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### IMPACT OF WORKPLACE ETHICS PERCEPTION ON EMPLOYEE'S JOB SATISFACTION

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#### **ABSTRACT**

Workplace ethics is a significant component for an organization and it dictates the overall work environment of a company. In addition, job satisfaction is believed to be an attitude reflecting on how well an employee is satisfied with work surroundings. Companies in Saudi Arabia need to be more professional on ethical practices. This work has analyzed the impact of workplace ethics perception on employee's job satisfaction in an insurance company of Saudi Arabia. Questionnaire was utilized for data collection. 50 employees were selected randomly as sample. Result showed that higher percentages of the employees are satisfied with law and rules in their company. 42% of the employees are satisfied with the care and attention given by the employers. In addition, result showed that a large number of participants were satisfied with organization culture and its ethics. Overall, 80% are satisfied of the ethical climate in their company and the outcome of this work showed that there is relationship between workplace ethics and job satisfaction

#### **INTRODUCTION**

Workplace ethics is a segment of the general authoritative atmosphere that alludes to the moral elements of associations and business exercises [1]. The expression of work environment morals applies to about each issue in business, including the creation, circulation, advertising, deal and utilization of products and ventures [2].

For an employee to progress in their career, a key factor is to apply the significant elements of work environment morals, for example, depicting a

decent conduct and appearing at the organization strategies [3]. In addition, this is to guarantee the productivity of a worker in conveying the organization to a better advancement particularly to the eyes of the organization's investors [4]. Moral practices can be an incredible asset for upgrading an association, especially when different approaches are utilized to make a moral work culture for employees [5]. Surely, sets of principles, ethical training, the board/peer impact, and expanded communication can fortify individual and hierarchical responsibility to moral business exercises [6]. Thus with these types of commitment, a conducive work environment is generated and it encourages employees to conduct the work ethically [6].

Work ethics was a social standard that gives a conviction that working with good ethics is a basic characteristic [7]. There are factors that show solid morals incorporate flawlessness, feeling of obligation and collaboration, control and accentuation on quality [7]. In addition, authoritative culture and corporate culture is a critical factor in making an ethical working environment [7].

Though expanded employee's morals are one of the essential objectives for building up a moral setting, organizations will frequently encounter extra advantages, depending on the positive connections with employees [8]. Thusly, it is sensible to induce that as an organization commits additional time and assets to building up a moral setting, employees will react with positive work stance [8]. Furthermore, if the moral work atmosphere of an association is high, representatives feel progressively safe and can concentrate on effectiveness. Thus, if there is reduction in ethical work atmosphere, conflict will be inflicted within the organization [8].

In addition, another factor that influences employees' work ethics that is known as job satisfaction. Specifically, reassurance of employee satisfaction at work will enhance the working attitude and work ethics [9]. Occupation fulfillment is a positive connection between the hierarchical responsibility and execution.. Reports have suggested that workplace ethics is related to job satisfaction as workers tend to develop a sturdier administration distinctiveness when they are satisfied [9].

Several works have been reported in analyzing the workplace ethics and its outcome. Katzenbach and Smith [10] analyzed the effects of work environment ethics on worker's fulfillment and found that work environment ethics appeared to have a significant effect on employment fulfillment. Ayoun et al. [11] analyzed the effect of ethical pressure and occupation fulfillment and found that ethical pressure remains a factually critical indicator of employment fulfillment. Kang and Sung [12] investigated the linkage between communication and occupation fulfillment at work place and found that good communication with higher management is significant factor for employee work satisfaction. Van der Walt and De Klerk [13] investigated the connection between working environment morals and a positive work frame of mind among professional laborers, and found that there is a positive connection between work environment ethics and employment fulfillment. In addition, Gupta et al.[14] analyzed the effect of ethics in the working

environment of insurance agency on occupation fulfillment by estimating four elements of ethics and found that hierarchical qualities is the most imperative for employees' job satisfaction. Xu et al.[15] inspected how moral administration conduct impacts workers assessments and found that moral initiative conduct causes workers' trust in their work organization.

