

## Impact of Employee Attitude towards Professional Ethics on Motivation of an Organization: A Case Study

Nāgānanda International Journal  
of Humanities & Social Sciences

Vol: V , No. 3, 2023 pp. 26-39

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Issue Published Online:01 July 2023

ISSN No: ISSN 2961-5801-E (online)

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### Abstract:

Professional ethics provide a clear framework for employees to understand the values and principles that guide their work. Employees who exhibit good work ethics conduct themselves in a professional manner at all times. When employees believe in and align with ethical standards, they can enhance their motivation and drive to perform their work more effectively and efficiently. However, the issue is that neglecting to foster proper work ethics in the workforce can negatively impact both employee motivation and organizational performance. The main objective of the study was to find out the effects of employee attitudes towards professional ethics on motivation. 260 employees were chosen as the sample, and data were gathered using a quantitative approach. Both primary and secondary data collection methods were used. Data analysis was done using the descriptive analysis method. In order to achieve the research objective, linear regression analysis was performed. Based on the research findings, it was revealed that employee attitudes towards professional ethics affect employee motivation in the organization. Additionally, this paper discusses the value of professional ethics in the organization and encourages top management to motivate their employees by fostering strong professional ethics in the working environment.

**Keywords:** Employee attitudes, professional ethics, employee motivation, work ethics, organizational performance

**Received** : 01 January 2023

**Revised** : 10 March 2023

**Accepted** : 03 April 2023

**Published** : 01 July 2023

### TO CITE THIS ARTICLE:

A. Harini Navoda De Zoysa and W. A. G. Perera. Impact of Employee Attitude towards Professional Ethics on Motivation of and Organization: A Case Study. Nāgānanda International Journal of Humanities and Social Science.1:1, Pp.26-39

## **Introduction**

Employee attitude is paramount since it affects the capacity of a staff member to embrace change and reduces the probability of withdrawal activity. It is crucial to understand how to cultivate the proper kind and degree of employee attitude in order to guarantee that the best workers are kept, as research has shown that disengaged employees will take their attitudes in different directions. Regarding particular work duties, employees may have a positive or negative attitude in the workplace. A positive employee attitude contributes to the growth of the organization, whereas a negative employee attitude makes them indifferent to their everyday work.

Indeed, organizations appreciate the attitudes of their employees because it is often believed to reduce withdrawal behaviors, including tardiness, absenteeism, and turnover. Therefore, there's no denying that these values seem to have potentially significant effects on the overall functioning of the organization. So, the importance of studying employee attitude stems from the fact that those who have a positive attitude are more open to change and less prone to acting in a withdrawn manner. Because a core group of devoted people constitutes the foundation of an organization, it is evident that these principles appear to have potentially major repercussions for them. Therefore, it is critical for managers and employers to understand how to bring out the best in their workforce. Hence, this study aims to determine how employee attitudes towards professional ethics affect employee motivation in the organization.

## **Research Problem**

Employees can easily comprehend the ideals and guidelines that direct their work within a framework of professional ethics. Good work ethics require employees to always conduct themselves in a professional manner. Employees' motivation and drive to do their work more successfully and efficiently can be increased when they uphold and believe in ethical standards. But the problem is that failing to promote appropriate work ethics in the workforce can have a detrimental effect on employee motivation and organizational performance as well. Therefore, in this context, the research problem was to determine whether

employee attitudes towards professional ethics have an impact on the motivation of employees in the workplace.

### **Research Objective**

The main objective of this research was to find out the effects of employee attitudes towards professional ethics on motivation in the insurance sector.

### **Research Gap**

It has been highlighted in the literature review that numerous studies have been carried out in the context of employee attitudes and employee motivation independently. Only a small number of studies have characterized their relationships with respect to their impact on organizational outcomes, such as job satisfaction, retention strategy implementation, training strategies, and organizational performance across national boundaries. However, very little research has been done on how employee attitudes affect the organization's motivation. In order to ascertain the meaningful impacts of employee attitudes regarding professional ethics on motivation in the insurance industry, the current study makes this endeavor.

### **Literature Review**

#### **Definition of Motivation**

One of the most important factors in an organization's success is employee motivation, which has a significant impact on its growth and prosperity. Hence, in order to improve overall job performance, every organization needs to understand what truly inspires its employees. An abundance of literature has been provided regarding the widely accepted notion of employee motivation, especially since the 1930s. It is evident that Maslow, Herzberg, and other luminaries were largely responsible for the creation of motivation theories. Around the world, numerous studies have explored and conceptualized motivation. Motivation is a person's willingness to take initiative and is shaped by their activities to meet demands. As stated differently, motivation is the force behind people's actions, and it pertains to

the decisions people make in the course of their goal-oriented behavior.

