

## **Pathology and Providing a Model of the Development of Administrative Ethics in Governmental Organizations (Case Study: Iranian Governmental Bank)**

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### **Abstract**

This study aimed to pathologies and present a model for the development of administrative ethics in Iranian state banks which was basic research of the mixed method. For qualitative data analysis, thematic theory and for quantitative data analysis, structural equations were used. The statistical population of the qualitative section consisted of members of the board of directors and senior managers of credit and human resources departments of state-owned banks, 22 of whom were purposefully selected for semi-structured interviews. The statistical population of the quantitative section consisted of staff and staff managers and experts of state banks, 300 of whom were randomly selected for relationships between variables based on Cochran's formula. The results showed that the development of administrative ethics model in Iranian state banks consists of 437 themes, 322 primary concepts, 17 concepts and 3 main themes, which are the most significant components; "individual dimension", "organizational dimension" and "environmental dimension".

### **Keyword:**

Development of Administrative  
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## 1- Introduction

Organizational pathology is a process in which the methods and concepts of behavioral sciences are used to define and elucidate the current conditions of organizations, with the aim of finding the solutions to improve organizational effectiveness (Harrison, 2014). The diagnosis of organizational pathology requires the identification of organizational problems through data collection, analysis and implementing the required changes (Nouri et al, 2018). Working conditions have changed drastically over the past decades and it has changed the nature of businesses in modern world (Meriac & Groman, 2016). Organizations are under pressure to reduce costs and find the effective ways for providing services (Hassan, 2015). Given these changes, justice, values and ethics have come into play in predicting organizational and behavioral variables (Neubert et la, 2015).

Nowadays, administrative ethics have attracted attention of scholars around the globe. Administrative ethics as a universal concept that covers all aspects of human life is recognized as the main factor in preventing financial frauds and administrative corruptions; therefore, the most important principle of any profession is adherence to ethical values (Ferrell et al, 2019). Ethics are a set of values and principles that can guide the behavior of a person or a group of people by considering what is wrong and right (Irannejad Parizi, 2012). Administrative ethics have often defined as doing good and not damaging others (Ferrell et al, 2019). An ethical business tends to promote ethical behaviors and create trust among its different stakeholders, forming an ethical oriented- organizational culture. Generally, such businesses provide a positive organizational environment. Therefore, ethics in business can facilitate open communications, solve organizational problems, and encourage knowledge

sharing and creativity among employees in order to enhance organizational capital. Moreover, it can improve interactions among suppliers, customers and other stakeholders, leading to increased social capital and keeping talented staff to improve human capital (Su, 2013), focusing on ethics as prerequisite for success of business (Halinen & Jokela, 2016). Then, work ethic is a set of behaviors and standards that people of a community follow to comply with all working conditions they have been accepted. These behaviors are driven by their attitudes toward the work, and its role in achieving social goals.

Ethics and moral values are rapidly becoming key factors in most of the organizations; in other words, ethical principles have become embedded in an organizational formal policies and its informal culture (Wiley & Ltd, 2017). Complying with ethical values while implementing international standards can affect awareness and professional behavior, organizational culture, environmental control as well as prediction of financial frauds. As recent studies in both national and international levels indicated, business ethics can serve as an index for measuring behavior and as an appropriate tool to determine what is wrong and right (Darabi et al, 2018). Considering the significant effect of work ethics on degree of achieving goals, formulating strategy, personal behaviors, organizational performance and job satisfaction, innovation, decision making and employees' participation, loyalty, commitment, discipline, hard working, and degree of anxiety etc., it can be concluded that all phenomena in the organization are influenced by ethics (Mohammankhani et al, 2013). Then, all businesses seek to establish the code of ethics that can serve as guidelines on standards and moral ways of doing works (Albrithen & Dziegielewski, 2013). In this regard,

government as an institution is responsible to promote social and economic justice for everyone and provide the required infrastructure,- i.e. hard and soft- for business environment. The employees, regardless of their administrative responsibility, constitute the main body of government and they are considered as national capitals who can understand and communicate public participation, since they are aware of the government's strategies and goals. Then, it is helpful to utilize all capacities of civil servants and by identifying their characteristics, guide them toward achieving organizational and social goals (Maleki et al, 2015). Living in the era of public service organizations entails cost reduction and profitability. However, they are not the novel objectives proposed by schools and ideologies of modern societies; the novelty is openness of public sector to teachings of modern administrative management, adoption of new Taylorism, and managerialism by public organizations, requiring them to emulate the traditional functionalism of the private sector enterprises.

In recent decades characterized by intense occupational and economic interactions among public and private sectors, the organizations faced with plenty of organizational missions, including decentralization, cost reduction, customer experience, and customer's satisfaction, increased quality of work, responsiveness and social responsibility, which in return, would increase likelihood of unethical behaviors from employees, and committing corruption and criminal offences. In such environment, the managers were compelled to implement ethical practices to prevent misconduct (Faghihi & Rezaeimanesh, 2005). Despite the efforts of managers, consultants, and stakeholders to adopt advanced technology in workplace to minimize employees' interventions and maximize their control over them, and despite legal measures to

address employees' misconduct, there are still risks of unethical conduct in organizations. In fact, technological advancement can generate new challenges that may result in unethical behavior in the work environment.

