



Management

THE ETHICAL CULTURE WITHIN THE ORGANIZATION AND ITS IMPACT ON THE ORGANIZATIONAL PERFORMANCE

Saud AL-Otaibi *¹

^{*1} Public Authority for Applied Education and Training, Kuwait

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Abstract

Numerous customers and business owners trust that organizations ought to make a benefit as well as consider the social ramifications of their exercises. It is characterized that social duty as a business' commitment to amplify its positive effect and limit its negative effect on society. The current research study seeks to examine the influence of ethics and ethics in business on the organizational performance through the dimensions of the ethical reasoning process. The research employed the quantitative approach in which a self-structured questionnaire was the main tool of the data gathering. The sample of the study consisted of (262) leaders, managers, supervisors and employees from the Public Authority for Applied Education and Training in Kuwait. The results of the study indicated that relativism – as a variable of the ethical code – appeared to be the most influential variable of the ethical approach given that a person will consider what is ethical and what is not according to their own culture and stream of thinking. The study recommends that organization must realize the idea of ethics among its employees through the internal members including managers and supervisors.

Keywords: Ethical Culture; Organizational Performance; Ethical Reasoning Process; Ethical Code.

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1. Introduction

Business ethics identifies with an individual's or a work cooperative choices' that society assesses as right or wrong, though social duty is a more extensive idea that worries the effect of the whole business' exercises on society. From a moral point of view, for instance, we might be worried about a medicinal services association or expert cheating the commonplace government for therapeutic administrations.

The most essential ethical concerns have been systematized as laws and directions that urge organizations to comply with society's norms, qualities, and states of mind. At any rate, managers are relied upon to comply with these laws and controls. Most lawful issues emerge as decisions that society considers untrustworthy, reckless, or generally inadmissible. Notwithstanding, all activities considered exploitative by society are not really unlawful, and both legitimate and ethical concerns change after some time. Business law alludes to the laws and controls that administer the lead of business. Numerous issues and clashes in business can be stayed away from if proprietors, supervisors, and workers find out about business law and the legitimate framework. Business morals, social obligation, and laws together go about as a consistence framework requiring that organizations and representatives act mindfully in the public arena.

1.1. Background

Figuring out how to perceive ethical issues is the most imperative stride in comprehension business ethics. A moral issue is an identifiable issue, circumstance, or opportunity that requires a man to browse among a few activities that might be assessed as right or wrong, ethical or untrustworthy. In business, such a decision regularly includes weighing financial benefit against what a manager considers fitting behavior. The most ideal approach to judge the ethical of a choice is to take a gander at a circumstance from a client's or rival's perspective. Such inquiries require the manager to assess the morals of his or her decision.

According to Velentzas and Broni (2010. P. 795) ethics in business refers to "*a system of moral principles applied in the commercial world*". A lot of debate has taken place arguing about the connection between the ethical culture of an organization and its social responsibility, it is claimed that the first reports the later. With the course of time and according to many studies it was found out that there is a huge difference between the ethical culture and the social responsibility, while ethical culture refers to the principles and strategies that are applied within the organization; social responsibility refers to "*all the cases of ethics that businessmen can follow effectively*". Numerous organizations are making an open duty to ethics in business by figuring sets of accepted rules and working standards. In doing as such, they should convert without hesitation the ideas of individual and corporate responsibility, corporate giving, and corporate administration.

At last, it might be up to general society to ensure that an organization sticks to right business ethics. In the event that the organization is profiting with a huge amount of money, they may not wish to give careful consideration to their ethical conduct. There are many organizations that highly esteem their right business ethics, the interest for more ethical business procedures and activities (known as ethicism) are expanding. Organizations can regularly accomplish here and now picks up by acting in a dishonest manner; notwithstanding, such practices have a tendency to undermine the economy after some time.

1.2. Problem Statement

Ethics are becoming a more of a stream of thinking than a strategy, and that is what most organizations are thinking specifically during the last few years. When taking a look at the

concept of ethics and the ethical culture within an organization; it can be seen that the ethics are being driven through the individuals within the organization, which means that the internal culture of an organization is one of the key factors in determining the ethical tendency in an organization.