With the ever expanding in the labor market size that started with the financial revolution in Saudi, there was a slight threat to utilize this advantage. Workers in Saudi Arabia had been subject to unethical practices from their superiors in the corporations. Minimal works have been reported in studying ethical impact and job satisfaction particularly in Saudi Arabia [16-17]. Thus, this work has evaluated the impact of workplace ethics perception on employee's job satisfaction in Saudi Arabia. This work has focused on the workplace ethics in the insurance companies in Saudi Arabia as it is an upcoming field in the nation.

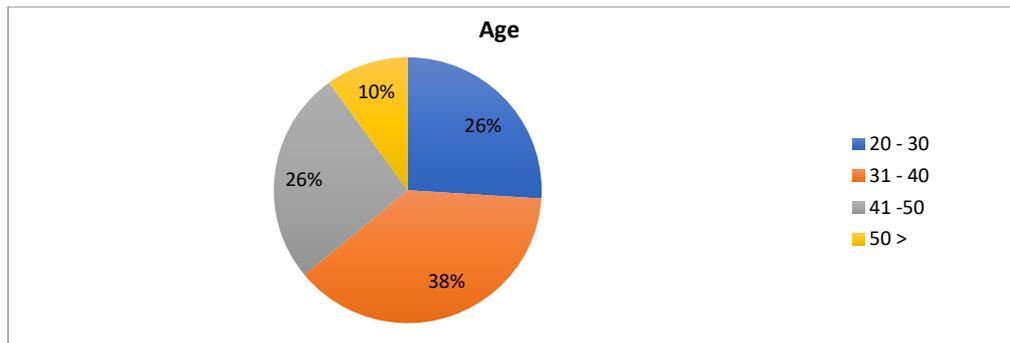
## **METHODOLOGY**

Quantitative method was used to conduct this study. This method was used as it was suitable for genre of this work to analyze relationship among the variables. Questionnaire as an investigation tool was used in this work to analyze impact of workplace ethics perception on employee's job satisfaction in Saudi Arabia. For this work, the questionnaire was distributed to employees working in private sectors insurance companies. This design can accomplish the research goals and purpose because it gives deep information and by asking the questions to respondents in this work. In addition, this method has assisted to investigate the phenomena in depth as there are different opinion and thoughts of the participants helped in both analysis and data collection. The questionnaire was prepared with questions based on work ethics and job satisfaction. For this work, the population involved were private sector employees of insurance companies in Saudi Arabia. The sample included 50 employees from two different companies. They were selected randomly from different ages and different department. The employees were informed regarding the purpose of this work and consent was attained. The results were analyzed and presented in basic statistic form. All statistic calculation have been done using Microsoft excel.

## **RESULT AND DISCUSSION**

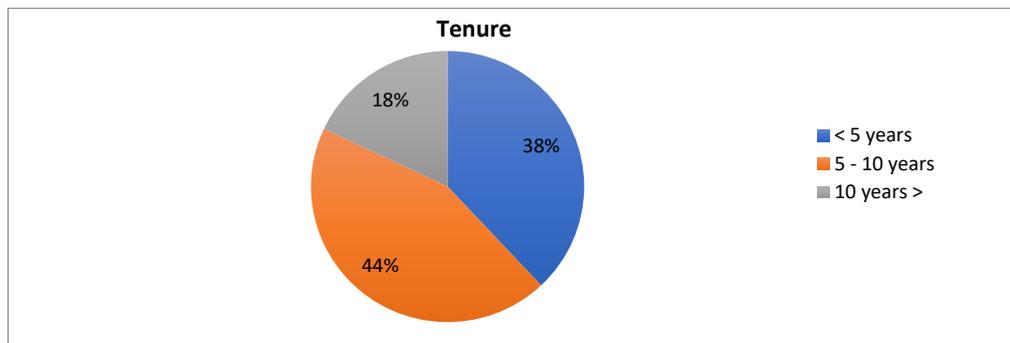
### *Demographic Characteristic*

Figure 1 shows the age percentage in population sample. Based on Figure 1, results showed high percentage were between 31-40 years old which count for 38% of the sample. 26% were between 41-50 and 26% were between 20-30 and only 10% were over the age 50.