In addition, researchers argue that misconduct may exist in all social works (Leigh, 2017; Dundon & Broek, 2017). Ang and Koslow (2015) defined misbehavior in organizations as any actions, performed by employees intentionally or accidentally, in secret or publicly, that are opposed to organizational expectations and norms and that can lead to interruption in providing services for customers. Organizational misbehavior is a prominent feature of any organization, an integral part of organizational reality, and an important dimension of individual, collective or organizational behaviors. Misbehavior is a major barrier that prevents the optimal use of organizational resources, resulting in poor performance and low productivity (Barnes & Taksa, 2015). Moreover, Misbehavior is negatively related to organizational commitment (Brooks, 2015), disrupts service delivery for customers (Ang & Koslow, 2015) and prevents organizational efficiency, resulting in low income and damage to organizational reputation (Akers & Jensen, 2006).

All organizations, including government-owned banks, adopt specific policies and strategies for their human resources. These strategies include selection and recruitment, compensation system, performance evaluation programs, growth and development. As human resources is the most valuable organizational asset, organizations should perform monitoring and assessments in regular basis to identify problems in policies and plans related to business ethics, and accordingly, they can develop a code of ethics, ensuring that policymakers

and planners are informed of shortcomings and take steps to solve them. The institutionalization of ethics is so important in developing countries that the processes of developing rules and regulations, redefining structures, allocating budget and facilities have accelerated in organizations, in particular, public sector organizations (Faghihi & Rezaeimanesh, 2005). However, the main question is that 'why is misconduct prevalent in organizations, despite all efforts made in developing countries including Iran?'

In accordance with above discussion, it can be argued that banks and financial institutions are the most important organizations where pathology of business ethics is essential. Banks play a fundamental role in economic development and sustainability. Public sectors banks, which are mainly funded by the government, play a vital role in economic development as providers of financial services and public assistance. Therefore, efficiency of banks and financial institutions, and consequently their human resources, directly affect how development objectives are accomplished. However, unfortunately, in recent years, we have witnessed different cases of embezzlement, bribery, and corruption in public organizations, especially government-owned banks, for example, report No. 97/1/103 dated 24/05/1397 (Solar Hijri Calendar), and report No. 97/1/46/90 dated 13/05/1397 (Solar Hijri Calendar) of Inspection Department of Bank Maskan.

Occasionally, news of embezzlement, evasion, and prosecution of managers and staff of the banking system hit the headlines that have eroded public confidence in the banking system and consequently, the government. This condition resulted in extensive withdrawal from the banks and directing such funds toward unproductive market. In addition to withdrawing money from banks, facing international sanctions and managing

ineffectively in solving problems, have triggered recent instabilities in currency, coin, gold and housing markets. These conditions worsened by growing inflation rate, unemployment, and poverty, which pushed Iranian economy into a recession and increased threat of hyperinflation. Therefore, the present study aims to examine pathology of administrative ethics that reveals whether these embezzlements and frauds are rooted in administrative misbehavior in the public organizations, in particular, government-owned banks. Then, the main purpose of this study is diagnosing and developing framework for administrative ethics in public organizations. In fact, the author seeks to find answer for these questions: what are damages and weaknesses of business ethics in public organizations? What are the factors affecting development of business ethics in public organizations? Finally, what is the desired model for developing business ethics in public organizations, especially government-owned banks?

As banks are the major actors of financial and economic sectors of the country, and considering the fact that Iranian finance system is a bank-oriented system in which the banks support liquidity and investment capitals for manufacturing enterprises and economic projects, and they are responsible for capital injection, it is necessary to investigate development of administrative ethics in this sector. Pathology of administrative ethics in government-owned banks will provide the decision makers the strengths, weaknesses, threats and opportunities, and help them take necessary steps to develop business ethics and therefore, their organization. Moreover, evaluation of employees' behavior in work place is critical for their growth and excellence. In such conditions, public organizations should conduct qualitative evaluations of their employees'

performance and develop the plans for growth and empowerment of human resources. Investment in plans for human growth can give the employees an opportunity for gaining new skills, attitudes and beliefs in such a way that they would be prepared for improving their administrative ethics and responding to overwhelming demands of customers. Then, competent, skilled, and well-mannered employees are the key to success in public organizations. In fact, this study contributes theoretically in the literature of business ethics in terms of developing and validating a scientific model for administrative ethics that would help academicians, researchers, and managers of public organizations. Furthermore, developing a map road and a framework would be necessary for improving business ethics in public organizations.

## 2- Theoretical background

Ferrell et al. (2019) in their research investigated the relationship between business ethics, corporate social responsibility, and brand attitude. Their findings from a sample of 351 respondents revealed new attitudes on customers' expectations, perceived corporate social responsibility, and business ethics. The results indicate that although corporate social responsibility is critical, the customers perceive business ethics as a critical behavior in their attitudes toward corporate social responsibility.

Mohammad et al. (2018) in their study examined administrative ethics in Islam and the resulting effect in organizations. They indicated that Islamic administrative ethics would improve employees' performance. Moreover, their findings suggested that organizational justice and reduced organizational corruption would be result of improving administrative ethics in organizations.

Al-Dulaimi (2016) investigated the perspective of administrative ethics in

Islam and indicated that work ethics could be derived from Islamic teachings. Moreover, he identified honesty, hard working, cooperation, safety, and self-control as elements of work ethics that deserve more analysis in both individual and organizational levels.

Forquesato (2016) studied social norms and administrative ethics in organizations. He indicated that the social values which are rooted in culture can affect administrative ethics. Moreover, he referred to the positive effect of education in improving administrative ethics.

Hayati and Caniago (2012) investigated Islamic administrative ethics, employees' motivation, job satisfaction, organizational commitment, and job performance through a consistent model. They indicated that development of administrative ethics would improve motivation in employees, job satisfaction, and organizational performance.

Lloyd and Mey (2010) proposed a model of administrative ethics in their study. The main dimensions of their model included ethical culture, environmental stimuli, ethical standards, minimum administrative ethics, protection of ethical values, and outcome of business ethics.