The current research study launches from the assumption which was made by Ebitu and Beredugo (2015) in their study titled: "Business Ethics and The Performance of Service Firms in Caliber, Cross River State, Nigeria". In the study, the authors noted that the performance of the organization and the process of managing that performance highly depend on the ethical code that the organization is following.

In other words, the author found out that following a certain ethical code in an organization can easily determine the nature of its performance on two different levels; the internal level among managers, leaders, and employee and the external level among customers and competitors.

2. Aims and Objectives

The current research study seeks to understand the influence of the ethics' dimensions on developing an ethical reasoning process, and after that highlight the relationship between the ethics' dimensions and the ethical reasoning process on the performance of the organization.

3. Hypotheses and Model

The main **hypotheses** of the current research study are as follows:

H₀1: There is no statistically significant influence of the ethics' dimensions on the ethical reasoning process

H₀2: There is no statistically significant influence of the ethical reasoning process on the Organizational Performance.

H₀3: There is no statistically significant influence of the ethics' dimensions on the Organizational Performance.

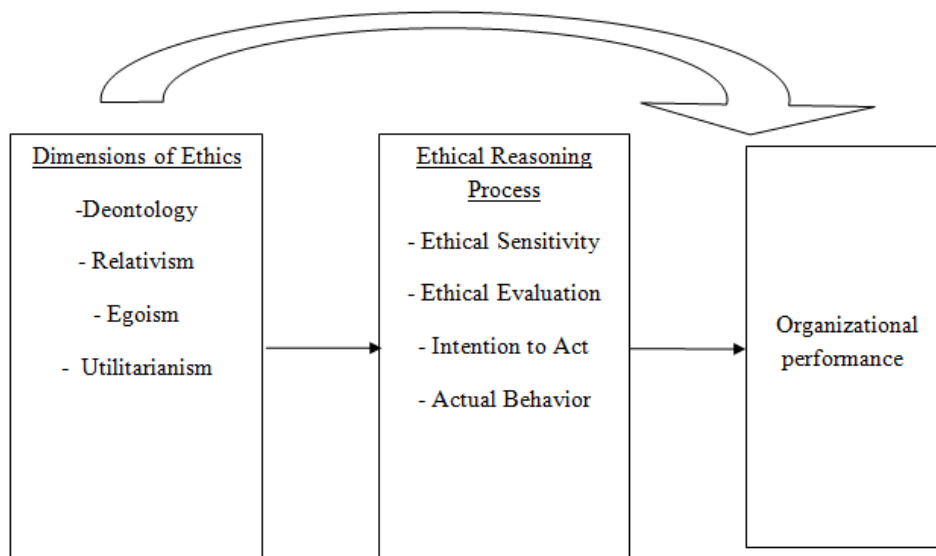


Figure 1: Model of the Study

4. Literature Review

4.1. The Concept of Ethics

The expression "business ethics" is utilized as a part of the strategies that an organization employs to deal with its business and employees as an internal environment, and the customers and competitors as the external environment. Business ethics is a type of connected morals (Broni, 2010) that looks at ethical standards and moral or moral issues that emerge in a business situation (Solomon, 1991).

It applies to all parts of business in general and is important to the direct of people and business associations overall. Connected ethics is a field of morals that arranges the moral inquiries in many fields, for example, fields of interests, legitimate, business and restorative ethics. Business morals comprises of an arrangement of good standards and qualities (Jones - Parker - Bos, 2005:17) that manager as the conduct of the association can through morals highlight what is seen as for correct and what isn't right (Badiou, 2001; Seglin, 2003).

It sheds the light on the essential rationality and needs of an association in solid terms. It additionally contains the prohibitory activities at the working environment and it gives a system on which the association could be lawfully represented. With time, certain ethical methods of insight have helped in the advancement of four fundamental ideas of ethics which are; deontologism, relativism, egoism, and utilitarianism (Kotsiris, 2003). Business ethics is the conduct that a business clings to in its every day dealings with the world (Borgerson - Schroeder, 2008).

