The Impact of Individual Factors on Unethical Behaviors - Egoism in the Workplace: A Predictive Model Development

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Abstract

The purpose of this study was 1) to examine the relationship between unethical behaviors—egoism and individual factors, 2) to examine whether or not, unethical behaviors—egoism can be predicted by certain individual factors. One hundred and fifty subjects participated in this study. Using correlation and hierarchical multiple regression analyses, results revealed a positive relationship exists between unethical behaviors—egoism and certain individual factors, namely risk taking, personality, cultural background, and type of education. Additionally, results revealed that unethical behavior—egoism can be predicted by only one individual factor namely risk taking. Based on the outcomes of this study, implications and recommendations for further studies were provided.

Keywords: Ethics, Egoism, Individual Factors, Correlation, Hierarchical Multiple Regression

Introduction

Organizations should always act ethically while dealing with their internal and external communities. Internally, when this occurs, employees tend to imitate such behaviors (Erondu, Sharland, & Okpara, 2004). Since ethics are a vital factor affecting organizational effectiveness, innovativeness, and success, engendering ethical practices should always be enforced by organizational top management (Morgan, 1993). Often, top management is pressured to behave unethically for meeting deadlines (Week & Nantel, 1992). And thus, many unethical codes of conduct have been spotted worldwide (Beyer & Nino, 1999). According to Knight and O'Leary (2006), recently, there has been a great emphasis on top management ethical behavior. This emphasis stemmed from the new paradigm of globalization that many organizations are engaged in (Beyer & Nino, 1999). Nevertheless, ignoring ethical practices and enforcement by organizations is becoming a serious issue that adversely impacting organizations (Koh & Boo, 2001). Furthermore, according to Arjoon (2000), because of crises facing organizations, the top management eventually is being blamed for.

According to Chock lingam, Desponded, and Joseph, (1998), there are many individual factors that impact the formation of ethical conducts. These include, age, length of employment, and the level of education (Ford & Richardson, 1994). Moreover, inquiring more information about such factors will likely enrich our understanding of how these factors relate to organizational ethical practices (Koh & Boo, 2001).Many studies have examined ethics in organizations.

For example, Barnes and Powers, (2006) examined the relationship between organizational ethics and customer satisfaction. Ensher, Grant-Vallone, and Donaldson (2001), also, examined the relationship between organizational ethics and organizational citizenship. Wah, (1999), investigated the association between organizational ethics and financial performance. However, given the fact that these studies and others exist, there was not any that predict unethical behaviors via one's individual factors, thus, the purpose of this study is 1) to examine the relationship between unethical behaviors and these individual factors;and,2) to provide a predictive model that predicts unethical behaviors via different individual factors.

Literature Review

Ethics and Egoism

The origin of ethics stemmed from "Sanskrit word 'sydha' which means self-position, self-condition, habit, or custom" (Fraedrich, Ferrell, & Pride, 1989, p. 688). According to Alas, (2005, p. 71), "Ethics means accepted standard in terms of one's personal and social welfare". According to Erondu et al., 2004, p. 350), ethics "relates to choices and judgments about acceptable standards of conduct that guides the behavior of individuals and groups"."Ethics of CEO play a meaningful role in the way business gets done" (Verschoor, 2006, p, 19). Thus, engendering an ethical work environment is an essential task that top management should not neglect. Moreover, top management should promote, communicate, and support ethical work environment at all levels of the organization. This is vital for enhancing organizational potentials including productivity, performance, and the overall success (Koh & Boo, 2001).According to Northouse (2004), egoism is a teleological ethical perspective that stresses individuals' actions consequences. Furthermore, Northouse asserts that egoism fundamentally is concerned with gaining benefits at the expense of others, and thus, as a behavior is considered unethical.

Individual Factors Influencing Code of Conduct

Researchers have examined many individual factors affecting behaviors. These factors, however, "represent the sum total of the life experiences and circumstances of birth that a particular individual brings to the decision making process" (Ford & Richardson, 1994, p.206).For the purpose of this study, religious beliefs, education type, manipulation, values, personality, risk taking, and cultural background as individual factors are further examined.

