Examining the relationship between work ethic patterns and organizational ethical values with structural equation modeling approach

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Abstract

The ethical climate is important for organizations and it impacts on the ethical behavior of employees. Non-compliance with some ethical standards by employees has caused a lot of worries in in governmental and non-governmental sectors. Considering the importance of the topic, the goal of this paper is to examine the relationship between work ethic patterns and organizational ethical values. Considering the purpose, the present study is applied, regarding the nature, it is descriptive, and in terms of method, it is of survey type. The statistical population includes: 1) Managers and experts in the field of ethics (organizational ethics), that were used to identify the desired components.11 people were considered through non-probability sampling method. 2) 727 of managers and employees of the Tax administration of Kerman Province were used in the pattern testing process. They were selected by stratified sampling method. A questionnaire (identified from theoretical foundations and interviews) was used to collect the required data. The questionnaire of organization's ethical values included 17 questions, and four components of organizational justice, organizational commitment, organizational ethics culture, and social responsibility of the organization. The questionnaire related to organizational ethics patterns included 9 questions and three components of professional ethics, social ethics and individual ethics. The content validity of the questions was confirmed by experts. Cronbach's alpha coefficient of research variables was also estimated to be higher than 0.7, indicating the internal coordination of the items and confirming the reliability. Data analysis was performed using structural equation modeling method using Imus software. The results revealed that at the level of significance less than 0.05, the relationship between social ethics (0.61), professional ethics (0.32), individual ethics (0.76) and organizational ethical values in the tax affairs administration was positive and significant.

Keywords: Ethical Values of the Organization, Individual Ethics, Professional Ethics, Social Ethics, Tax Administration

Introduction

In order to do their organizational affairs, organizations in addition to organizational and legal criteria, they need a set of ethical and value guidelines to help them in administrative behavior and practices, and make a kind of coordination and procedure unity in moving towards the desired

collective and public method. Organizational members usually accept values that are relevant to their organizational life. Organizations have to create an environment of ethics and values in the organization. Understanding the type of acceptable behavior is an important factor in organizational climate. Comprehending appropriate behavior is a part of the organizational climate, which affects all sectors in the decision-making process (Karimi et al, 2010). Ethics means observing the spiritual principle and the values that govern the behavior of a person or a group based on what is right and what is wrong (2). On the other hand, ethics has been defined as a set of human spiritual and esoteric traits that arise from the inner moods of human beings in the form of actions and behaviors and become apparent. Ethics is one of the most significant religious issues and in a sense it is the most central goal of the divine prophets, because without ethics, religion has no meaning for the people and their world does not get organized. The ethical views of Islamic work, which originate from the Qur'an and the words and deeds of the Holy Prophet (PBUH), have given virtue and honor to work, and have considered work as worshiping God, and coordination, cooperation and consulting have been emphasized in order to eliminate obstacles and avoid from errors. Also, in the ethics of Islamic work, it has been emphasized that justice and fairness in the workplace is one of the necessary conditions for social welfare and no one should be deprived of their full rights (Hassani & Judet Kordlar, 2012). In addition to organizational and legal criteria, organizations need a set of ethical and value guidelines to assist them in administrative behaviors and practices, make a kind of coordination and procedure unity in moving towards the desired collective and

public way. One of the important factors for the formation of inter-organizational communication and employees' conditions is the ethical atmosphere, which has a significant impact on organizational productivity (Elci & Alpkan, 2009). Organizations pay attention to ethical issues because people expect them to show high levels of ethical standards. High levels of ethical standards support people who work in the organization or work in high-risk situations.

In recent years, executives working in the public service sector, whose job it is to provide a wide range of governmental services, have been widely criticized. Unethical behavior, partisanship, unfaithfulness to the organization and paying attention to personal interests, non-compliance with the rules and regulations of government officials have always been major problems that have been considered in most countries and governments have tried to implement some plans to improve employees' behavior. Thus, it is expected that the ethical atmosphere of this organization is somehow appropriate, and is effective in communication, morale, motivation and job satisfaction of employees. Certainly, an inappropriate ethical atmosphere can affect employees' behavior and put the organization's management in crisis. Therefore, it is necessary to pay more attention to the education and training organization than any other organization and to plan programs for the ethical promotion and growth of this organization (Qing et al, 2019).