4.2. Aspects of Ethical Code

The morals of a specific business can be differing (Solomon, 1983). They apply not exclusively to how the business connects with the world everywhere, additionally to their one-on-one dealings with the individual client (Solomon, 1991). As for the basic constituents of ethics within the business world, Kotsiris (2003) has highlighted them as:

4.2.1. Deontology

Deontology hypothesis underlines obligation as a fundamental ethical classification. This hypothesis likewise concentrates on general articulations of good and bad. However, not at all like utilitarian hypothesis, this hypothesis is not concerned with the outcomes of the activity, which implies that the activity is free in itself. In other words, the hypothesis contends that a man has an obligation to make the right decision without considering the outcomes of his/her activity (Norman, 2016). The most illustrative supporter of deontology hypothesis is Immanuel Kant, a German philosopher in the 18th century. Kant trusted that there are general morals that everybody must acknowledge (AL-Aidaros, Farid and Shamsudin, 2013).

4.2.2. Relativism

Relativism hypothesis argues that ethical qualities are in respect to a specific domain or area (environment). It examines that ethical qualities can be not quite the same starting with one culture then onto the next, starting with one time then onto the next. As indicated by this hypothesis, there are no ethical rules that are totally right, pertinent, and material to organizations and individuals of all nations (Baugher and Weisbord, 2006).

According to Napal (2005) relativism infers: (a) alternate nations and social orders may have diverse ethical codes; (b) there is no standard or rule that can be utilized to assess one societal code superior to the next; (c) the moral code of particular society has no extraordinary rank, which implies it is basically one among numerous; (d) there is no generally accepted fact in good/ethical rule that can be held for all people groups at all circumstances; and (e) the ethical code of a particular nation or society recognizes what is appropriate inside that society; if the ethical code of that nation or society says that a specific activity is correct, then that activity is comfortable inside that society.

Commentators like Mahi-Uddin et al. (2015) relativism hypothesis has been reprimanded on this premise; in light of the fact that distinctive individuals have diverse ethical perspectives concerning a few issues, it doesn't take after sensibly that there is no target truth about that issue or that all perspectives about that issue are similarly adequate.

At the point when two individuals or two gatherings have diverse perspectives, scholars and in addition analysts are partial to indicating out that no less than one of them isn't right. Additionally, this hypothesis would look bad to oppose the acts of different social orders the length of their practices fit in with their own standards and qualities. For instance, basically this implies multinational organizations ought not to be judged to act in a legitimate or wrongful way since they do as such as per distinctive endorsed societies (Reynolds, 2006).

4.2.3. Egoism

The general concept of egoism hypothesis is that one should dependably perform in his/her own particular intrigue. An activity is thought to be ethically right when it advances a man's self-interests more than the interests of others. As such, egoism hypothesis expect that every individual should take after his/her own particular self-intrigue only Lee (2005). This implies a man does not have a moral obligation but to do what is best for him/her. Along these lines, the main extreme standard of lead is the standard of self-intrigue, and this standard includes a man's normal obligations and commitments.

Therefore, faultfinders contend that egoism hypothesis is inadmissibly sensible in light of the fact that individuals must think about the interests of other individuals for a similar reason they think about their own advantage. Egoism hypothesis is pertinent to business colleges as organizations are looking for expansion of benefits as their prime goal (Nielsen, 1959). However, this hypothesis over and again brings about irreconcilable circumstance and can't generally be adjusted to the mission of serving open and customers' interests like in the bookkeeping calling. Additionally, egoism hypothesis may be in struggle with the standards of bookkeepers' ethics set

of accepted rules as bookkeepers must have objectivity, honesty, due care, and secure open intrigue. Thusly, egoism hypothesis has its constraint as an adequate ethical hypothesis for bookkeepers.

4.2.4. Utilitarianism

Utilitarianism is a typical term for any view that holds that systems and activities ought to be assessed on the premise of the advantages and costs they force on society. Utilitarian hypothesis contends that a conduct is considered ethically right when it brings about a more prominent number of utilities than it could be accomplished by some other activity Utilitarian hypothesis and selfishness hypothesis both consider the outcomes of an activity with various methodologies of assessing a moral direct. Selfishness hypothesis concentrates on the outcomes for the self, while utilitarian hypothesis centers for the self as well as for whatever number as could be expected under the circumstances (Christians, 2007). Also, utilitarian hypothesis utilizes money saving advantage examinations to judge an ethically worthy conduct and expresses that individuals ought to act to make the best useful for the best number of individuals.