According to Ford and Richardson (1994), McNichols and Zimmerer (1985), asserted that the magnitude of the belief is directly related to ethical behavior. Type of education was also examined. According to Sankaran and Bui (2003), business major students tend to behave less ethically than non-business students. Moreover, according to Ford and Richardson, Chonko and Hunt (1995), reported that managers with technical educational background tend to be more concerned with ethical behaviors than non-technical educational background managers. According to Hegarty and Sims (1978), individuals with high tendency of manipulating others, tend to have a high tendency of behaving unethically. This finding was also supported by Singhapakdi and Vitell (1990) who asserted that manipulative managers tend not to take ethical problems very seriously. Further, when it comes to values, Hegarty and Sims indicated that unethical code of conduct were directly related to political and economic values. Moreover, according to Tang and Chiu (2003), the quest for money leads to committing unethical conducts. Sankaran and Bui also reported that a competitive personality negatively impacted ethical behaviors. According to Gibson, Ivancevich, and Donnelly (1997), individuals with high level of risk taking tend to engage in more risky behaviors than those of lower risk taking individuals. Finally, with reference to cultural background, Armstrong and Sweeney (1994) asserted that cultural background affects code of conduct of consumers. The same finding was also supported by (Ford, Nois, & Hudson, 2005). Moreover, cultural background was found to be affecting attitudes of individuals' code of conduct (Christie, Kwon, Stoeberl, & Baumhart, 2003).

Based on the above review of the literature, the purpose of this study is 1) to examine the relationship between these individual factors and unethical behaviors, 2) to provide a predictive model that predicts unethical behaviors via different individual factors.

Methods

Operationalization and Measurements

For measuring the impact of individual factors on one's behavior, a descriptive single scale questionnaire was used which was developed by the author and used previously in another study (*******). This scale is in its early development stage, however, in this study, the scale reliability was 0.55. An example of these questions is "My religious beliefs positively influence my behavior".

For measuring unethical behaviors, the instrumental part of Victor and Cullen, (1988) ethical work climate questionnaire was used. This part includes seven questions by which egoism (unethical) behavior is measured. An example of these questions is "In this organization, people protect their own interests above all". This questionnaire has a scale reliability of 0.8 (Cullen, Victor, & Bronson, 1993). Both questionnaires had a 4 point scale, including 1: strongly disagree, 2: disagree, 3: agree, and 4: strongly agree.

The Research Questions

The attempt of this study is to answer the following questions:

1. What is the relationship between individual factors and unethical behaviors?
2. Can unethical behaviors be predicted by individual factors?

Research Context, Subjects Selection, and Data Analysis

The research was conducted in Kuwait utilizing private hospital personnel. The hospital is well known and considered among the elite health organizations in Kuwait. The entire hospital population was surveyed with the exclusion that was made due to logistics and English language related issues. However, the final population of the subjects was 150. Physicians, nurses, technicians, management, and non-management personnel were among the subjects. The study participation was voluntary and imposed neither harm nor risk on participating subjects. For the purpose of analyzing the data, SPSS was utilized using descriptive and inferential statistics including correlation and hierarchical multiple regression tests.

Results

Demographics

Out of 150 subjects, in terms of gender, 28% were males, 70% were females, and 2% did not indicate their gender. In terms of age, the majority of the subjects (40.7%) age were from 18 – 30, followed by (44%)whose age was from31 – 40, (11.3%) had an age of 41 – 50, and (2.7%) had an age from 51-60. However, since job type is among the individual factors investigated in this study, it's further elaborated. According to the analysis, among the subjects, 10.7% were physicians, 76% were nurses, 2.7% were technicians, 3.4% were management, and 4.7% were non-management personnel.

Result of the First Research Question

The first research question was what is the relationship between unethical behaviors and individual factors? In order to answer this question a correlation test was applied. Table 1 shows the results of this correlation test in details. According to Table 1, a statistical significant positive association exists among unethical behaviors and 4 individual factors. These factors are presented in the high-to-low order of the correlation magnitude (r-square). The r-square value is the strength of association between the correlated variables that shows the amount of variation each variable is accounted for. Thus, risk taking had the highest correlation (sig=.011, r=.207, r-square=4.3%), followed by personality (sig=.016, r=.197, r-square=3.9%), then, cultural background (sig=.031, r=.176, r-square=3.1%), and finally, the type of education (sig=.041, r=.167, r-square=2.79%).Even though, the magnitudes are relatively small, but, the fact remains that, these factors have an impact on the potentiality of engaging in unethical behaviors.