Considering the importance of the issue, the aim of this paper is investigating the relationship between work ethic patterns and ethical values of the organization and structural equation modeling approach.

Literature Review

(Khayat Moghadam & Tabatabai Nasab, 2016) conducted a study entitled components of professional ethics in management. The present study is applied and qualitative research. The statistical population included all managers of Kimia Tose'e Sanabad Housing Cooperative. The findings indicated that the ranking of the components of professional ethics in management can be considered as: responsibility, trust in God, honesty, trusteeship, justice, etc., respectively. In the sample, the spirituality factor is in the first rank, the intra-individual and extra-organizational factors are in the second and third ranks, the intra-organizational and extra-individual factors are in the next ranks. Finally, the professional ethics of managers in this society is at a desirable level.

(Salehi Amiri & Karimi Khozani, 2016) conducted a study entitled the role of social ethics on social and public Security. Regarding the relationship between ethics and social security, both virtuous and participatory ethical behaviors which are presented in the form of citizenship ethics, play a role. Considering the relationship between ethics and public security, shame and revelation as an ethical concept and feeling guilty as a religious- ethical concept in the form of ethical utilitarian behaviors play a role in decreasing crime and somehow improving public security.

(Shah Ali et al, 2015) conducted a study entitled the model of implementing professional ethics in Iranian organizations. In the mentioned study, first the factors affecting professional ethics have been extracted based on documentary methods from available authentic sources and then based on Delphi technique, the most important influential factors have been refined according to the viewpoints of relevant experts. The research findings showed that the factors affecting the implementation of professional ethics in organizations can be scrutinized in three dimensions of: individual, organizational and environmental.

(Mohajeran B. & Shohoudi, 2014) conducted a study entitled modeling the relationship between professional ethics and spirituality in working with social responsibility among nurses in public hospitals in Kermanshah. The results presented that there was a positive and significant relationship between professional ethics and spirituality in work and between spirituality in work and social responsibility. Also, spirituality in work has a mediating role in the relationship between ethics and social responsibility. And by confirming the mediating role of spirituality, professional ethics has an indirect, positive and significant effect on the social responsibility of nurses.

(Piang Tan et al, 2017) conducted a study on ethical values and citizenship behaviors using content analytics. Researchers stated that responsibility is one of the most important factors in citizenship behavior, after that, organizational commitment is also an important factor in ethical values. According to the studies and analysis of the research content, factors such as mutual respect, competence and individual competencies, trusteeship, honesty, etc. were identified as ethical values governing citizenship behaviors.

(Chokprajakchat & Nittaya, 2017) conducted a study entitled implementing the legal requirements of professional ethics for government employees in Thailand. The required data were collected by holding the focus groups of the executive and operational officials of the organization and in a sample group of 5795 government

employees in 117 organizations. The results revealed that the vast majority of government employees recognize these requirements legal, and one of the subsidiary findings of the research was that employees also publish these requirements among their colleagues so that all new and old employees recognize these requirements legal. Among these requirements, it can be mentioned to the compliance with all the rules and regulations of the organization, observance of discipline, respect and mutual trust, etc.

(James & Miller, 2017) led a study entitled the legal requirements of ethics in public health. Legal requirements for public health ethics have been approved by the American Public Health Association (APHA) for more than 10 years and have been very effective in this field. However, in this study, several organizations affiliated with the Ministry of Health have defined specific ethical guidelines for their organization and required employees to comply with them. Researchers have stated that legal requirements for improving the organization's performance and better and faster achieving the organization's goals lead to increased public health at the community level. Among the stated requirements it can be mentioned to the organizational ethics and discipline, professional medical ethics, respect and mutual trust between staff and patients, and compliance with professional research and development ethics.

(Stoeber & Hongfei, 2016) conducted a study on the relationship between ethical perfectionism and ethical values based on virtues and judgments. In this study, honesty, responsibility, justice, public trust, mutual respect, individual competencies, trusteeship, etc. were considered as ethical values, and the relationship between each of these factors on ethical perfectionism was assessed and investigated. The results indicated that ethical values have a positive

and significant relationship with ethical perfectionism. This study also revealed that ethical perfectionism is a personality trait that is rooted in people's culture and is influenced by people's moral values and moral attitudes.