Since it improves worker productivity, satisfaction, and performance as well as organizational effectiveness, employee motivation has become a modern idea in this century. Thus, employee motivation is crucial since only highly motivated workers can achieve their greatest potential. When presented with difficult work situations, motivated employees exhibit autonomous and creative thinking. But nevertheless, the efficacy of motivational strategies varies among individuals and organizations.

Through a review of the literature, it emerged that a number of researchers have defined employee motivation in different ways. The Latin word "movere," which literally means "to move," is where the word "motivation" originates. It is also a term used to describe an inner force that comes from a person's desire to succeed. In a recent study, Ruth Kanfer (2016) put it simply, saying that "motivation is a word that is part of the prevailing culture, like few other psychological conceptions." It is actually a motivating factor that encourages people to carry out, complete, or even just do things without being coerced or forced to. Put differently, Halepota (2005) defines motivation as "an individual's deliberate involvement and dedication to achieving the desired results." He went on to say that "there is no single approach that can consistently produce favorable results, and diverse techniques create different results at different times, making the concept of motivation abstract." Motivation, in the words of Farhad et al. (2011), is a force that bolsters behavior, offers a direction for conduct, and engenders the desire to carry on. He continued by saying that it stands for the psychological mechanisms that support the inspiration, guidance, and decision-making of goal-oriented, purposeful actions. In connection with it, motivation is described as "a process of decision-making by which an individual chooses desired goals and starts the actions required to reach them."

The information above makes it abundantly evident that all definitions of motivation make reference to psychological processes like need, action, and desire that ultimately influence people's behavior. As a result, motivation is crucial and has an internal influence on human behavior.

## **Value of Professional Ethics in the Organization**

Establishing a culture of ethics within an organization is a critical strategic goal that can provide significant benefits and ensure the growth of a devoted and successful business. In addition, maintaining strong ethics requires consistent adherence to the rules of moral behavior. As a consequence, companies are constantly working to improve the ethical climate in the workplace. As pointed out by Hempel & Porges (2004), ethical business practices increase revenue through increasing productivity, efficiency, and effectiveness.

It makes sense that businesses should contribute to creating such an environment in order to create an ethical organizational environment, as many research studies in professional ethics have identified moral problems that can lead to ethical ignorance, ethical disappointment, or bad intentions (Mayer, 2014). Additionally, this issue has been examined and discussed in a number of recent research papers (DeBode et al., 2013; Arulrajah, 2016). Regular employee education and training are crucial to addressing the unethical concerns within the organization. Concerns about professional ethics ought to receive more attention in this context. Nonetheless, it is critical that each employee understands the value of acting professionally, and they should receive training on the organization's policies and procedures. A monitoring committee should also be in place to make sure that the policies are adhered to (De Zoysa, 2019). In light of this, professional ethics are crucial because they enable any organization to create and preserve a robust and supportive ethical culture among its personnel. As a result, it seeks to instill a value system in a business while also reducing disapproval and boosting enthusiasm among staff members.

Measures of ethical cultures are based on three things: the content of ethics, the degree to which ethics is applied in daily operations, and the degree to which each person complies with ethical standards (Morgan, 2013). One must first understand the definition, tenets, and core of ethics in order to comprehend an ethical culture. Numerous research studies have been carried out regarding ethical behavior by employees (Dubinsky & Ingram, 1984; Hunt & Vasquez-Parraga, 1993; Schwepker, 2001). An ethical culture and standards influence long-term

employee behavior. They include self-control, secrecy and privacy, integrity, and justice practices, all of which increase workers' motivation, dedication, and job satisfaction (Heskett et al., 2008; Ferrell et al., 2012).

However, employees and organizational leaders face ethical dilemmas on a daily basis in today's corporate climate. These dilemmas may arise from whether their choices, deeds, or behaviors are morally righteous or immoral, or just or unfair. Therefore, employees in organizations must abide by a number of fundamental and unquestionable professional ethics rules. The importance of fair behavior, equality, fairness, and respect for the business and natural environments, together with honesty and dedication, is growing in the field of business ethics (Buchholz & Rosenthal, 1998). Keeping all of these guidelines in mind will enable employees to choose the right course of ethical irresolution; pressure, exhaustion, and a heavy workload won't be excuses for them to choose unethical solutions (Saremi & Nezhad, 2014). Employee morality improves a team's capacity for motivation, honesty, and integrity, as well as overall harmony. As a crucial aspect of professional ethics nowadays, the majority of organizations concentrate on the implementation of ethical standards and norms (Bulog & Granpiü, 2017). Moreover, ethical principles aid in recognizing normative assessments and direct and steer employees' thought processes by providing a structure for determining the appropriate course of action to take in ethical dilemmas instead of perceiving them through rose-colored glasses. According to this viewpoint, maintaining and implementing professional ethics in a constructive way is vital for any organization.