Kumar et al (2010) examined administrative ethics and innovative capabilities of organization. Their identified 17 dimensions for administrative ethics and concluded that paying attention to administrative ethics would improve innovative capabilities of organization.

Tabarroeii et al (2017) in their paper investigated effect of professional ethics on personality traits of the employees in Hazrat-e Zeinab College of Paramedical, Nursing, and Midwifery in Langroud City and concluded that professional ethics would highly affect personality traits of staff. In their study, the regression coefficients between professional ethics and dimensions of social responsibility, corporate responsibility, belonging to the



scientific community, and self-efficiency of staff were measured as 11.998, 7.554, 6.891, and 6.781, respectively; and thus the highest effect comes from the corporate responsibility.

Hejazifar et al (2017) carried out a research on the relationship between professional ethics and organizational discipline with employees' integrity in organizations. They identified responsibility, honesty, justice and fairness, loyalty and commitment, sympathy, and mutual respects as dimensions of professional ethics in organizations which affect the integrity of employees in organizations.

Hosseini et al (2016) in their study measured tax ethics and the factors affecting it among students. They found out that ethical infrastructure institutionalized in the society affects tax performance and tax ethics. Moreover, they indicated that age, gender, and income could affect individuals' tax behaviors in both social and organizational levels.

Gholipour et al (2015) investigated the relationship between ethics institutionalization and having happier employees, and indicated that in general, ethics institutionalization in both implicit and explicit forms, would affect happiness and vitality of employees. They also confirmed that implicit form of ethics institutionalization had more effect on employees' happiness than its explicit form. They recommend that managers should institutionalize ethics, with emphasis on implicit form, in workplace to enhance happiness and vitality among employees. Then, managers should practice self-control, because the employees are influenced more by their behaviors and actions, rather than by code of conducts.

Khanifar et al (2015) in their research explored moral philosophy in management. Their findings confirmed the necessity of considering moral values in

management practices that would lead in making realistic and value-based decisions. Then, they introduced concepts that decision makers should consider while applying ethics in management. These were duty oriented practice, distributive justice, and personal freedom.

Arefi and Sharifi (2014) investigated effect of considering ethical codes on teaching, from students' viewpoint in Kowsar University of Bojnourd. Their findings indicated that the most effective elements in ethical teaching are educational effectiveness and proper valuation. As such, teachers who are committed to ethical teaching are more informed of educational practices and make proper valuations. Therefore, choosing the teachers with higher degree of educational effectiveness and proper valuations is important in higher education recruitment system.

Habibi and Shahbazi (2014) in their study explored effect of ethics on improving business performance. In their study, business ethics, in general, refers to a system of values, dos, and don'ts that separates bad from good in an organization. In fact, individuals have distinct personal behaviors that shape their thoughts, actions, and words. Therefore, when they are appointed to an organizational position, such human traits may cause them to show different actions, thoughts and word, affecting organizational effectiveness and efficiency. Their study shows that ethical or unethical behaviors can have positive or negative consequences for organization.

Faghihi and Rezaeimanesh (2005) in their study explored administrative ethics and indicated that ethics and ethical management are important in Iranian organizations. Therefore, the ethical infrastructure in society should be improved in order to enhance business ethics in the organization. Moreover, they argued that ethical infrastructure in Iran are

influenced by Islamic culture and ethics.

### 3- Methodology

The present study is a basic research in terms of purpose that is conducted by mixed method, through the exploratory approach and model-based development tool. As such, in qualitative research, the thematic analysis and in quantitative research, the Structural Equation Modeling (SEM) was used. Mixed method is a research design in which both qualitative and quantitative approaches are applied in consecutively and with equal significance, through the combination of data sequences.

The population of qualitative research includes experts, board members, and senior managers of credit and human resources departments in Iranian government-owned banks (including Bank Melli, Bank Tejarat, Bank Saderat, Bank Maskan, Bank of Industry and Mine, and Bank Sepah). In order to gain a brief description of experiences, attitudes and perceptions of the elites who were interviewed, on development of administrative ethics in Iranian government-owned banks, the qualitative research, and in particular, content analysis method, was used. Content analysis is a powerful research tool that is applicable for analyzing a huge volume of complex and complicated data, in which a combination of induction, deduction, Etic and Emic perspectives exists (Boje, 2001). In other words, content analysis is not merely a research method, but it is an analytical approach and a synthesizing strategy that acts as a sense-making process (Miles et al, 2010). The aim of content analysis is text extraction and semantic modeling. This research method values researcher's creativity while mining data, meaning that researcher is free to follow their own steps and add to the richness of this method (Braun & Clarke, 2006). In order to analyze data in thematic analysis, the descriptive, interpretative, and

overarching (integrative) coding are used. In descriptive coding, the researcher focuses on the significant topics in the content of interview; however, in interpretative coding, the researcher goes beyond the description, and tries to concentrate on interpretation of the meanings. This type of coding is mainly undertaken by combining those descriptive codes that seem to convey a single meaning. In integrative coding, a number of overarching themes, which convey the main themes of research, are identified. These themes should be based on interpretive themes, but they are in higher level of abstraction. In this step, any theoretical concept, which shapes the foundation of research, is directly applicable (Khanifar & Moslemi, 2020). Collecting text – deep interview data is prerequisite of implementing this method (Glaser, 2001).