Theoretical framework
Ethical values of the organization
Moral values in the organization describe the cultural characteristics of an ethical environment. The ethical environment of the organization includes the ethical ideologies chosen by the members of the organization, the institutionalized ideologies related to ethical management and leadership, and the ethical rules that in practice shape the organization. These environments can increase individuals' reasoning and ethical justification under many conditions, and improve employees' behaviors towards work situations that are ethically vague and incomprehensible. As a result, the organization is responsible for the ethical climate of the workforce rather than expecting too much from employees for ethical self-monitoring. Previous research studies have shown that people's perceptions of these values are positively associated with specific ethical beliefs and ethical management. Employees prefer an organizational environment with an ethical atmosphere. The organization's ethical values increase employees' general responses to work (Bloom, 2010). Organizational commitment, organizational justice, ethical culture of the organization and social responsibility of the organization are the manifestations and results of ethical environments and ethical values. Employees who are affected by the organization's ethical values are often associated with the organization's values.

In the present study, work ethic patterns include organizational justice, organizational

commitment, work ethic culture, and organizational social responsibility.

Work ethic patterns
Ethics is something that is different from the behavior based on the law. Legal behavior has its roots in a set of principles and rules that determine the individuals' type of activity, are generally accepted by society; they should be performed and they are also applied in the courts. Work ethic patterns are among the concepts that are reflected in the organization's human resources. Maintaining ethical work and human role models in performing work actions is essential for correctly performing an action and its effectiveness (Bloom, 2010). Professional ethics refers to business operations within the framework of ethical principles. Playing the social responsibility of an organization includes an aspect of professional ethics

principles (Ronaghi & Faizi, 2011). The knowledge of professional ethics, with an emphasis on transparency and explanation of anti-moral practices and taking their responsibility, necessitates the development of comprehensive and disciplined ethical principles in the organization. In generating work ethic patterns in organizations, jurisprudential and legal approaches should be considered (Sarmadi & Shalbaf, 2007). Social ethics constitutes an area of a society's public culture that includes social beliefs, values, and norms (Chitsaz, 2010). Individual ethics are personal standards and values that govern how one interacts with other people. Individual ethical sources include: the effect of family, peers, friends, personal growth and development environment, and participation in social institutions. (Giourian, 2010) (Figure 1).
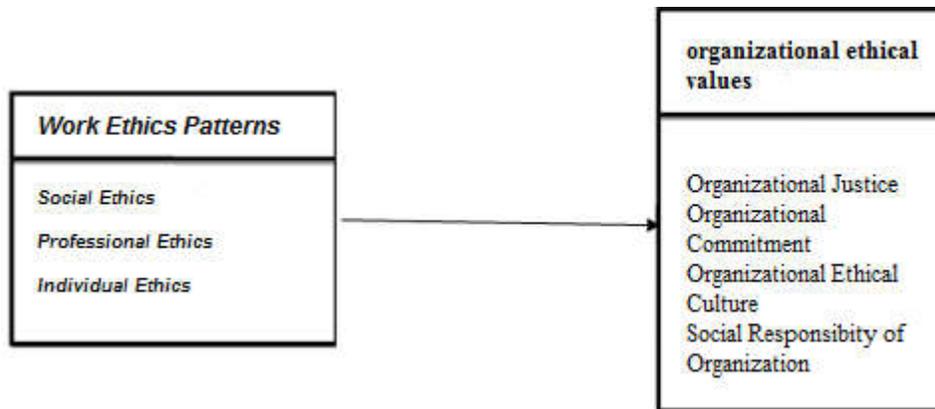

Figure 1. The conceptual Model of Study

Research Hypotheses
Based on the presented conceptual model, the research hypotheses are explained as follows:
1- There is a significant relationship between social ethics and organizational ethical values in the tax administration.
2- There is a significant relationship between professional ethics and

organizational ethical values in the tax administration.
3. There is a significant relationship between individual ethics and organizational ethical values in the tax administration.