### **Employees Attitudes towards Ethics**

A number of studies and investigations have shown a significant correlation between morality and workplace productivity and attitudes (Komari & Fatile, 2013; Elci & Alpkın, 2009; Yucel & Ciftci, 2012). Furthermore, numerous empirical examples show that people will perform harder, better, and smarter when they are happy and favorably motivated (Browne, 2018). As pointed out by researchers, both organizational productivity and employee satisfaction are impacted by attitude (Offorbike et al., 2018). According to Douggan et al. (2015), a productive organization where employees are proud and customers, suppliers,

and partners desire to do business is often the result of a constructive approach towards sustaining acceptable standards of working ethics. Positive or negative attitudes among employees have a significant impact on their performance and can significantly alter their work environment. Moreover, as demonstrated by a researcher, overall productivity is positively impacted by a positive attitude and vice versa (Joseph, 2012). According to Omisore et al. (2015), employees with strong work ethics put in more hours and spend less time relaxing, which leads to better performance and benefits the company even in terms of overall performance.

According to research by Ahmed et al. (2003), cultural shifts have an impact on employee attitudes toward and responses to business ethics. According to another poll, managers and staff in the business community have a basic understanding of the concept of social responsibility and a positive attitude towards it. They also believe that if a firm has the opportunity to benefit the community in a unique way, it will benefit (Milenkovska et al., 2019). To build good employee positions, several methods are employed, such as providing ethical training, identifying ethical behavior in the workplace, including ethics in performance evaluations, and having an open dialogue about ethical difficulties.

## **Research Methodology**

A quantitative methodological approach is used to guide the research, and both primary and secondary data collection techniques are used. The knowledge gleaned from the literature review provides the basis of the theoretical framework for this study. Surveys are another method used to collect primary data. The analysis of the quantitative data is done using SPSS 20. A sample of 260 employees was chosen from the whole population. A random sampling procedure was employed to choose study participants.

## **Research Design**

Life insurance companies' permanent staff members were selected for the study. Self-administered questionnaires were distributed to the target respondents, and quantitative data was gathered via semi-structured surveys. The questionnaire's items were all written in English and were derived from references found in the

literature on employee motivation. 260 employees in total were selected as research participants by using a random sampling technique from the entire population. Workers employed by life insurance companies in their Colombo headquarters were asked to complete a survey. The study is looking into the managerial and administrative personnel of three specific life insurance companies. A selection of companies was made on the basis of their industry profile and organizational performance.

### **Methods of Data Collection**

In order to gather information for this study, primary and secondary data sources were collected based on research questions. A variety of academic publications, magazines, books, and online databases were used to collect secondary data sources, and self-prepared questionnaires designed with the existing literature served as the primary data source. Thus, the primary research tool for this study is a questionnaire. The operationalization method was used to design the questionnaire, which used a five-point Likert scale.

### **Data Analysis and Interpretation**

The data analysis was done using the Statistical Package for Social Sciences (SPSS 20 version). Both descriptive and inferential statistics were used in the present study. To accomplish the research objective, the researcher has chosen to employ a simple linear regression model as the analytical framework for the purpose of this study.

## **Results and Findings**

### **Descriptive Statistics**

The demographic data of the sample's respondents is shown in Table 1, which is included below.

**Table 1: Sample Characteristics of the Respondents**

Description	No. of Respondents/ Frequency	Valid Percentage (%)
<b>Gender</b>		
Female	157	60.4%
Male	103	39.6%
<b>Age in Years</b>		
21-30	49	18.8%
31-40	114	43.8%
41-50	67	25.8%
Above 50	30	11.6%
<b>Highest Level of Education</b>		
G.C.E (A/L)	127	48.8%
Diploma	57	21.9%
Bachelor Degree	65	25%
Postgraduate Degree	11	4.2%
<b>Current Job Position</b>		
Senior Manager	8	3.1%
Manager	37	14.2%
Executive	33	12.7%
Insurance Assistant	91	35%
Clerical	73	28.1%
Other	18	6.9%
<b>Period of Employment</b>		
1-10 years	63	24.2%
11-20 years	99	38.1%
21-30 years	76	29.2%
31-40 years	22	8.5%

