

Workplace Ethics and Employee Efficiency

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Abstract: *Ethical standards and code of conduct act as the guiding principles for the employees working in the organization. Living by the values of the organization forms the organizational culture. The research was conducted on 87 randomly selected teachers from higher education institutions about the presence or absence of well defined ethical policy or code of conduct and its impact on their work performance. The study concluded 81.6% of the respondents had well defined ethics policy and code of conduct in their organization. 49.4% of the participants revealed that following ethical policies and code of conduct improves their work performance.*

Keywords: Code of Conduct, Organizational Culture, Ethical Standard, Ethical Dilemma

1. Introduction

Place of work or the location where employees work for their employers or for themselves is known as workplace. These places differ and may range from a small office maintained at one's home to large buildings where the office is built or to factories depending upon their operations. The employees perform their assigned task in their workplace. The workplace maybe either mobile or stationary. The pandemic has changed the face of workplace completely. With the help of portable devices the workplace maybe created anywhere and everywhere. What is more important is the code of conduct and the ethical patterns followed. Ethics help in guiding the employees in conducting their daily activities (Ogbari, Oke *et al.*, 2016).

The set of moral values, principles and the pre-defined standards that are to be followed both by the employers as well as the employee form the ethical structure of that organization. Business ethics play a very important role in academic as well as industrial field (Kumar, Reddy *et al.*, 2014). Organizations must operate to achieve its goal but should not forget the ethical standards and its social responsibility (McFarlane, 2013). Business ethics act as guiding principles for carrying out the business in a responsible manner (Kumar, Reddy *et al.*, 2014). The ethical structure of any organization is framed by the employer and followed by both the employer and the employees. Ethics may be described as the discipline which tells what is morally and ethically right or wrong. Business ethics should be clearly defined to the employees in the organization. (Ogbari, Oke *et al.*, 2016). It is very for every organization to follow the ethical elements like transparency in affairs, being truthful, work on satisfaction of customers, be respectful towards one another and act responsibly (Verma, 2013).

Business ethics include the implementation of policies and as well as practices which are to be followed by the organization. Business ethics stands for the professional ethics which help in examining the moral values and principles in an organization or resolving the problems faced by it (A. T. Ridhima, 2014).

Business ethics are mostly guided by the law but sometimes it gives the guidelines on which business is to be carried out so as to be publicly and socially acceptable. All the organizations or businesses have social responsibility (Mihailovic, *et al.*, 2015). The primary responsibility of business ethics is to safeguard the rights and interests of the employees, consumers and public. The ethical standard of any organization helps in building trust and earning goodwill. In order to increase profit and expand market share it is important for the organization to uphold the moral values and standards (Ogbari, Oke *et al.*, 2016).

Code of conduct of any organization is reflected through the policies framed by the organization. It also includes the principles as well as the standards which are to be followed. Codes of conduct also include the ethical and the moral structure which are to be taken care of. Actions of an organization must be driven by code of ethics (McFarlane, 2013). Many organizations make code of conduct as performance benchmark. Code of conduct helps the employees in day to day decision making and acts as a guiding principle or tool for the employees. Ethical dilemmas are faced by the organizations very frequently or almost daily, only an organization with strong ethical structure can overcome it with correct decisions (McFarlane, 2013). Code of conduct and ethics policy promotes culture of compliance in the organization.

Code of conduct is expected to make their employees aware of the consequences to be faced both within the organization as well externally in case of their violation. The legal risk involved in case of violation of code of conduct should be properly explained. In order to gain success in the long run an organization must be ethical (Mihailovic, *et al.*, 2015).

2. Literature Survey

Organizations with firm ethical structure increase its prestige in the eyes of the costumers and also increase consumer loyalty. Organization's economic efficiency also increases when it has a firm ethical structure (Ridhima 2014). There exists a noticeable relationship between ethical framework followed by an organization and its corporate performance. Organizations meeting ethical standards gained