Method
Considering the purpose, the present study is applied, regarding the nature, it is

descriptive, and in terms of method, it is of survey type. The statistical population includes: 1) Managers and experts in the field of ethics (organizational ethics), that were used to identify the desired components.11 people were considered through non-probability sampling method. 2) 727 of managers and employees of the Tax administration of Kerman Province, were used in the pattern testing process. They were selected by stratified sampling method. A questionnaire (identified from theoretical foundations and interviews) was used to collect the required data. The questionnaire of organization's ethical values included 17 questions, and four components of organizational justice, organizational commitment, organizational ethics culture, and social responsibility of the organization. The questionnaire related to organizational ethics patterns included 9 questions and three components of professional ethics, social ethics and individual ethics. Questions are in the form of a 5-point Likert scale range from completely agree to completely disagree. To assess the content validity of the questionnaire of the components of the ethical values of the organization, the opinions of experts who have participated in making the model have been used. In this way, by sending them a questionnaire, they have been asked to comment on the questionnaire questions and their relevance to the research hypotheses using the options of completely inappropriate, inappropriate, relatively appropriate, appropriate and completely appropriate which have the numerical values of 0%, 25%, 50%, 75% and 100%; respectively. The content validity of the research questionnaires has been obtained higher than 0.37. Cronbach's alpha coefficient of research variables was estimated to be higher than 0.7 according to (Table 1), which indicated the internal coordination of items confirming the reliability.

Table 1. Cronbach's alpha coefficient for the variables and components of the research questionnaires

Variable / Component	Alpha Cranbach
Ethical values of the organization	0.910
Organizational Justice	0.829
Organizational Commitment	0.801
Ethical culture of the organization	0.771
Social responsibility of the organization	0.786
Ethical patterns of the organization	0.881
Professional Ethics	0.811
Social ethics	0.739
Individual ethics	0.712

Data analysis was performed using structural equation modeling using Imus software (Figure 2).
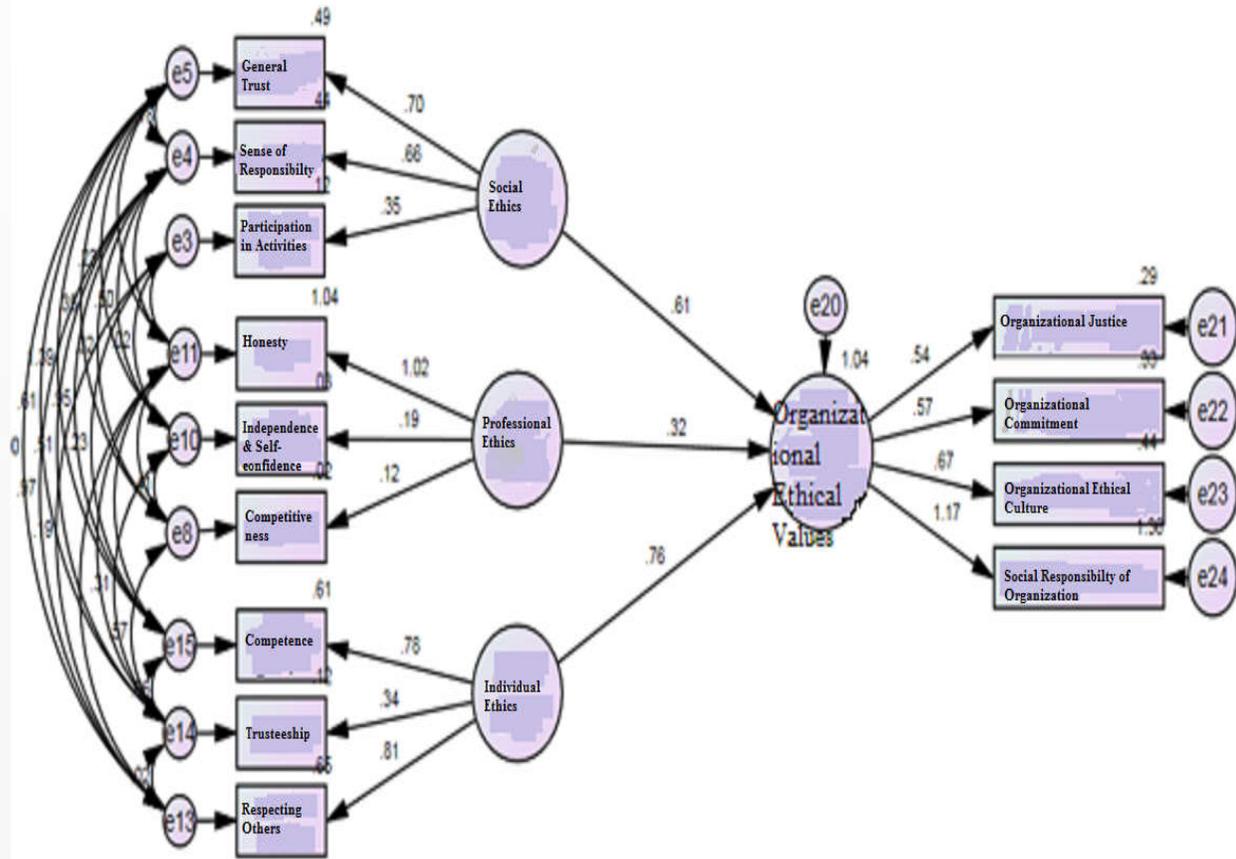
CMIN =67.33 ‹P = 0.123 ‹CMIN/DF = 1.22 ‹RMSEA= 0.030
Figure 2. Structural model of research