Utilitarian hypothesis has been reprimanded on the grounds that it is hard to demonstrate what considers esteem or great. One's great might be another's terrible and the other way around. Additionally, experts, for example, bookkeepers and administrators may think that it's hard to characterize the best for all partners(Napal, 2005; Baugher and Weisbord, 2010).

4.3. Ethics within Business Environment

Today's test to business authority is guaranteeing benefit while making the best choice utilizing earth supportable strategies. It is workable for business pioneers to profit, take part in ethical initiative, and take an interest in saving the earth for future eras. It is conceivable to fit these thoughts together, however it is difficult. Managers and business leaders have customarily observed themselves at chances. However, the ideas of business, ethics, and the morals can be adjusted to make advancement as opposed to enactment and litigation. There are no enchantment arrangements; in any case, asking the correct inquiries is a stage in the correct heading (Freeman, York, and Stewart, 2012).

Berger and Herstein(2014) stated that ethics are an arrangement of good measures that are depended upon to achieve conclusions and support the decision making process. In a business domain, ethics are a key consider mindful basic leadership. Keeping up a high ethical angle while operating business can give advantages to both the internal and external partners of the business; The arrangement of ethics are created as the organizations grow up and are affected by the general population and condition within it. Some ethical perspectives are viewed as all inclusive and apply to individuals around the globe, though others are of an individual sort and may just apply to the organization.

Whyatt, Wood and Callaghan(2012) see that the ethical perspective in an organization perspectives proceed to advance and change after some time as you collaborate with various individuals and are presented to various circumstances and situations. The business case for

ethics depends on the positive advantages that it can give the business (Schwartz and Harris, 2014).

4.4. Ethical Culture within Organizations

Business ethics are vital for dealing with an organization for the most part as a result of the genuine outcomes that can come about because of choices made with an absence of respect to morals. Regardless of the possibility that you trust that great business morals don't add to benefit levels, an organization ought to have the capacity to perceive that poor ethics can detrimentally affect the overall performance of its employees from one side, and its own performance and outcomes from another main concern in the long haul. Poor ethics measures can bring about business supervisors making misled, misinformed, or terrible choices. The future impacts of their activities could be critical and wide coming to, especially on the off chance that they cause risk or money related misfortune to other individuals or organizations.

Poor ethics are the premise of numerous legitimate situations where individuals look for remuneration for the misfortunes they have endured as an immediate or roundabout consequence of the choices of specialists not taking after fundamental ethical gauges (Freeman, York and Stewart, 2008). In a supportable business, workers at each level ought to be focused on the ethical gauges of the business. As a business supervisor, it is essential that you can plainly characterize and convey to your workers what elements and ethical gauges you anticipate that they will hold fast to and what the results are for neglecting to meet those desires.

4.5. Developing an Ethical Culture

A business manager is expected to build up a culture of good business ethics in the work environment. The organization itself is ought to impart a strategy of good rules and desires that the employees can take after when settling on business choices and making a move (Hoffman, 1991). Building up an ethical way to deal with working together in an aggressive situation and actualizing it into the association includes various key strides. Firstly, the organizational management has to decide the base level that the ethical business approach ought to intend to accomplish.

This is a key choice as it will frame some portion of the premise on which the organization will develop from now and into what's to come. Utilizing this, the organization can build up a strategy of ethical measures that it will take after when settling on business choices. The organization likewise needs to consider the effect the ethical norms will have on the long haul supportability of the business (Freeman, York and Stewart, 2008).

The Ethical culture in an organization is seen to be a part of the organizational culture, in that sense, and to make things clearer, an organizational culture refers to the groups of beliefs, attitudes, ethics, concerns, customs, and practices that the organization holds within its internal environment. Noting to that idea, then it can be seen that the ethical culture is considered to a part of the overall organizational culture as according to (Butts, 2009).

4.6. Ethical Reasoning Process and the Ethical Culture

The ethical reasoning process of the ethical decision making process in an organization refers to the concentrated on situations in which ethical contemplations could influence a hierarchical advisor's decision whether to give the service, take a step or even hire an employee. There are elements that efficiently fluctuated in the fundamental situation of ethical reasoning process which are; duplicity, pressure, chance, intrusion of security, and likelihood of progress (Tannenbaum, Greene&Glickman, 1989).