Result of Second Research Question

The second research question was an unethical behavior is predicted by individual factors? To answer this question, a hierarchical multiple regression analysis was applied. The order in which individual factors were entered in the model was based on the correlation output in table 1. In other word, the sequence of entrance was according to the correlation magnitude (r-square) between the factor and the unethical behaviors. Table 2 shows the entire hierarchical multiple regression models used in this study. According to the regression analysis, the regression model-1 shows that risk taking alone is a significant predictor of unethical behaviors (beta=.207, t=2.579, sig=.011, adjusted, r-square=.037) and accounted for 3.7% of the variation of unethical behaviors. The regression model-2 shows that risk taking and personality together are significant predictors of unethical behaviors (beta=.185, t=2.316, sig=.022, adjusted, r-square=.060, beta=.173, t=2.161, sig=.032, adjusted, r-square=.037 respectively) and both accounted for 6.1% of the variation of unethical behaviors. Regression model-3 shows that when cultural background was added to risk taking and personality, only risk taking came to be a significant predictor of unethical behaviors (beta=.177, t=2.157, sig=.033, adjusted, r-square=.055) and accounted for 5.5% of the variation of unethical behaviors. Finally, regression model-4 shows that when type of education was added to risk taking, personality, and cultural background, only risk taking came to be a significant predictor of unethical behaviors(beta=.187, t=2.221, sig=.028, adjusted, r-square=.062) and accounted for 6.2% of the variation of unethical behaviors. Given this fact, it can be concluded that when all four factors are included in one model, unethical behaviors can be predicted by only one individual factor namely risk taking.

Furthermore, having a coefficient value of .182, which is positive, indicates that unethical behaviors are positively related to risk taking and it will increase as the practice of risk taking increases.

Discussion and Implications

The attempt of this study was to examine the relationship between unethical behaviors individual factors. According to the correlation analysis, it is evidenced that risk taking positively correlated with unethical behaviors. This finding was asserted by Gibson, Ivancevich, and Donnelly, (1997) given the fact that, high risk takers tend to engage in high risk practices which could be unethical. Thus, as implications of this, organizations ought to clearly define and communicate what risk taking entails. It does not entail engaging in unethical behaviors rather striving to gather adequate resources prior to making risky decisions. Risky decisions must always be rationalized with legal, ethical, economical, and practical fundamentals and evidences.

Personality also came next to risk taking in terms of the positive association with unethical behaviors. This finding was supported by Tang and Chiu (2003) while asserting that greedy individuals tend to commit unethical behaviors. As an implication of this finding, organizations should provide enough training programs to employees on how professionally they should conduct themselves in the work place. This conduction can be achieved by adopting better personality traits. Organizations can always promote and support such professional conduct throughout the entire organization.

Cultural background also positively correlated with unethical behaviors. This was asserted by (Armstrong & Sweeney, 1994). As an implication of this finding, organizations should investigate and become smarter with other culturally based practices. They should educate themselves about certain cultures and try as much as possible to engender, promote, and fully support an ethical culture within the organization.

Finally, the type of education had a positive correlation with unethical behaviors. This was supported by (Sankaran & Bui, 2003). As an implication of this finding, organizations should provide adequate knowledge to their employees about ethics and organizational ethical culture, especially for employees who lack proper ethical educational background.

Another attempt of this study was to examine if unethical behaviors can be predicted by individual factors. Based on the regression model presented in Table 2, it is evidenced that unethical behaviors were only predicted by risk taking. As an implication of this finding, from an organizational ethical point of view, organizations should pay close attention to employees with high tendency of risk taking. Nevertheless, employees including top management personnel will at some point in time have to take risks, however, when this happens they must ethically justify their actions. Organizations need to emphasize this fact, promote it, and fully supported.