**Figure 1:** Age Percentage In Population Sample.

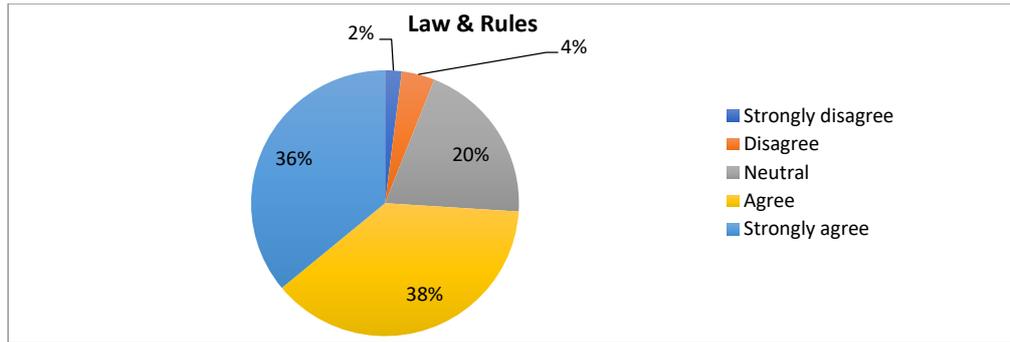
As for the gender of the population sample, 78% of participants were male and 20% were female. Figure 2 shows work tenure percentage in population sample. Based on Figure 2, 44% have work tenure between 5-10 years and 38% have been working for less than 5 years. In addition, 18% have been working for more than 10 years.



**Figure 2:** Tenure Percentage In Population Sample

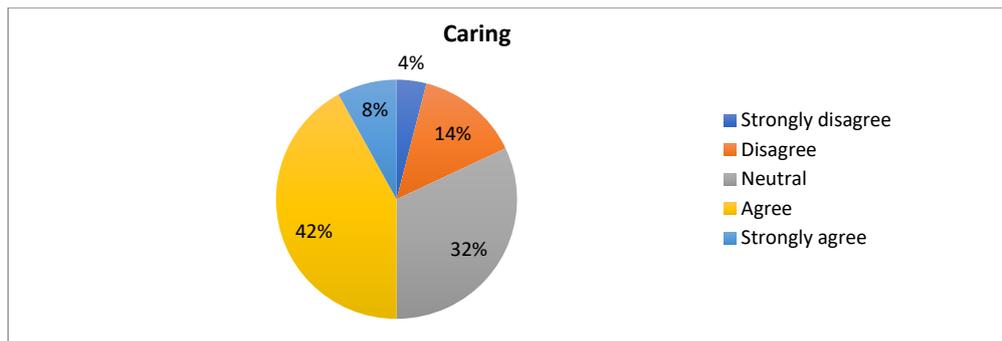
***Components of Ethical Climate***

The first factor was about law and rules. In the organization people are expected to strictly follow legal or professional standards. In addition, there were ethical codes in the company that employees must follow. Based on Figure 3, an average of 38% of the response was agree, 36% was strongly agree, 20% was neutral, 4% was disagree and 2% was strongly disagree. The higher percentage showed that people are satisfied with law and rules in their company and few of them dissatisfied.



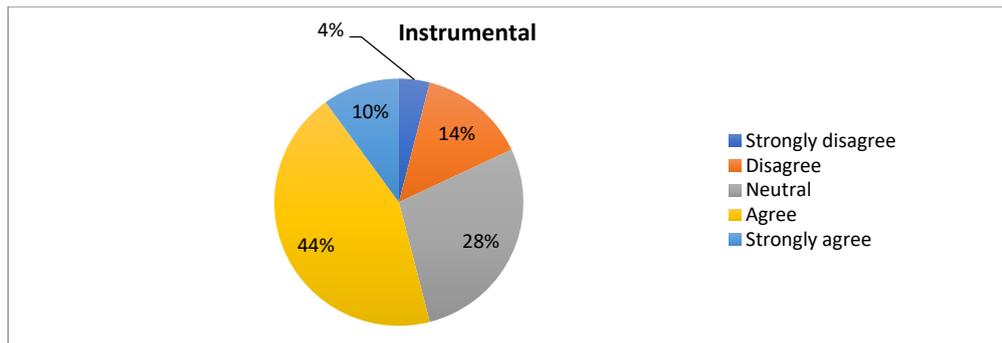
**Figure 3:** Law & Rules Total Responses

The second factor was about caring. The most important concern is the good of all the people in the organization. Moreover, in the organization, people protect their own interests above other considerations. Based on Figure 4, an average of 42% was agree, 32% was neither agree nor disagree, 14% disagree, 8% was strongly agree and 4% was strongly disagree. The higher percentage showed the employees are satisfied with caring climate in their company.