According to Paul and Elder (2005); the ethical reasoning process refers to the groups of strategies, stream of thinking, approaches and decisions that decision makers in an organization follow in order to build up an ethical consideration to a certain step or move that the organization is considering to take. Basically, Craft (2013) noted that the ethical reasoning – sometimes refers to as the moral reasoning process – is constituted of four main aspects which are (Ethical Sensitivity, Ethical Evaluation, Intention to Act, and Actual Behavior).

4.6.1. Ethical Sensitivity

Ethical sensitivity (moral mindfulness), refers to an individual's capacity to perceive that a circumstance contains an ethical issue. Perceiving an ethical issue requires the individual's mindfulness (awareness) that his/her activities can possibly hurt as well as advantage other individuals. Later research expands this definition, proposing that ethical affectability is the leader's acknowledgment that a circumstance has moral substance and, thus, an ethical point of view is legitimate (Lincoln and Holmes, 2011).

4.6.2. Ethical Evaluation

Which refers to the assessment of a choice or activity as bad or good, as the reason for moral basic leadership. Interestingly, it was contended that ethical judgment, while imperative, is by all account not the only, nor the most noteworthy, impact on ethical culture and leadership (Lincoln and Holmes, 2011).

4.6.3. Intention to Act

This refers to the status where individual have the ability and capacity to act in accordance to the ethical scheme that the decision makers of an organization have set before. It looks at the attitude of the individual within the internal structure of the organization to act in accordance within the ethical codes and the ethical ramifications (Lincoln and Holmes, 2011).

4.6.4. Actual Behavior

This refers to the actual feedback and action that the management gets from the employees and leaders in terms of the ethics that are being followed by them within the organization, and to how much extent they are willing to act upon these ethics within customers and shareholders (Lincoln and Holmes, 2011).

5. Methods and Methodology

The current research study follows the quantitative approach as a method for the study. The underpinning theory of the study is positivist in its nature, it is an inductive approach which seeks to answer questions and generalize them on a society. Quantitative research is the numerical portrayal and control of perceptions with the end goal of depicting and clarifying the marvels that those perceptions reflect. It is utilized as a part of a wide assortment of characteristic and sociologies, including material science, science, brain research, humanism and topography (Sukamolson, 2005).

5.1. Population and Sample

The current research study follows a convenience sampling approach; it takes a convenient sample of leaders and managers of the human resource management department in addition to the top management of the Public Authority for Applied Education and Training in Kuwait.

5.2. Tool of the Study

The researcher has chosen a questionnaire to be the tool of the study, the reason behind choosing a questionnaire is attributed to its ability to give numerical data and highlight the tendencies within the answers of the sample of the study. The questionnaire will be formed from four different parts, the first part is the demographic variable which takes into account the gender, position, experience and qualification of the sample of the study. The second part will contain the three main variables which are the ethics' dimensions, the ethical reasoning process and the organizational performance.

5.3. Data Collection

The data which are set to form the base of the current research study are:

- **The primary data:** which refers to the answers of the study sample to the paragraphs of the questionnaire
- **The secondary data:** which are the data that are gathered from the books, articles, reports, and journals from the previous years.

5.4. Data Screening and Processing

The data of the current research will be processed using the Statistical Package of Social Research SPSS/ V. 22.0. The following statistical processes will take place on the data collected:

- Descriptive analysis
- Multiple Regression
- Reliability Test
- VIF test

6. Analysis and Discussion

The current section presents the statistical analysis of the application of the study. Section is divided into two parts. The first part takes into consideration the demographic variables of the study while the second part presents the analysis of the questionnaire paragraphs.

Demographic Variable

Table 1: Sample characteristics according to Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	183	69.8	69.8	69.8
Female	79	30.2	30.2	100.0
Total	262	100.0	100.0	

According to table (1), most of the sample appeared to be males with a percentage of 69.8% of the total compared to females with a percentage of 30.2%. This indicates that males formed the majority of the sample which answered the questionnaire.

Table 2: Sample characteristics according to experience

	Frequency	Percent	Valid Percent	Cumulative Percent
2-7	117	44.7	44.7	44.7
8-13	50	19.1	19.1	63.7
Above 14 years	95	36.3	36.3	100.0
Total	262	100.0	100.0	

Table (2) above shows that the majority of the sample which responded to the questionnaire were individuals with experience of 2-7 years with a percentage of 44.7% while individuals with an experience of above 14 years came in the second place with a percentage of 36.3%.

