correlation test is less than 0.05, therefore, null hypotheses is rejected and alternate hypothesis is accepted. Thus, there is a significant relation between two variables i.e., work ethics and quality of work life (QWL).

Hypothesis 2: Work ethics have significant effect on the productivity of an organization.

H₀: There is no significant effect of work ethics on the productivity of an organization.

H_A: work ethics have significant effect on the productivity of an organization.

Kind of test	Variable 1	Variable 2	Sample size	The correlation coefficient	The significance level
Pearson Test	Productivity	Work ethics	85	0.104	0.468

Based on the above table, since significance level of the correlation test is greater than 0.05, therefore, a null hypothesis is accepted and alternate hypothesis is rejected. It can be said that there is a no significant effect of work ethics on the productivity of the organization.

Hypothesis 3: work ethics helps in creation of positive corporate image.

H₀: Work ethics does not help in creation of positive corporate image.

H_A: Work ethics helps in creation of positive corporate image.

Kind of test	Variable 1	Variable 2	Sample size	The correlation coefficient	The significance level
Pearson Test	Corporate image	Work ethics	85	0.481	0.000

Based on the above table, since significance level of the correlation test is less than 0.05, therefore, null hypotheses is rejected and alternate hypothesis is accepted. It can be said that there is a significant relation between two variables i.e., work ethics and corporate image.

In the study we found that 27.1% respondent said there organization has no ethical policy, 41.2% said they are not aware about organization ethical policy whereas 31.8% said 'yes'. The study reveals that most of the employees working in this organization are not aware about written ethical policy. 61.2% of the respondents feel that they don't require ethical training in the org. however, 38.8% do feel the need for ethical training. 52.9% respondent personally follow ethical practices which shows that people want to follow ethics in their regular assignments. 54.1% of the respondents said other employees working in the organization follow ethical norms occasionally. 44.7% do agree that ethical behavior in the organization is being appreciated by management. When the employees are being asked regarding unbiased behavior, most of them agree to the fact that the management is unbiased towards its employees. The employees are free to report regarding any unethical behavior to the management. 47.1% of the respondents agree that almost every time the organization takes appropriate measures to curb unethical practices in the organization. Most of the employees agree that ethical norms have a great contribution in creating a better work environment which is a desirable factor towards quality of work life. There is a significant contribution of ethical practices towards enhancing the level of motivation among the employees, 85% of the respondents agrees that there is a significant relationship between ethical practices being observed in organization and the level of motivation to work. 61.2% of the respondent feels that fair ethical practice helps in creation of a positive corporate image. 62.4% of the respondent feels that work ethics helps in rational decision making. 71.8% of the respondent does find that a positive ethical work environment helps them to perform well in the organization.

VIII. CONCLUSION

The study brings to us the influence of work ethics on enhancing the quality of work life, increasing the productivity and building the corporate image. The result based on the correlation data analysis and hypothesis testing, it was found that there is a positive and significant relationship of work ethics on quality of work life (QWL) and corporate image. But it was also found that there is no positive impact of work ethics on increasing the productivity of an organization. Considering the fact that major components of quality of work life such as equal and fair treatment of employee, protection of individual right and better working environment are positively related with the organizational ethics. Key factors related to creating good corporate image are unbiased management towards the employees, free reporting and proper punishment against any kind of misconduct in the organization. This study help us to find that that ethical practices in the workplace plays a significant role in establishing a strong relationship with quality of work life and portraying ethical corporate image. Work ethics is pre-requisite for every organization, towards creating a healthy work environment. By Proper implementation of ethical practices in workplace and also in their personal life employees can be motivated towards performance and productivity. Work ethics is thus very important in every organization as it has positive impact on quality of work life and creation of good corporate image.

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