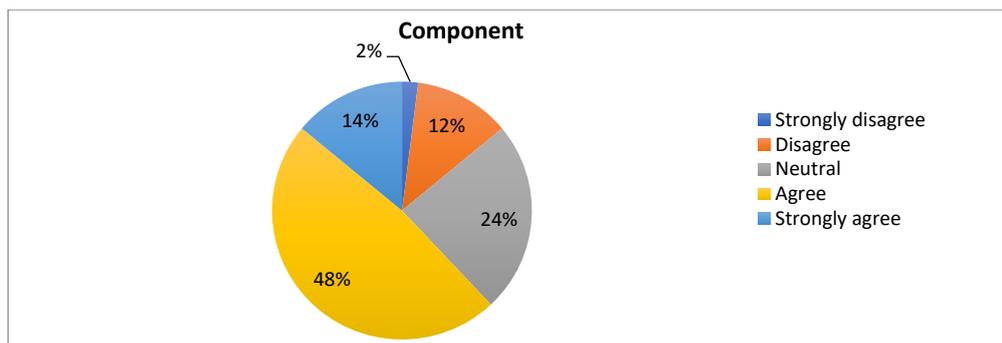
**Figure 4:** Caring Total Responses

The third factor was about independence. Each person in this organization decides for himself or herself what is right and wrong. An average of 58% disagree, 26% were neutral, 12% agree, 2% strongly agree and 2% strongly disagree. The fourth factor is instrumental. Work is considered substandard only when it hurts the organization’s interests. Furthermore, people are expected to do anything to further the organization’s interests. Based on Figure 5, an average of 44% agree, 28% were neutral, 14% disagree, 10% strongly agree and 4% strongly disagree. It was noticed that the majority of the respondents were satisfied with instrumental factors in their company.



**Figure 5:** Instrumental Total Response

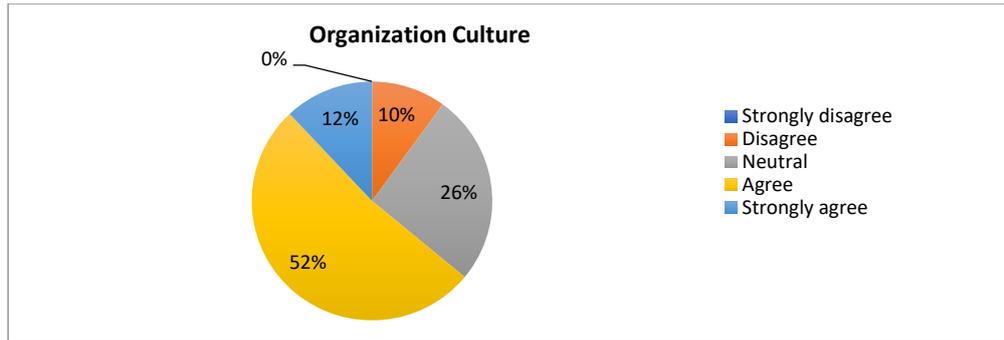
The fifth factor was efficiency, it included one statement 1) The most efficient way is always the right way in this organization. An average of 58% agree , 22% were neutral, 10%—strongly agree , 8% disagree and 2% strongly disagree. The sixth factor is component. It is expected that the employee will always do what is right for the customer and public. Based on Figure 6, an average of 48% of the responses was agree, 24% were neutral, 14% strongly agree, 12% disagree and 2% strongly disagree.