In the present study, the semi-structured interviews are used to collect the required data for thematic analysis, seeking to understand the elite's perceptions regarding development of administrative ethics in Iranian government-owned banks. In this regard, purposive sampling was used to select elites for interviews and sampling process continued until the point of theoretical saturation. Theoretical saturation is a criterion in the process of data gathering using theoretical sampling in which point the researcher can stop process of sampling and data collation, because they notice that no additional categories are being found in the responses (Charmaz, 2006). Thus, the data collected through semi-structured interviews with 22 board members and senior managers of credit and human resources departments in government-owned banks. The interviews conducted individually, and each lasted 60 – 80 minutes in average. Therefore, the validity of interviews in this study depends on the quality of research team, what tools are used, proper samples, and required

sample size to the point of reaching theoretical saturation. To assess the quality of the qualitative data, we applied the criteria for qualitative research validity, which are reliability, transferability, generalizability, connectivity, and credibility. We also used the saturation point to check the consistency of the qualitative data (Eidan Torkzadeh, Rezaei, & Seighali, 2021). Qualitative research is based on the researcher's commitment to accuracy and it mainly relies on determining the theoretical saturation, which is the point where the categories are fully described. Theoretical saturation indicates the reliability of the grounded theory methodology, because it shows the repetitive data in the research, and repetition and their result implies the methodological consistency (Danayifard & Alvani, 2019).

After reaching the saturation point, all interviews were transcribed word by word, trying to capture all the non-verbal cues, tones, and emotions of the participants during the interview. Next, the data obtained from the interviews were turned into text data and a large amount of collected data were coded and categorized for purpose of systematic analysis. Finally, data analysis was conducted through thematic analysis method in MAXQDA software. The output of this step is a framework for development of administrative ethics in Iranian government – owned banks that will be analyzed in quantitative research.

In quantitative research, the population consists of all experts and staff managers of Iranian government – owned banks (including, Melli, Tejarat, Saderat, Maskan, Bank of Industry and Mine, and Sepah) who had M.A degree or higher ( $n = 1300$ ), and 300 were selected randomly as sample by Cochran formula. For data analysis in quantitative research, the data collected by a researcher-made questionnaire and entered into SPSS

software. This statistical software and PLS were used to give descriptive and inferential statistics summary of data. In inferential statistics, the following methods were used: one- sample Kolmogorov-Smirnov Test to check normality of the distribution, KMO and Bartlett's test to measure sampling adequacy, and Structural Equation Modeling (SEM) to determine effect of predictor variables on criterion variable. In path analysis model, at first, the goodness of fit was calculated to check the fitting of the model. Next, when the fit model was determined, the significance of each path was measured by t-test; in case of t-statistics was higher than 1.96, or lower than -1.96, that path would be significant. Finally, the effect of each variable on other variables was determined by  $\beta$  coefficient. In fit model, the convergent validity, significance of factor loadings (higher than 0.4), average variance extracted (higher than 0.5), composite reliability being higher than average variance extracted, were controlled and they all were confirmed. In order to check the divergent validity, Fornell – Larcker matrix was calculated that is a combination of correlations between latent variables and average variance extracted. As the values on main diameter were greater than the values below it, divergent validity was verified. Moreover, to check the reliability, Cronbach's alpha and composite reliability were used, and in all cases, their values were higher than 0.7, meaning that reliability was acceptable. It should be noted that ethical considerations guided the present study, and the interviewees' rights and confidentiality of their opinions were respected and protected. The process of conducting this research is presented in Figure 1.

#### 4- Findings

The themes were analyzed based on three types of coding, namely, descriptive,



interpretive, and integrative coding using overarching themes and the data extracted from the interviews. Descriptive coding was conducted in three phases, resulted in identifying criteria, characteristics, and domain of each theme. Then, interpretive coding was used to discover the elements, and finally, based on the topic of research, the dimensions related to the overarching theme were selected from the identified themes.

#### 4.1 Qualitative findings (factors and model)

As stated above, open, axial and selective coding on the text of interviews was conducted through thematic analysis in three phases and six steps that are presented in Table 1.

- Descriptive coding: the first step in descriptive coding is to read through the transcript that is going to be analyzed. This is the most important step, because when analyzing each segment of the text, it is necessary that the analysis is conducted in the interview context as a whole. The next step is to highlight everything in the text that may help in understanding attitudes, experiences and perceptions of the participants in research. Moreover, it is important to have a brief summary or comment about what has been highlighted. The last step is to define descriptive codes using the initial descriptions. These codes should keep close to the data as far as possible, and the researcher should not interpret or go beyond what participant has said in interview.
- Interpretive coding: In this phase, the focus is on interpreting the meaning of descriptive codes. This is done mainly by combining the codes that seem to convey a single meaning. Using specific theoretical concepts is

not allowed in this phase of coding, because it will restrict the analysis to selecting those dimensions that are included in the theoretical framework. Moreover, it is important that the interpretive codes are distinct and that the overlapping is minimized.

- Overarching coding: overarching themes that convey the key concepts of research are identified in integrative coding. These themes should be based on the interpretive themes, but in the higher level of abstraction. In this phase, the researcher can directly utilize any fundamental theories of research as long as those theories are supported by analysis. It is worthwhile to note that the number of overarching themes should be limited as far as possible. These codes should be relevant to a rational minimum number of interviews; however, if it is helpful, researcher can define the codes that are related only to one or two interviews (King & Horrocks, 2010).

The results of coding process of interviews through thematic analysis are presented in Table 2.

The result of this step of developing a model for administrative ethics in Iranian government – owned banks is demonstrated in Figure 2. This model is derived from conducting thematic analysis on the data of interviews with elites.

#### 4.2 quantitative findings (model assessment)

The sample of quantitative study consists of 300 people, i.e. 58% male, and 42% female; 17% below 30 years old, 54% between 30 to 50 years old, and 29% above 50 years old; 41% have M.A degree, 41% are PhD candidate, and 18% have PhD degree. The validity, reliability and

goodness of fit are presented in Table 3.