Source: Analysis of Survey Data, 2022

As displayed in Table 1 above, the survey results show that 60.4% of respondents were female and 39.6% of respondents were male, based on the study's findings about the demographic profiles of the respondents. The majority of the sample (43.8%) of respondents were in the 31–40 age range. Similarly, a minority sample of 11.6% of the respondents was over 50. This suggests that the poll's participants are most likely younger. The majority of respondents (48.8%) have G.C.E. (A/L) educations, followed by bachelor's degrees (25%), certificates (21.9%), and other educational backgrounds. Postgraduate degree holders are a very small minority, making up only 4.2% of the population. The study also found that 35% of participants were insurance assistants, with the majority of them

working in administrative roles and barely any of them in the highest managerial positions. The majority of respondents have worked there for eleven to twenty years, followed by twenty-one to thirty years, one to ten years, and eight years, in order of length of employment.

### Testing of Hypotheses

Linear Regression Equation:  $y_i = \beta_0 + \beta_1 X_i + \epsilon_i$

Null Hypotheses (H0): There is no significant impact of employee attitudes (EA) on employee motivation (EM).

Alternative Hypotheses (H1): There is a significant impact of employee attitudes (EA) on employee motivation (EM).

To test the hypothesis, the study used linear regression analysis to investigate the association between the independent variable, which was employee attitudes, and the dependent variable, which was employee motivation.

The results of the analysis's findings show that employee motivation and attitudes are significantly correlated ( $F(10, 249) = 7.818, p < 0.001$ ). This suggests that employee attitudes have a significant impact on employee motivation ( $b = .009, p.05$ ). The evidence clearly indicates that employee attitudes have a positive impact on employee motivation. Furthermore, the model explains 23.9% of the variability in employee motivation, according to the coefficient of determination ( $R^2 = .239$ ). A succinct summary of the research findings is shown in Table 2, which is provided below.

**Table 2: Summary of the Results for Linear Regression Analysis**

Hypothesis	Beta Coefficient	R <sup>2</sup>	F	t- value	p-value	Hypothesis Supported
H <sub>1</sub>	.004	.000	.004	23.269	0.95	No
H <sub>2</sub>	.124	.015	4.054	2.013	.045	Yes
H <sub>3</sub>	-.108	.012	3.056	-1.748	.082	No
H <sub>4</sub>	.131	.017	4.482	2.117	.035	Yes
H <sub>5</sub>	.226	.156	47.734	6.909	.000	Yes
H <sub>6</sub>	.079	.051	13.926	3.732	.000	Yes
H <sub>7</sub>	.129	.016	4.209	1.118	.025	Yes
H <sub>8</sub>	.121	.012	4.260	2.361	.032	Yes
H <sub>9</sub>	.020	.011	4.282	.476	.037	Yes
H <sub>10</sub>	.099	.010	2.555	1.598	.111	No

Source: Constructed by the Researcher, SPSS output

Table 2 presents the overall study results, which show that employee motivation in the insurance industry is influenced by the employees' attitudes towards professional ethics. Seven null hypotheses were found to be rejected (H02, H04, H05, H06, H07, H08, and H09) since the significance value was less than 0.05. Additionally, the investigation revealed that three null hypotheses (H01, H03, and H010) were accepted because the significance value was higher than 0.05.

## Conclusion

The main goal of the study was to find out the effects of employee attitudes towards professional ethics on motivation in the insurance organization. To accomplish the research purpose, the researcher has developed hypotheses, each of which examines whether or not employee attitudes have a major influence on employee motivation. The hypothesis was tested in the study using linear regression analysis to look into how employee attitudes affected motivation. The results of the findings showed a significant relationship between employee motivation and attitudes. Therefore, it can be concluded that attitudes such as believing integrity in the workplace encourage them to perform their work, believing honesty encourages them to develop new and more efficient ways to do their work, being punctual at the office makes them motivated to work effectively and efficiently, being responsible

gives them more value and pride in their work, and it motivates them to do more; believing an employee should be loyal to the organization; believing confidentiality in the workplace encourages their motivation; and believing ethical behavior is important in the workplace have a positive effect on employee motivation. As well, according to the research findings, it was shown that employee attitudes towards participating in ethics training programs, believing doing the right thing is important, and believing ethical decision-making is essential at the workplace do not have an effect on employee motivation in the workplace. So, based on the above overall research findings, it can be concluded that there is a significant impact of employee attitudes on their motivation in the organization.

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