Conclusion and Recommendations for Further Study

The objectives of this study were to first examine the relationship between individual factors that may affect one's behavior and unethical behaviors, and second, to examine whether or not, unethical behaviors can be predicted by these individual factors. This study took place in Kuwait in a private elite hospital. One hundred and fifty employees participated in this study. The result of the correlations analysis revealed a positive relationship between unethical behaviors and some individual factors namely, risk taking, personality, cultural background, and type of education. Furthermore, the result of a hierarchical regression analysis used in this study revealed that unethical behaviors can be predicted by one individual factor which risk taking.

For further recommendations, 1) conducting the same study in different private hospitals in Kuwait, 2) conducting the same study in different governmental hospitals in Kuwait,3) conducting the same study in different governmental hospitals in different parts of the world, and 4) conducting the same study using a larger sample.

Compliance with Ethical Standards

1. Funding: This study was funded only by the author.
2. Conflict of Interest: Author A declares that he/she has no conflict of interest. Author B declares that he/she has no conflict of interest.
3. Ethical approval: All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards.
4. Informed consent: Informed consent was obtained from all individual participants included in the study.

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Table: 1Correlation among the Individual Factors and Unethical behaviors

Individual Factors		Instrumental
Religious Beliefs	Pearson Correlation	.090
	Sig. (2-tailed)	.274
	N	150
Type of Education	Pearson Correlation	.167[*]
	Sig. (2-tailed)	.041
	N	150
Manipulation	Pearson Correlation	.109
	Sig. (2-tailed)	.184
	N	150
Values	Pearson Correlation	.123
	Sig. (2-tailed)	.133
	N	150
Personality	Pearson Correlation	.197[*]
	Sig. (2-tailed)	.016
	N	150
Risk Taking	Pearson Correlation	.207[*]
	Sig. (2-tailed)	.011
	N	150
Cultural Background	Pearson Correlation	.176[*]
	Sig. (2-tailed)	.031
	N	150

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table: 2Hierarchical Multiple Regression Model

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	Risk Taking[b]	.	Enter
2	Personality[b]	.	Enter
3	Cultural Background[b]	.	Enter
4	Type of Education[b]	.	Enter
a. Dependent Variable: Instrumental			
b. All requested variables entered.			

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.207[a]	.043	.037	3.428
2	.269[b]	.072	.060	3.387
3	.272[c]	.074	.055	3.395
4	.296[d]	.087	.062	3.382

a. Predictors: (Constant), Risk Taking

b. Predictors: (Constant), Risk Taking, Personality

c. Predictors: (Constant), Risk Taking, Personality, Cultural Background

d. Predictors: (Constant), Risk Taking, Personality, Cultural Background, Type of Education

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.196	1	78.196	6.653	.011[b]
	Residual	1739.496	148	11.753		
	Total	1817.691	149			

2	Regression	131.775	2	65.888	5.745	.004[c]
	Residual	1685.916	147	11.469		
	Total	1817.691	149			
3	Regression	134.683	3	44.894	3.895	.010[d]
	Residual	1683.009	146	11.527		
	Total	1817.691	149			
4	Regression	158.917	4	39.729	3.473	.010[e]
	Residual	1658.774	145	11.440		
	Total	1817.691	149			
a. Dependent Variable: Instrumental						
b. Predictors: (Constant), Risk Taking						
c. Predictors: (Constant), Risk Taking, Personality						
d. Predictors: (Constant), Risk Taking, Personality, Cultural Background						
e. Predictors: (Constant), Risk Taking, Personality, Cultural Background, Type of Education						

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	15.353	1.262		12.170	.000
Risk Taking	1.090	.422	.207	2.579	.011
2(Constant)	12.056	1.970		6.121	.000
Risk Taking	.974	.421	.185	2.316	.022
Personality	1.060	.490	.173	2.161	.032
3(Constant)	11.814	2.033		5.811	.000
Risk Taking	.930	.431	.177	2.157	.033
Personality	.891	.595	.146	1.496	.137
Cultural Background	.290	.578	.050	.502	.616
4(Constant)	10.050	2.360		4.258	.000
Risk Taking	.955	.430	.182	2.221	.028
Personality	.766	.599	.125	1.278	.203
Cultural Background	.163	.582	.028	.280	.780
Type of Education	.742	.510	.121	1.455	.148

a. Dependent Variable: Instrumental