The findings in Table 3 show that there is a significant positive relationship between individual, organizational, and environmental dimensions with development of administrative ethics ( $P < 0.01$ ). The biggest correlation is seen between organizational dimension and development of administrative ethics ( $r = 0.895$ ), individual dimension and development of administrative ethics ( $r = 0.855$ ), and environmental dimension and development of administrative ethics ( $r = 0.819$ ), respectively. It is clear that the values of all indices are in a good range, and thus, the validity, reliability and predictive power of the fit model are confirmed. The summary of model's statistics is presented in Table 4.

The findings in Table 4 indicate the direct impact of individual dimension ( $\beta = 0.284$ ), organizational dimension ( $\beta = 0.323$ ), and environmental dimension ( $\beta = 0.394$ ) on development of administrative ethics ( $P < 0.01$ ), with the most impact associated with environmental, organizational, and individual dimensions, respectively. The conceptual model, fit with standard path coefficients, is illustrated in Figure 3.

#### 5- Discussion and conclusion

The aim of this research was to identify pathology and to develop a model for administrative ethics in public organizations. To achieve this goal, we first conducted a comprehensive literature review and applied theme analysis to identify and extract the dimensions and elements that affect the development of administrative ethics in Iranian government - owned banks. Next, in quantitative research, we used confirmatory factor analysis to validate the model and determine the dimensions and elements that influenced the development of administrative ethics in Iranian government-owned banks. Finally, we

presented and tested a model that captured all aspects of this phenomenon.

The results of calculations show that development of administrative ethics model in government - owned banks involves three dimensions of individual, organizational and environmental. As such, 1) individual dimension consists of these factors: respect to values, developing behavioral principles, creating sense of belonging in workplace, inner capacity for growth, improving skills through continuing training, and personal behaviors; 2) organizational dimension consists of these factors: developing code of ethics at workplace, inter-organizational characteristics, ethical decision making, ability to solve ethical conflicts, participation and institutional support, Institutionalization of organizational culture, Organizational structure, Staff skills and knowledge, Progressivism and meritocracy, Organizational justice and equality, Reduction of organizational corruption, Performance evaluation, Ethical leaders, Labor rights, Interactions and social relations; and 3) environmental dimension includes these factors: environmental stimuli, rule of law, cultural factor, social factor, political factor, economic factor.

These results are consistent with the results of previous studies, including, Al-Dolami (2016), Vanki and Mehrani (2009), Pop (2013), Ebrahiminejad and Taghavi (2015), Abdullahzadeh et al. (2015), Ahmadi et al. et al. (2016), Mohammad et al. (2018), Vidjen et al. (2019), Turmo Karbow et al. (2016), Rafiei et al. (2013), Azar et al. (2013), Hassani et al. (2014), Khanifar et al. (2015), Gholipour et al. (2015), Abdullahzadeh et al. (2015), Giorgik (2012), Lloyd and May (2010), Negan and Chan (2015), Arefi and Sharifi (2014), and Taheridemeneh et al. (2011). Sub-categories of individual, organizational and environmental dimensions are in agreement with elite

opinions. Moreover, the results of statistical analysis support the qualitative findings in the three dimensions (individual, organizational and environmental).

### 5-1 Recommendations

This research has conducted with purpose of diagnosing pathology and designing a model for developing administrative ethics in public organizations (Iranian government-owned banks). In the following, the recommendations are made based on the research findings for public organizations, students, and academic community.

#### a. at macro scale

- We recommend that administrative authorities provide the conducive environment in the society for developing administrative ethics by establishing the infrastructure of ruling law, ethical culture, social, political and economic factors, and foster a context that supports administrative ethics in all dimensions and aspects.
- The governing principle in administrative system is respecting and protecting the rights of the people. An ethical administration emerges when every government employee, regardless of their rank and position, protects the rights and dignity of the clients.
- The administrative system's philosophy is to serve the people, and all employers and employees are their servants. As long as this fundamental principle is governing in the administrative system, they do not act as owners or bosses over the people, but regard their position as a blessing and a means to serve them.
- These matters are essential for any organization's success. When administrative ethics are violated, the best organizations and systems

collapse, and their positive aspects lose value. Even the most capable managers, employers and employees become ineffective in an administrative system that does not respect ethics.

- The economic system needs a sound behavioral framework at individual, departmental, organizational, local, regional and national levels to foster moral development and transformation across the country.

#### b. at organizational level

- It is recommended that senior managers of public organizations, in particular, government –owned banks, develop a procedure to encourage employees to adopt and promote administrative ethics.
- It is recommended that managers establish and follow a code of ethics that recognizes ‘administrative ethics’ as a systemic thinking and a dominant organizational culture.
- The organization's management should first recognize the administrative ethics. Moreover, psychology researchers should propose frameworks and models to enhance and expand the effectiveness of business ethics. Another point is how to implement the business ethics. This can be done in a centralized or decentralized way, individually or socially, informally or formally. Needless to say, the appropriate method of implementation should be determined based on preliminary studies, ethical structure of organizations and business environments, previous experiences and fields.
- Enjoining good and forbidding evil is a key concept in Islamic and religious thought, and the managers of the organization should strive to

uphold this principle. Enjoining good calls for public supervision and responsibility, otherwise, inattention to this principle could lead to the downfall of humanity.