economically resulting from increased sales (Ogbari, Oke et al, 2015). In order to make an organization strong, it becomes necessary for it to follow the basic ethical elements (Verma, 2013). Proper code of conduct practices should be developed in organization and should also be monitored (Donaldson and Fafaliou, 2003). In order to make a business grow and prosper in the long run it is very important to have a strong ethical structure (Mihailovic, Cvijanovic and Simonovic, 2015). Ethics gives business a framework to be followed in resolving ethical dilemmas. It also helps in building goodwill. (McFarlane 2013). In order to make a business grow it is extremely important to build trust and goodwill. These things can be earned by following a well defined ethical structure (Kumar, Reddy and Ramaiah, 2014). Proper ethical standards and government monitoring is required in order to safeguard the organization from fraudulent and unethical practices (Ogbo, Okechukwu and Ukpere 2013.) It is very important for any organization to maintain transparency in its operations in order to prosper (Ramanaiah and Govri, 2012). In order to gain competitive advantage it is very important for any organization to follow ethical practices. Knowledge and business ethics make the employees more professional (Mazumder, Jayaseelan, 2016). There exists a strong relationship between the ethical standards followed by the employees in any organization and the productivity of employees in that organization. Discipline, code of conduct and etiquettes should be followed in the organization / workplace which will lead to better employee productivity, as the employees will be performing more responsibly and at the same time sanctions should be made for the unethical behaviour on the part of employees (Adeyeye, J.O *et al*, 2015). Employees should have the knowledge of professional ethics, as ethics act as a guide for the workers which in turn improves the quality of work. The knowledge of professional ethics helps in bringing about desirable changes in the attitude of employees (Sherpa, 2018). There is a significant relationship between the output of employees and the workplace ethics followed by them (Herminingsih and Supardi, 2017). Educational institutions lacking in proper code of conduct have their economic development in negative way. In order to have adequate economic development it is very important to inculcate ethical values in every individual from the very beginning and the educational institutions should also frame the curriculum in such a way that even the students may understand the value of ethics in the workplace and in life (Okoye and Chinyere, 2019). A well defined code of ethics makes a profession self governed and self regulated. Ethics help in differentiating between the right and the wrong (Jayamma and Sumangala, 2012). Human by nature may work for their personal interest and may violate the rules and regulations so there should be a proper code of conduct (Bazerman M.H and Gino F, 2012).

Problem Definition:

- 1) To find out whether the organizations have code of conduct and ethics or not.
- 2) To study if the code of conduct and ethics effect on the productivity of employees.

3. Methods / Approach

The nature of the study is descriptive. In order to meet the objectives mentioned above, survey method was used. In order to carry out the study, both primary data and secondary data are used. The survey was conducted in order to collect the data. Primary data was collected by means of questionnaires. The questionnaire used is of structured nature. The questions asked were close ended. The study was conducted on teachers of higher education institutions. Teachers of higher education institutions were given the questionnaire, irrespective of the streams they belonged to. The teachers were randomly selected. The respondents were required to tell whether they had any definite code of conduct and ethics in their institutions or not and their views on the impact of a well defined code of conduct and ethics on their productivity. The numbers of valid responses from the respondents were 87.

4. Results and discussion

The questionnaire used had 87 questions in total. First 3 questions were of demographic nature. Close ended questions were asked in the questionnaire and the nature of questionnaire was structured.

4.1 Age-wise distribution of respondents

40.2% of the respondents fall under the age bracket of 25 - 35 years of age, 21.8% of the respondents fall under the age bracket of 35 - 45 years of age, 20.7% of the respondents belong to the age group of 45 - 55 years and 17.2% of the respondents were from the age group 55 - 65 years of age.

4.2 Distribution of respondents on the basis of their gender

51.7% of the participants were females and rest 48.3% of the respondents were males

4.3 Distribution of respondents on the basis of their marital status

64.4% of the respondents were married and 35.6% of the respondents were unmarried

4.4 Presence or absence of a written and well defined code of conduct and ethics

81.6% of the respondents had a written and well defined code of conduct and ethics in their organization. 10.3% of the participants were either uncertain or they were not sure of whether they had a written or definite code of conduct and ethics in their organization or not. Rest 8% of the participants had no written or well defined code of conduct and ethics in their organization.

4.5 Training in code of conduct and ethics

59.8% of the respondents replied that the new employees in the organization are given ethics training. 17.2% of the respondents were uncertain about the ethics training given to the new employees. 23% of the respondents replied that no

ethics training is given in their organization to the new joiners.

4.6 Reporting unethical behaviour

77% of the participants said they have a well defined procedure for reporting unethical behaviour. 10.3% of the participants said that there is no procedure for reporting unethical behaviour. 12.6% of the respondents were uncertain about the question.

4.7 Punishment in case of unethical behaviour

21.8% of the respondents replied that in case of any unethical behaviour the employees are penalized always. 40.2% of the respondents said that unethical behaviour is often penalized. 31% of the respondents said that employees showing unethical behaviour are seldom penalized. 6.9% of the participants said that no punishment is given to the employees showing unethical behaviour.

4.8 Rewards for meeting ethical standards

21.8% of the respondents said that the employees are rewarded for meeting ethical standards. 17.2% of the respondents said that meeting ethical standards is often rewarded. 44.8% of the respondents said that meeting ethical standard is rewarded seldom. 16.1% of the respondent said that there is no reward gives to the employee for meeting ethical standard in their organization.