Research Findings

According to the results of (Table 2), in the case of model fit analysis, considering the fitness indicators, it can be stated that the factor analysis model has a suitable fit to answer the considered question and also test the main research hypotheses. In other words, due to the appropriateness of fitness indicators, this model can be used to explain and design the model of ethical values based on the dimensions of ethical patterns in the Tax Administration of Kerman Province.

Table 2. Characteristics of the fit of the structural model of the research variables

Indicators of Model fitness	RMSEA	NFI	CFI	TLI	IFI	AGFI	GFI	P	NPAR	CMIN/DF	DF	CMIN
Fitted pattern	0.030	0.94	0.99	0.98	0.99	0.93	0.96	0.123	50	1.22	55	67.33
Optimal values	0.08<	0.90>	0.90>	0.90>	0.90>	0.90>	0.90>	0.05>	_	3<	_	df =

The results of the above model test show that the relationship between social ethics dimension and work ethic values (P <0.05, t = 4.14, β = 0.61) is positive and significant. Also, the relationship between professional ethics and organizational ethical values (P

<0.05, t = 2.04, β = 0.032) is positive and significant. Also, the relationship between work ethic and organizational ethical values (P <0.05, t = 8.22, β = 0.76) is positive and significant (Table 3).

Table 3. The relationship of latent variables to each other

Routes	Route coefficients			Level of Significance
	Standardized parameter	**Not standardized Parameter**	**t-value**	
Social ethics→ Organizational ethical values	0.61	0.38	4.14	0.001
Professional ethics→ Organizational ethical values	0.32	0.10	2.04	0.041
Work ethics→ Organizational ethical values	0.76	0.26	8.22	0.001

Discussion

According to the results of the relationship between social ethics and organizational ethical values in the tax administration was positive and significant with the standard coefficient of (0.61) and (t = 4.14) and the significance level of (0.001). Thus, according to the results, there was a significant relationship between social ethics and organizational ethical values in the tax administration with 99% confidence. This finding is in line with the research studies conducted by Salehi Amiri and (Salehi Amiri & Karimi Khozani, 2016), (Mohajeran B. & Shohoudi, 2014), (Sun Jung et al, 2010). Another result of this study was that the relationship between professional ethics and organizational ethical values in the tax administration was positive and significant with the standard coefficient of (0.32) and (t = 2.04) and the significance level of (0.041).Therefore, according to the results, there was a significant relationship between professional ethics and organizational ethical values in the tax administration with 95% confidence. This finding is in line with the studies

conducted by (Khayat Moghadam & Tabatabai Nasab, 2016), (Arianpour & Mehrabi, 2018), (Shah Ali et al, 2015), (Mohajeran B. & Shohoudi, 2014), (Chokprajakchat & Nittaya, 2017), (James & Miller, 2017).