- Ethical decision-making, organizational justice, reduced corruption, and respect for the rights of human resources are factors that can help establish ethics in an organization. A disciplined management and strategic plan for promoting business ethics is effective, and in this regard, the ethical or unethical behavior of senior management plays the most important role.

c. at individual level

- Employees should be committed to Islamic ethics and human values. Clearly, ethics involves distinguishing right from wrong, and doing what is right and avoiding what is wrong. Therefore, administrative ethics should be defined by ‘dos’ and ‘don’ts’ and the appropriate way of behaving in the workplace.
- To establish good administrative ethics in an organization, the employees should view people in the right way, and serve and represent them well.
- The key to developing administrative ethics is to improve the staff’s attitude toward themselves, their tasks, their managers, and the public in general. When employees change their views on people, their superiors and their tasks, working becomes like praying and serving humanity

and it can lead to the growth of business and business ethics.

- Responsibility is the fundamental principle of administrative ethics, as any form of irresponsibility implies deviating from the right path and entering into dishonesty and falsehood. The principle of responsibility teaches us that everyone in each rank or position is responsible and accountable for all of their actions and tasks. Public servants are not allowed to treat people unfairly or avoid accountability for their decisions. Therefore, no one has the right to insult or disrespect people, because individuals are responsible for how they look, speak, or behave.

**5-2 Limitations**

The present study, like any other behavioral or social research, has some limitations that should be considered in generalizing the results. They include:

- Covid-19 pandemic affected process of research; caused selection of elites and interviews to be elongated; elites reluctance to participate in interview sessions
- In the present study, a questionnaire was used to collect data; however, it may have resulted in unrealistic responses among some respondents.
- The limitation in effectiveness: even if the advanced statistical method was used in the study, it still would suffer from limited access to a representative sample of population. This may have compromised the generalizability of the results.

*Table 1: Analysis phases and steps in thematic analysis method*

Phase	Step	Action
Text description and decomposition	Familiarization with text	– data transcription (if necessary) – reading and re-reading data – writing down initial ideas
	Generating initial codes	– preparing coding framework and themes format

Phase	Step	Action
	and coding	<ul style="list-style-type: none"> <li>- decomposing text into smaller segments</li> <li>- coding interesting features of data</li> </ul>
	Searching for themes	<ul style="list-style-type: none"> <li>- comparing codes with themes format</li> <li>- extracting themes from the coded texts</li> <li>- reviewing themes</li> </ul>
Text interpretation	Clustering themes	<ul style="list-style-type: none"> <li>- searching for similarities between themes and extracted codes</li> <li>- organizing themes</li> <li>- selecting basic and overarching themes</li> <li>- drawing thematic maps</li> <li>- modifying and finalizing thematic cluster</li> </ul>
	Analyzing thematic cluster	<ul style="list-style-type: none"> <li>- defining and naming themes</li> <li>- describing and explaining thematic cluster</li> </ul>
Text integration	Writing the report	<ul style="list-style-type: none"> <li>- summarizing thematic cluster</li> <li>- extracting interesting instances</li> <li>- relating the results of analysis to the research questions and theoretical background</li> <li>- writing a scientific report</li> </ul>

(Source: Khanifar & Moslmi, 2020)

**Table 2: Results of coding process in thematic analysis**

Overarching coding	Interpretive coding	Descriptive coding
Individual dimension	Respect to values	Ethics and ethical principles, ethical values, individual values, good behavior, promoting personal ethics, abnormality and misconduct, make people to conform to social norms
	Developing behavioral principles	Behavioral principles, moral characteristics, behavioral models, codes of ethics, code of conducts, developing behavioral models
	Creating sense of belonging in workplace	Sense of satisfaction, enhancing attachment to work, preparing the proper context for human agents, personal relations, decisions, irresponsibility
	Inner capacity for growth	Justice and fairness, staff alienation, individual level, staff capabilities, staff motivation, positive attitude, delegation of authority, punishment and reward, liberal man, human dimension, lack of decisiveness, employing committed staff
	Improving skills through continuing training	Learning, skill and knowledge, competence, using actual and potential capabilities, level of education, lack of experience and skill in administrative system, skilled staff, continuing training
	Personal behaviors	Willing to serve, trustworthiness, responsibility, work discipline, devotion, patience, justice, attitude, intention, self esteem, inner control center, individual values, beliefs, diligence, lack of conscience, lack of self-esteem, bring interest in a job, ethical virtue and good behavior, ethical characteristics, trust, sense of equality, disbelief, commitment to learning, ethical culture, team spirit, ethical intelligence, accountability.
	Organizational dimension	Developing code of ethics at workplace
Inter-organizational factors		Customer service, organizational level, field dependence, demographics, effect of parents, social capital, job characteristics,