**Figure 6:** Component Total Response

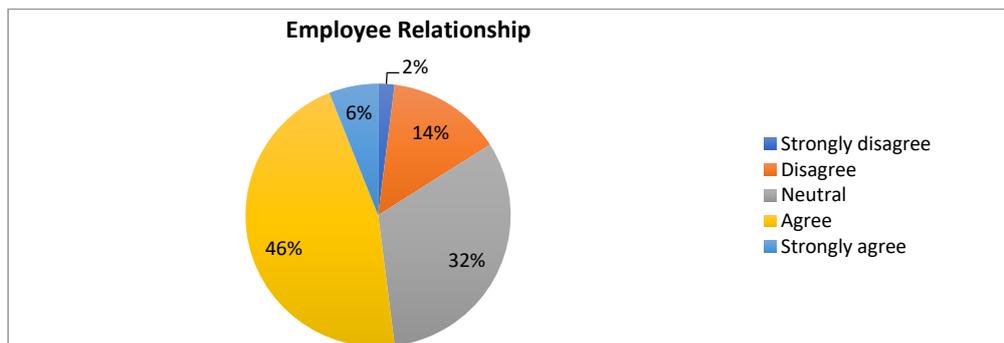
*Factors Of Job Satisfaction*

The first factor was about organization culture. The company has a positive work environment and employees are respected in the workplace. Furthermore, employees are satisfied with the recognition of their performance. Based on Figure 7, an average of 52% of the responses was agree, 26% was neither agree nor disagree, 12% was strongly agree, 10% was disagree and 0% strongly disagree. Thus, it was observed that the majority of the respondents were satisfied with the organization culture.



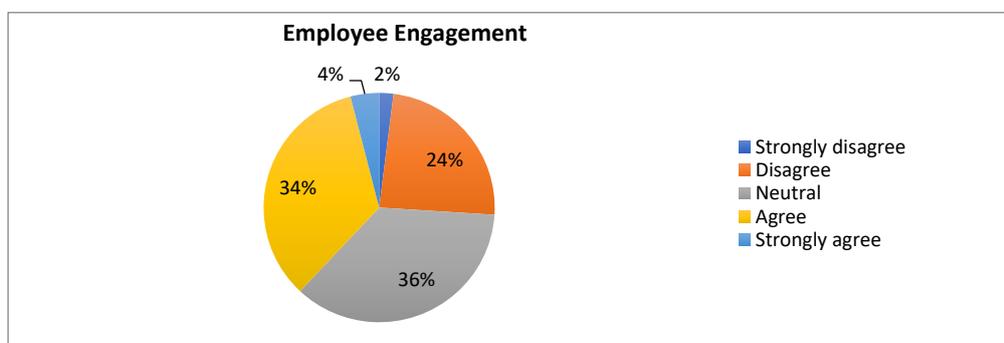
**Figure 7:** Organization Culture Total Response

The second factor is about the employee relationship. In an organization, employee can depend on management to keep its promises. However, some of the people whom the employee works with do things that they feel are unethical. Thus, based on Figure 8, the high percentage 46% of the responses were agree, 32% was neither agree nor disagree, 14% was disagree, 6% was strongly agree and 2% was strongly disagree.



**Figure 8:** Employee Relationship Total Response

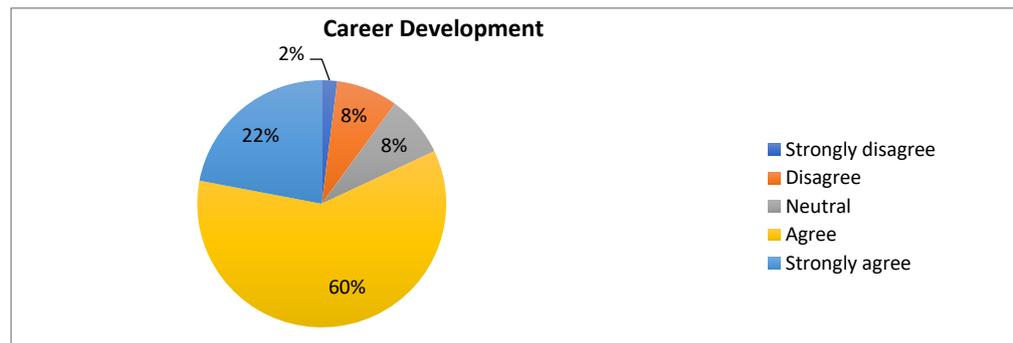
The third factor is about employee engagement. Employee gets involved in decision making and received enough information from management on what is going on in the department. Based on Figure 9, the result showed that the high average percentage, 36% was neutral, 34% was agree, 24% was disagree, 4% was strongly agree and 2% was strongly disagree.