Table 3: Sample characteristics according to Age

	Frequency	Percent	Valid Percent	Cumulative Percent
-30	146	55.7	55.7	55.7
30-40	48	18.3	18.3	74.0
+40	68	26.0	26.0	100.0
Total	262	100.0	100.0	

The above table (3) indicated that individuals who answered the questionnaire of the study within the age range of less than 30 years formed the majority of the study with a percentage of 55.7%. On the other hand, it appeared through the analysis that individuals within the age range of more than 40 years appeared to be in the second place with a percentage of 26%.

Table 4: Sample characteristics according to educational level

	Frequency	Percent	Valid Percent	Cumulative Percent
BA	195	74.4	74.4	74.4
MA	67	25.6	25.6	100.0
PhD	0	0	0	0
Total	262	100.0	100.0	

According to table (4), the majority of the sample answered the questionnaire formed 74.4% of the total sample had the bachelor degree while the rest of the sample had the masers' degree with a percentage of 25.6.

7. Analysis and Results

Table 5: Means and Standard Deviations for sample's responses to the questions

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Organizational performance	262	1.00	5.00	4.1565	.96344
Deontology	262	1.00	5.00	4.0218	1.00487
Relativism	262	1.00	5.00	4.0374	1.00618
Egoism	262	1.00	5.00	3.9364	1.16935
Utilitarianism	262	1.00	5.00	3.8824	1.04808
Ethical Sensitivity	262	1.00	5.00	4.0130	.94912
Ethical Evaluation	262	1.00	5.00	3.9656	1.17452
Intention to Act	262	1.00	5.00	3.9267	1.11862
Actual Behavior	262	1.00	5.00	4.1038	1.05172
Valid N (listwise)	262				

Table (5) above indicates that there are positive attitudes toward the questions of the study as per each variable because their means are above the mean of the scale (3). The most answered variable in a positive approach according to the analysis was 'actual behavior' (mean=4.1038) referring to the fact that the actual implementation of the ethical approach is the most influential variable on the performance of the employees in general. However, in the 2nd rank came the variable of 'relativism' (mean=4.0374) followed by deontology and ethical sensitivity (mean=4.0218, 4.0130 respectively). The least influential variables of the study appeared to be 'utilitarianism' (mean=3.8824).

Reliability

A Cronbach Alpha test has been used to ascertain instrument reliability. The value has been = 0.912 for the questionnaire. All values are accepted since they are more than 0.60.

Hypotheses Testing

Based on the argument which appeared in chapter one, and according to the reached hypotheses the current study was based on a set of hypotheses as per the model of the study. The current section present the testing of the hypotheses according to the statistical analysis of the data gathered.

H₀1: There is no statistically significant influence of the ethics' dimensions on the ethical reasoning process

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876a	.768	.764	.48423

Table 7: ANOVA^b

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	199.327	4	49.832	212.518	.000a
	Residual	60.262	257	.234		
	Total	259.589	261			

Table 8: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.428	.133		3.229	.001
	Deontology	.191	.053	.192	3.589	.000
	Relativism	.582	.071	.587	8.225	.000
	Egoism	-.273	.048	-.321	-5.733	.000
	Utilitarianism	.395	.058	.415	6.756	.000

Multiple regression was used to test this hypothesis, It was found that R= (0.876) is the correlation of the independent variables and the dependent variable. Also it was found that the F value of (212.518) is significant at (0.05) level. Thus, there is a statistically significant influence of the ethics' dimensions on the ethical reasoning process. Also it was found that t value for each dimension is significant at (0.05) level so that, there is a statistically significant influence of dimensions of the ethics on the ethical reasoning process which negates and rejects the hypothesis claiming that there is no significant influence.