Overarching coding	Interpretive coding	Descriptive coding
		organizational culture, quality of work life, staff motivation, intervening managers, organizational climate, performance assessment, organizational system, culture of conversation, knowledge management system, keeping dignity of employees, public interests, systemic thinking, holistic view in organization, conflict of interest, organizational expectations, client complains, planning, motivation, lack of misuse of managerial authority, governing work ethics in organization, dynamic organization, organizational dimensions, diagnosing damages, systematic approach and establishing required managerial processes, communications and function of organizational processes, personal beliefs, designing organizational systematic mechanisms, organizational requirements, self-control and inner commitment to ethical values, reputation and commitment, quick reaction to misconduct, understanding ethics, creativity and innovation, organizational reputation, transparency, job position, influencing to achieve personal goals, job security, creative management, ethical considerations in interactions with internal and external stakeholders, legitimacy of organizational decisions, respecting and keeping rights of people, identifying weaknesses and solutions
	Ethical decision making	Aligning plans and decisions, decision making process, planning and applying mid-term vision, unpredictability of decisions, non-realization of goals
	Ability to solve ethical conflicts	Low level of managerial power, reduced legitimacy of management, public awareness, conflict of interest between organizational and personal goals, conflict of interest, employees slacking off, creating a committee of experienced staff
	Participation and Institutional support	Keeping employees, good relationships, collective spirit, participation, growth, institutional convergence, staff participation
	Institutionalization of organizational culture	Self-control culture, organizational values and culture, modification of administrative system and Institutionalization of Islamic ethics, participation culture, ethical oriented culture, organizational learning, social culture.
	Organizational structure	Organizational structure, modification of administrative structure, improvement of system, establishing integrated thinking in organization, organizational dimension, agile organization, modification of administrative structure and current relations, attention to health-oriented businesses, organizational health and authenticity
	Staff skills and knowledge	Targeted educations through mass media, training professional ethics in organization, staff ignorance, training programs, planning for staff education, on-the-job training, staff education regarding organizational goals, educational process and socialization, creating a committee of experienced staff, development of communication studies, training and learning of organizational culture, continuing trainings
	Progressivism and meritocracy	Recruiting human resources, behavioral competencies, meritocracy, job promotion, job processes, moral competence and administrative integrity, seeking competence, modification of selection and recruitment systems, recruitment standards, selecting human resources, job satisfaction, selection
	Organizational justice and equality	Fair and expertise – oriented assignments in organization, equality in work load, justice, creating novel, justice-oriented approach, making balances in dimensions of organizational justice

Overarching coding	Interpretive coding	Descriptive coding
	Reduction of organizational corruption	Corruption in layers of governance, financial frauds, information transparency, transparency in work processes, deviations in providing services, boundaries of tasks and authorities of departments and organizational businesses, lack of administrative misconduct, lack of ethics and transparency, transparency in executive procedures, organizational integrity, superiority of relations over rules, inattention to job problems, reduced ethical corruption, modification of service system and providing facilities for customers, solving and reducing weaknesses in organizational ethics, utilizing organizational experts, removing bottlenecks and critical points, administrative corruption, silence of knowledgeable employees, transparency in guidelines and processes, social justice policies, removing organizational impediment
	Performance evaluation	Achieving organizational goals, quality services, effectiveness of activities, result orientation, designing performance evaluation system, cooperation, close supervision, control and assessment, applying performance monitoring system in organization, learning from other organizations' experience, providing quality services, operational actions and planning, meeting public needs, clear by-laws and regulations, effectiveness and directing human resources, securing long-term interests, existence of good supervision, lack of good governance, lack of code of conduct in social culture, lack of getting feedback from customers satisfaction, implementing performance evaluation system, proposing solutions to end problem, type of behavior and performance of competitors, consistent and efficient planning, determining organizational goals, effective supervision for compliance, framework of national development plans
	Ethical leaders	Behavior and acts of leaders, organizational leaders and managers, leaders' behavior, leadership in organization, existence of ethical leadership, work ethics, senior managers' attitude, Institutionalization of administrative ethics culture
	Labor rights	Financial incentives, public interest principle, moderating wage plans, designing motivation systems, salary and fringe, welfare services, labor rights
	Interactions and social relations	Relationships with coworkers, current mechanisms on customer relations, type of relations between employer and employee, type of relations between organization and business, organizational conflict and personal relations, committed to customers rights, moderator of human relationships
Environmental dimension	Environmental stimuli	Intra-organizational, external environment, organization's external environment, existence of environmental stimuli, environmental dimension, surrounding environment of organization, workplace conditions, outside environment, social conditions, sustainable competitive advantage, conditions in workplace, competition, advancement of technology and expansion of internet, interaction with environment, resources, securing long-term interests, constructive competition context
	Rule of law	Rules and regulations, laws, law enforcement obligation and organizational regulations, inter-organization requirements and duties, intra-organization requirements and duties, bureaucracy
	Cultural factor	Dominant culture in the society, national culture, acquired behavior, culture and customs traditions
	Social factor	Inter-organizational, community and external environment, time and quality, corruption in layers of governance system, interaction, special position to customers

Overarching coding	Interpretive coding	Descriptive coding
	Political factor	Development of ethics strategies, development of policies and strategies of administrative ethics, misuse of authority, statements of organizational mission, organizational macro strategies and plans, strategic decisions, dealer, policy making and goal setting, partisanship, organizational polices, employees' politics
	Economic factor	Financial and economic incentives, driving force of economy, financial nature, financial misuse, productivity and resource management, organizational growth and development, assuring desired performance, profitability, effectiveness and efficiency, preference of personal interests over organizational interests, organizational profit or movement in the path of government's goal

Source: author's findings

Table 3: Descriptive statistics (n = 300)

Variables	KMO	AVE	$\alpha$	CR	R <sup>2</sup>	Q <sup>2</sup>	1	2	3	4
1- Individual	0.886	0.926	0.982	0.986	-	-	-	-	-	-
1- Organizational	0.8562	0.869	0.987	0.990	-	-	**0.856	-	-	-
3- Environemtal	0.834	0.866	0.967	0.974	-	-	**0.826	**0.756	-	-
4.Developing Administrative ethics	0.897	0.996	0.998	0.998	0.999	0.991	**0.855	**0.895	**0.819	-

0.956 = (GoF)

\* P<0.05, \*\* P<0.01

(Source: author)

Table 4: Summary of model's statistics

predictor	Variables	Impact factor	Test statistics	Significance
→	→ criterion			
Individual	→ development of administrative ethics	** 0.284	31.742	0.000
Organizational	→ development of administrative ethics	** 0.323	21.885	0.000
Environmental	→ development of administrative ethics	** 0.394	31.163	0.000

(Source: author)