Finally, the relationship between individual ethics and organizational ethical values in the Tax administration was positive and significant with the standard coefficient of (0.76) and (t = 22.22) and the significance level of (0.001). Thus, according to the results, there was a significant relationship between individual ethics and organizational ethical values in the tax administration with 99% confidence. This finding is in line with the studies conducted by (Shah Ali et al, 2015), (Mesbahi & Abbaszadeh, 2013), (Piang Tan et al, 2017), (Stoeber & Hongfei, 2016).

Practical suggestions

In order to examine the relationship between social ethics and organizational ethical values in the tax administration, the followings are recommended:

➢ Efforts should be made to promote public trust, sense of responsibility, and participation in activities in the organization.

➢ Employees should try to provide the best benefits for other employees and present tools to solve the problems of their employees and provide complete and available information for employees to encourage each other to redouble their efforts in the organization.

➢ Employees should also provide each other with information that enables employees to select the best options and share information about each other's experiences when using different products and services and provide them with satisfaction, and in this regard, the employees should try to expand the mutual support of each other.

➢ It is suggested that staff's socialization be more seriously pursued at the beginning of employment so that people become familiar with the positive and negative aspects of their future careers from the start, and if they do not meet their expectations, they will voluntarily relinquish before entering the organization in order to increase the commitment of employees to the organization, and also through this, people will establish the ethical framework for themselves.

➢ By strengthening the dimensions of organizational culture in the organization, it can be helped to the improvement of the participatory management. Group work for achieving common goals should be valued, in important decisions, individuals' ideas should be taken

into account, and managers should provide appropriate cultural contexts and training to involve employees in the organization's affairs. Also, a ground should be provided for co-workers to work together in a coherent and united manner, and some meetings should be allocated for more cohesion in works, and employees' attitudes toward participatory management should be improved. The goals, mission and duty of the organization should be clearly defined so that individuals have a clear understanding of them, and managers focus more on long-term goals.

In order to examine the relationship between professional ethics and organizational ethical values in the tax administration, it is recommended that:

➢ Managers need to keep in mind that organizations cannot be managed just by rules and regulations govern, but along with them, other tools called ethics, are also needed. Undoubtedly, strengthening ethics in the public sector can play an important role in improving the quality of services provided by public organizations and increasing the legitimacy of these organizations in the public eye. Senior management itself is a model of the role, and should not send unclear messages and, while talking about certain ethical standards, it should follow other standards, in practice. Senior management should not promote unethical behavior. On the other hand, the ethical behaviors of the company and industry must be upgraded and reinforced. Today's

organizations need to be committed to creating and maintaining an ethical organizational culture. This type of ethical organizational culture has been labelled "social glue" by one expert; as the organization is bandaged by the values, beliefs and methods on which it is based and organizational operations are performed. Generating an ethical atmosphere in the organization also plays a main role in satisfying and increasing the commitment of employees in the organization, which results in improving productivity in the organization.

➢ Functional goals must be achievable and valid, well-conveyed, and reflect ethical standards. Unreasonable pressure and expectations lead to unethical behavior.

➢ Awareness of colleagues' performance has an enormous impact on people's unethical behavior. The supervisor also has a strong effect on the ethical behavior and ethics of his/her subordinates. And if organizations intend to affect on the ethical behavior of their members, they need to focus on the appropriate sample people and reinforce that particular behavior.

In order to examine the relationship between individual ethics and organizational ethical values in the tax administration, the following are recommended:

➢ The competency model usually includes a set of required managerial competencies, some of which are easily modified through training, and some are not. It is suggested that this model is used as an important

and scientific criterion in the selection process of managers. Use the competency model of the present study when recruiting new managers, appointing, promoting, recognizing talents, succession programs, performance appraisal, and rewarding managers. Evaluate the research model in current managers and examine their capability to develop their managerial competencies. Training courses should be held in line with this model to improve managerial competencies.

➢ Due to the perceptual factors, it is recommended to senior managers use the capabilities and competencies of current managers through presenting a specific and systematic program, and attract and train the most qualified managers to improve the scientific level of employees and consequently the community. And according to the religious and value factors, people who are committed to the system and firm belief in the Imam and guardianship should be used to help control and guide the staff in case of any tension.

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