H₀2: There is no statistically significant influence of the ethical reasoning process on the Organizational Performance.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.901a	.813	.810	.42023

Table 10: ANOVA^b

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	196.880	4	49.220	278.719	.000a
	Residual	45.384	257	.177		
	Total	242.264	261			

Table 11: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.473	.114		4.150	.000
	Ethical_Sensitivity	.723	.059	.713	12.281	.000

Ethical_Evaluation	.111	.044	.135	2.527	.012
Intention	-.120	.053	-.139	-2.270	.024
Actual_Behavior	.198	.057	.216	3.493	.001

Tables 9, 10, 11, show that multiple regression was used to test the 2nd hypothesis, It was found that R (0.901) is the correlation of the independent variables and the dependent variable. Also it was found that the F value of (278.719) is significant at (0.05) level. Thus, there is a statistically significant influence of the ethical reasoning process on the Organizational Performance. Also it is found that t value for each dimension is significant at (0.05) level so that, the hypothesis was also rejected and there appeared to be a significantly influential factor between the ethical reasoning processes on the performance of the organization.

H₀₃: There is no statistically significant influence of the ethics' dimensions on the Organizational Performance.

Table 12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891a	.795	.791	.44009

Table 13: ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	192.488	4	48.122	248.463	.000a
Residual	49.776	257	.194		
Total	242.264	261			

Table 14: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.655	.120		5.438	.000
	Deontology	.300	.048	.313	6.200	.000
	Relativism	.693	.064	.723	10.767	.000
	Egoism	-.099	.043	-.120	-2.279	.023
	Utilitarianism	-.029	.053	-.031	-.539	.590

Based on the previous tables 12, 13, 14, it was shown that multiple regression was used to test the 3rd hypothesis, It was found that R= (0.891) is the correlation of the independent variables and the dependent variable. Also it is found that the F value of (248.463) is significant at (0.05) level. Thus, there is a statistically significant influence of the ethics' dimensions on the Organizational Performance. In addition to that, it was found that t value for each dimension except Utilitarianism is significant at (0.05) level and there is a statistically significant influence of the ethics and the ethical dimensions on the organizational performance based on the variables of the ethical reasoning process dimensions.

8. Discussion

Based on the analysis of the study, it appeared that the three hypotheses were rejected, and there is a positive relationship between the variables of the study referring to the fact that the ethical dimensions influence the organizational performance. This opens the doors to the influence of the ethical culture within the organization on the performance of the employees which in its turn can deeply influence the overall performance of the organization.

The results also indicated the importance of the ethics in business and adhered to the fact that ethical culture in an organization is a radical new logical zone since it joins law hypothesis and legislative issues as much as philosophical and recorded reports. Ethics turn into a term extremely adaptable and have various angles. Business ethics give rules to satisfactory conduct by organizations in both their procedure plan and everyday operations. An ethical approach is getting to be distinctly essential both for corporate achievement and a positive corporate picture. Particularly these days; ethics in business are committed on the grounds that numerous agents are just intrigued by profiting regardless of the ethical expenses or the damage they would most likely cause to individuals or even to nature. The results of the study also assured that fact that business ethics are the investigation of appropriate business strategies and works on with respect to conceivably questionable issues, for example, corporate governance, insider exchanging, pay off, segregation, corporate social obligation, and trustee duties. Law regularly directs business ethics, while different circumstances business ethics give a fundamental structure that organizations may take after to increase open acknowledgment. This rhymed with what Harris (2005) argued that business ethics guarantee that a specific required level of trust exists between purchasers (Customers) and different types of market members with organizations. For instance, a portfolio manager must give a similar thought to the arrangement of relatives and little individual financial specialists. Such practices guarantee that general society gets reasonable treatment.

Looking at the set of hypotheses on which the current study was based on, the hypotheses claimed the following:

H₀1: There is no statistically significant influence of the ethics' dimensions on the ethical reasoning process

H₀2: There is no statistically significant influence of the ethical reasoning process on the Organizational Performance.

H₀3: There is no statistically significant influence of the ethics' dimensions on the Organizational Performance.

However, and according to the analysis of the study, the three hypotheses were all rejected, and there appeared to be a positive influence of ethics on the ethical reasoning process, followed by an influence of the ethical reasoning process on the organizational performance, which in its turn it can be seen that the ethical dimensions do influence the organizational performance.

As for the internal variables of the study, it can be seen that the dimensions of the ethical code (Deontology, Relativism, Egoism, and Utilitarianism) influence the dimensions of the ethical reasoning process (Ethical Sensitivity, Ethical Evaluation, Intention to Act, and Actual Behavior). This can be considered as a direct influence of the two variables on the independent variable of the study (organizational performance) and it also rhymed with most of the studies which took into perspective the relation between the ethical code and the ethical reasoning process, the studies argued of the reasons that may provoke an individual to act ethically like the stream of thinking, or the ideology.