**Figure 9:** Employee Engagement Total Response

The fourth factor was about career development. Employee has the opportunity to seek advice from experienced employees. In addition, employee is satisfied with the evaluation and feedback. Based on Figure 10, the high percentage of 60% of responses were agree , 22% was strongly agree ,8% disagree, 8% were neutral and 2% strongly disagree.

In addition, 80% respondents have stated they are satisfied of the ethical climate in their company. However,20 % of the respondents were not satisfied of the ethical climate in their company. Thus, according to this percentage it is deduced that employees have a high level of satisfaction with their ethical climate of their company.



**Figure 10:** Career Development Total Response

**OVERALL DISCUSSION**

This work has analyzed the importance, factors and components of workplace ethics and employee job satisfactions in insurance companies of Saudi Arabia. Based on the ethical component climate, the first factor was about law and code. The higher percentage showed that people are satisfied with law and code in their company and few of them dissatisfied. This outcome is inline with the previous work done by Fu and Deshpande [18] as it was reflected that companies law is essential in ensuring the ethical conduct at the work place. The second factor was caring climate and result showed that 42% of the employees agree and satisfied with the caring climate and this is inline with the previous work done by Fu and Deshpande [18] as employees were more satisfied with their work when appropriate attention is given. The third factor was independence. Result showed that the higher percentage 59% disagreed and dissatisfied with independence factor. The fourth factor was instrumental. Result showed that 44% agree and satisfied with instrumental components. The higher percentage could help the companies based on the work done by Xu et al. [15], an employee believes that decisions are made that serve the organization’s interest or provide personal benefits. The final factor was efficiency and component. Result showed that 58% was satisfied with company efficiency and 48% agreed and were satisfied with component in their organization.

Next based on the job satisfaction variable, the first factor was organization culture. Result showed that a large number of participants were satisfied with organization culture. This is inline with the previous reported work of Gupta et al. [14] where it was stated that the more comfortable in the work

environment, the more satisfied employees will be. The next factor is employee relationship. Result showed that the average percentages fell between agree 46% and neutral were 32%. Thus, it is deduced that the relationship between employees and their managers are good. This is inline with the work done by Xu et al. [15] as new employees can benefit from senior employees, thus this will result in the senior employees gaining respect from the new employees and this will eventually be very beneficial for the overall company output. The next factor was employees engagement, and result showed that the employee's agreed that they get involved in decision making and received enough information from management. This is inline with the work done by Van der Walt and De Klerk [13] as employees are more motivated with organization engagement. The next factor is career development, and result showed that 60% of the respondents agreed and were satisfied with the career development in the company. This is inline with the work done by Judge et al.[8] as there is a strong relationship between job satisfaction and the opportunity for promotion. Finally, the 80% respondents have stated they are satisfied of the ethical climate in their company. Thus based on this, it can be deduced that the employees at insurance companies in Saudi Arabia have a good level of satisfactions with their job. In addition, the employees satisfied with all of ethical climate components except independence, and they are satisfied with the factors of job satisfaction in their companies.

## CONCLUSION

This work has analyzed the impact of workplace ethics perception on employee's job satisfaction in insurance companies in Saudi Arabia. This work showed evaluation about the importance, factors and components of workplace ethics and employees job satisfactions. The results showed that the companies have high level of ethics, law and rules . Ethics is one of the elements that influence employee's commitments, engagement and satisfactions. The outcome of this work showed that there is relationship between workplace ethics and job satisfaction, the higher level of job satisfaction is associated with the higher level of ethics on the workplace. Thus, a more favorable ethical climate in organization will result in a stronger association between ethical behavior and career success.

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