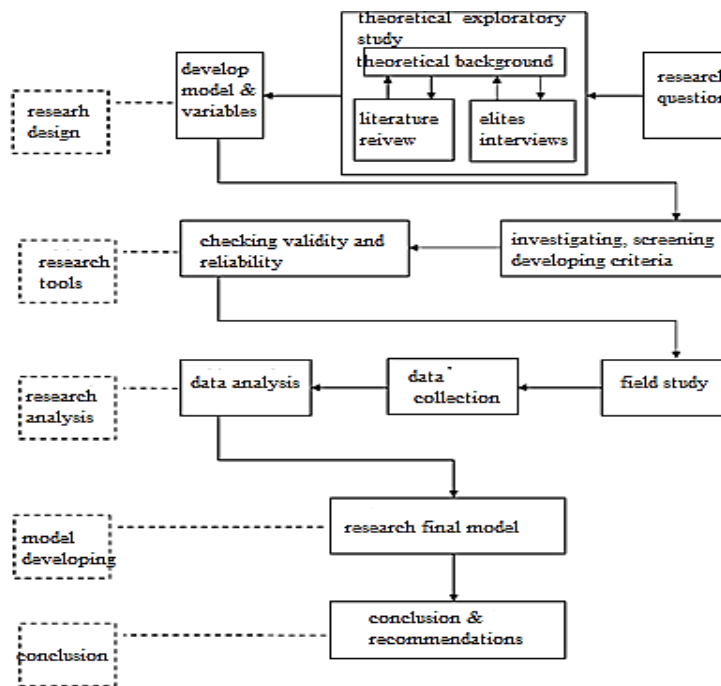


Figure 1: Process of conducting research (Source: author's findings)

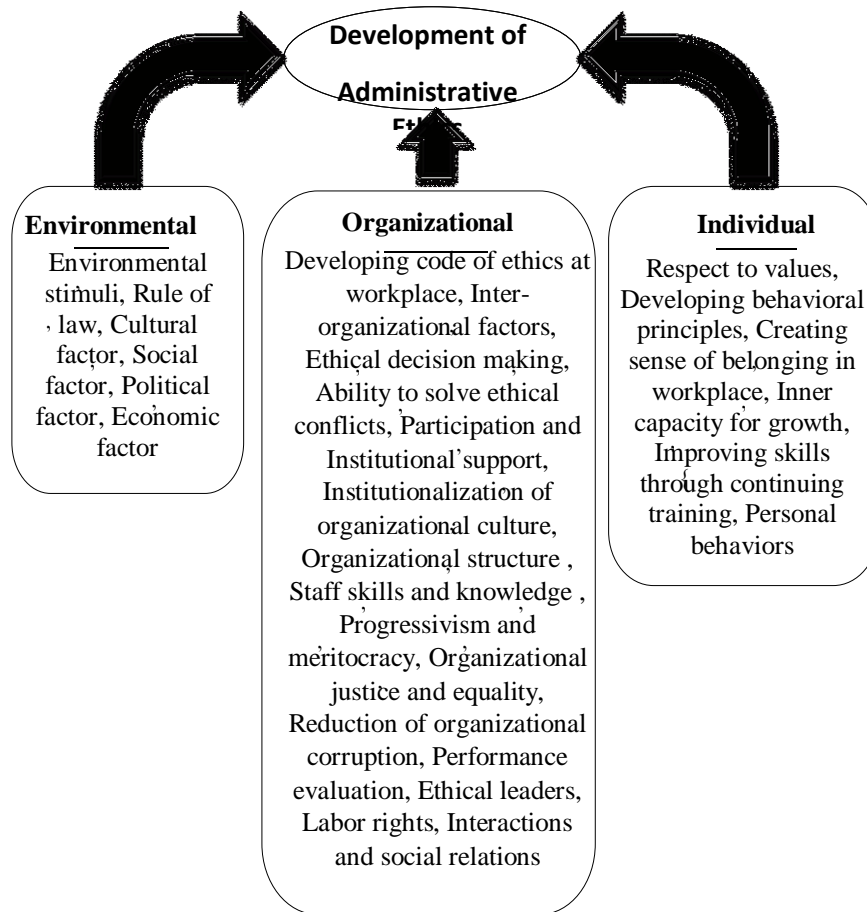


Figure 2: Research conceptual model (Source: author's findings)

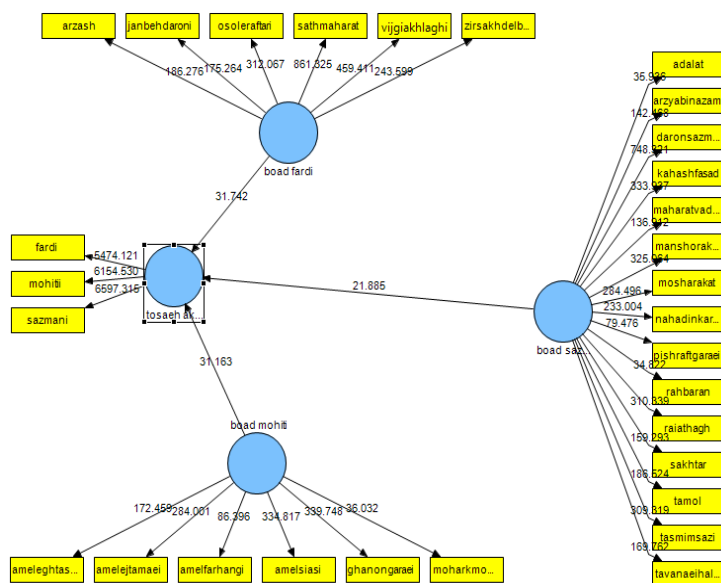


Figure 3: Conceptual model based on standard path coefficients (Source: author)

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