The most influential variable of the ethical code appeared to be through the results (relativism), in that sense, the individual tends to behave ethically in accordance with the norms and traditions of their culture not the internal culture of the organization. This rhymed with what Baugher and Weisbord (2006) said that there are no ethical rules that are totally right, pertinent, and material to organizations and individuals of all nations.

While Napal (2005) saw that the ethics and ethical norms might differ from one culture to another leaving a space for the individual to act upon their own dimension of thinking, ideology and preference, on the other hand, Karaoğlu (2006) argued that relativism hypothesis have contended that there are a few ethical standards and qualities that individuals from any general public or culture must acknowledge if that society is to remain alive and if its individuals are to act together with each other proficiently. For instance, all social orders and societies have standards against 'killing' different individuals from the general public, standards against taking the individual merchandise of different individuals from one's general public, and standards against taking reward or including in defilement.

As for the ethical reasoning process, the most influential variable appeared to be the actual behavior. In that sense, the reasoning process which an individual employ in solving a certain problem, or present a certain reaction plays a role in defining their actual behavior, based on that, the actual behavior is the most influential variable that forms the overall believe system of an individual in regard to a certain moral situation. Lincoln and Holmes (2011) agreed with this concept referring to that fact that the actual behavior of the individual is the only reference to their believe and ethical system that they follow, and it is a good indicator of the approach that a certain individual may refer to regarding the idea of being a part of a ethical culture within the organization.

9. Conclusion

The current study seeks to examine the influence of the relationship between the ethical codes and the ethical reasoning process and the influence of that relationship on the organizational performance. Through the quantitative approach, and utilizing the questionnaire as a tool, the researcher applied that tool on a total of (262) individuals as convenient sample of leaders and managers of the human resource management department in addition to the top management in The Public Authority for Applied Education and Training in Kuwait which are operating legally and under the umbrella of the Kuwaiti legislative code. The study in general hypothesized that there is no statistically significant influence of the ethics' dimensions on the ethical reasoning process, there is no statistically significant influence of the ethical reasoning process on the

Organizational Performance, and there is no statistically significant influence of the ethics' dimensions on the Organizational Performance. The results of the study rejected the previously set hypotheses and there appeared to be a positive relation between the variable in which each one of them influences the other.

In an overall estimation, it was seen through the analysis that the idea of ethics have a strong influence over the organizational performance, this can be read through the investigation of the ethical reasoning process on the actual behavior, and intention to act of the individual. Those two parts can deeply influence that was a certain employee may think, act, and react or how they would solve a problem. In general, ethics influence how individuals think, and it also influences how an individual perform. From that point, it can be seen that the influence that ethics have on an individual may reflect on their performance, and it is managerially and widely known that there is an inevitable influence of the performance of the employees on the overall organizational performance leaving us with a vivid relation between ethics and organizational performance.

10. Recommendations

The following part presents the recommendations made by the researcher in accordance with the literature review and the results of the study.

11. Theoretical Recommendations

Based on the problem statement and the analysis of the study the researcher recommends the following:

- There is an importance to deeply understand the role of the ethical reasoning process on the actual and intentional behavior of an individual within a working environment. From that point, it is recommended to carry out a research that examine the idea of ethical reasoning process and its role in forming the decision within an individual in a working environment.
- The researcher also recommends to carry out a research that examine the role of the ethical code in carrying out the decision making process among leaders and managers. This way, there would be an understanding of how to employ ethics within the decision making process.

12. Managerial Recommendations

- The researcher based on the current study recommends adopting an abstract approach in realizing the idea of ethics within organizations. This can be done through the seminars, workshops and conference which aim at deepening the understanding of an individual of the idea of ethics in business and teach them a way to implement those ethics in the business environment for real.
- Managers, leaders, supervisors are the key, it means that they are the individual who control the ethical existence of the organization, if they managed to stick to the roles and ethics their employees would stick too. They have to operate on the bases that ethics are not an abstract realm, it is an actual behavior and a real stream of thinking, and in case

they stick to ethics their performance would be better and the performance of their organization would be positively influences.

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*Corresponding author.

E-mail address: Saudol@hotmail.com