4.9 Following of ethical standards by top authorities

32.2% of the respondents said that the top authorities strictly follow ethical standards. 51.7% of the participants said that the ethical standards are often followed by the top authorities. 12.6% of the respondents said that top authorities seldom follow ethical standards. 3.4% of the respondents said that top authorities never follow ethical standards.

4.10 To treat the way one wants to be treated

9.2% of the participants said that they do not treat others the way they want to get treated. The response of 5.7% of the participants for this question was neutral. 85.1% of the participants responded that they treat others in the same way they want themselves to be treated.

4.11 Fairness, Justice and Equality

85.1% of the participants said that traits like fairness, justice and equality are present in their organization. 8% of the participants said that a trait like fairness, justice and equality are present in their organization is not in their knowledge. 6.9% of the participants said that traits like fairness, justice and equality were not present in their organization.

4.12 Organizational interest over personal interest

83.9% of the participants were of the opinion that organizational interests must be kept before personal interests. 9.2% of the respondents were neutral about the question. 6.8% of the participants disagreed upon the idea

that organizational interests must be kept before personal interests.

4.13 Presence or absence of any discrimination on the basis of caste, creed or sex

48.3% of the participants accepted that there is no discrimination among the employees on the basis of caste, creed or sex. 37.9% of the participants were uncertain about the question that there is discrimination among the employees on the basis of caste, creed or sex. 13.8% of the participants revealed that discrimination on the basis of caste, creed and sex exists in their organization.

4.14 Signing code of conduct policy

62.1% of the participants said that the employees are always asked to sign the code of conduct policy at the time of joining. 17.2% of the participants said that employees are usually asked to sign the code of conduct policy at the time of joining. 9.2% of the participants said that in some cases employees are asked to sign the code of conduct policy. 11.5% of the respondents said that signing code of conduct policy is never required in their organization.

4.15 Employee favouritism

47.1% of the respondents said that there exists employee favouritism in their organization. 24.1% of the respondents were not sure whether employee favouritism exists in their organization or not. 28.7% of the participants said there was no employee favouritism in their organization.

4.16 Effect of ethical standards on performance

49.4% of the participants agreed following ethical standards help them to improve their performance in workplace. 44.8% of the participants were neutral. 5.8% said that following ethical standards does not have any effect on their performance.

4.17 Fixed In and Out Time

70.1% of the participant said that they had fixed In and Out Time in their organization and that had to be strictly followed. 13.8% of the participants were neutral. 16% of the participants disagreed and said they had no fixed in and out time.

4.18 Leaders Punctuality and Employee Motivation

81.6% of the participants said that they felt they were motivated by the punctuality of their leaders. 18.4% of the participants said that their leader's punctuality did not motivate them.

5. Conclusion

Ethics gives a framework and a structure for handling ethical dilemmas. Know the laws and obey them (Emerson, 2009). There should be a well defined code of conduct and proper ethical standards to help the employees in choosing the right path and acting accordingly. Following ethical practices help

in enhancing the overall productivity of employees. Ethics and code of conduct help in building up the organizational culture. Leaders who meet ethical standards and give rewards to those employees who meet the ethical standards and conduct their work in ethically approved manner enables them to create ethical culture in their organization. But in order to develop ethical culture in their organization it is very important for the organization to have a written or well defined code of conduct and ethics. The results of the research revealed that maximum number of respondents had a written or well defined code of conduct and ethics policy in their organization. 81.6% of the participants knew the ethical framework they had to follow and the ethical standards they had to meet; they had ethical culture in their organization. 10.3% of the population were not sure whether they had a well defined code of conduct and ethics policy or not. A very little part of the population that is 8% of the participants had no written or well defined code of conduct or ethics policy in their organization. In most of the organizations employees were asked to sign the code of conduct policy at the time of joining the organization. Only 11.5% of the population was not asked to sign the code of conduct policy at the time of joining. The study also revealed that near about half of the population that is 49.4% of the respondents mentioned that following ethical standards has a positive effect on their performance in their workplace. Following ethical standards helped them to improve their performance in the workplace. 44.8% of the participants were neutral about this idea and only 5.8% of the respondents mentioned that following ethical standards have no impact on their work performance and the performance is not improved by meeting ethical standards. So in the end it is concluded that a proper and definite code of conduct and ethics policy is very important in any organization in order to develop an ethical culture in the organization. It helps the employees in dealing with day to day ethical dilemmas. Meeting the ethical standards and following code of conduct also helped the employees to improve their performance in their workplace to some extent. Well defined code of conduct and ethics policy forms the basis of organizational culture.

6. Future Scope

Ethical standards in different types of organizations can be further studied and work can be done on creating global ethical standards. Different types of ethical dilemmas can be identified depending upon the form of organization. The main limitations of the research are time and money constraints.

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