[DEVOTION TO ORGANIZATIONAL ETHICS IS A FACTOR IN ENABLING EMPLOYEES' PERFORMANCE AT THE WORKPLACE]

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ABSTRACT

This study investigated the relationship between adherence to organizational ethics and employee performance, with three main objectives: This study will aim at (i) establishing the level of the relationship between organizational ethics and employee performance, (ii) determining which ethical principles have the most significant impact on employee performance, and (iii) establishing ways for enhancing the levels of organizational ethics. Primary and secondary data were collected using literature reviews, and only reliable information was used. This study established a positive correlation between ethics and organizational success—specifically, integrity, fairness, accountability, organizational transparency, and ethical leadership with trust, job satisfaction, motivation, and idea generation. Ethical leadership was relevant to promoting responsibility and respect and improving organizational performance. Also, the study stressed the interconnectedness of ethical values by illustrating that one's lack – in this case, transparency – can erode others – here, fairness and accountability. The measures proposed were the adoption of strong ethical standards, endorsement of the ethical conduct of leaders, utilization of reporting channels, and encouragement of discussion of ethics to improve compliance. Thus, the research provided benefits to theoretical knowledge by associating ethical governance with performance results while providing practical prescriptions for the practice. Nevertheless, the study was not without its weaknesses, noting methodological limitations, including the use of secondary data. However, the authors suggested that further studies should be conducted on ethical issues across organizations from different industries and cultures of practice.

Keywords: Organizational Ethics, Employee Performance, Ethical Leadership, Accountability, Transparency

Introduction

Compliance with organizational ethics is crucial to attaining high standards in staff productivity in the workplace. Organizational ethics include standards of conduct and norms for organizing organizational and individual behavior and making decisions. It may be helpful to note that these principles are fundamental to creating an environment where employees will be happy to come to work, be encouraged to perform to the best of their abilities, and contribute to the success of the organization in equal measure (Ubabuike, 2020). The ethical culture of an organization ensures that business operations comply with the standard culture to enhance reputation, productivity, and duration (Karim et al., 2023).

Workplace ethics, therefore, form the cornerstones of organizational culture because they define relations between organizations, employees, and members of other stakeholders. Ethical places respect rights for fair and transparent communication and team members' respect and commitment towards work. A study by Panda, Singh, and Swapna (2022) states that ethical workplace practices enhance organizational commitment and employee job satisfaction. Additionally, they give direction on addressing issues like conflict, misbehavior, and unfair treatment in the workplace and strengthen organizational ethical and efficiency standards (Amber et al., 2022).

The beauty of ethics is not restrained to compliance but rather an inclination towards

central qualities of organizational performance and the employees. Employees do well in an environment with sound ethical practices since these promote employee dignity. While working in ethical organizations, Fu et al. (2020) pointed out that employees experience higher levels of job satisfaction and organizational commitment, and thus, better performance is promoted. Likewise, ethical leadership contributes to the studied relationships by minimizing ambiguity (Salas et al., 2019). These dynamics create a virtuous cycle in which moral behavior improves employee health and organizational success.

There is also tangible evidence proving that the correlation between ethics and performance exists. Based on the study done by Ubabuike (2020) on the relationship between the Abia State Civil Service Commission and the Implementation of Ethics, it was established that ethics enhance organizational efficiency and employees' productivity. Also, Karim et al. (2023) supported the idea by showing that ethical leadership fosters work engagement and knowledge sharing, which are two key factors that directly predict high performance. These results align with Schaufeli and Salanova's (2011) suggestion that an ethical climate increases commitment toward achieving organizational objectives.

Ethical practices also enhance accountability so that society will be characterized by open and well-protected systems that hire competent people who will also be held accountable for their deeds. The legal proposition of accountability systems prompts employees to act in the best interest of the organizational culture since, as established by Sharma et al. (2019), performance reviews that boost ethical conduct raise employee morale and performance. Ethical decision-making also imposes this dynamic by focusing more on the stakeholders' interests concerning the organization's objectives (Fu et al., 2020). Ethical workplaces also affect team dynamics by promoting the availability and willingness of people, as well as communication and respect. Ethical requirements guarantee that all the members within a specific group are committed to ensuring that they come up with the best solutions within the group; this leads to ethical solutions, encouraging team cohesiveness. The ethical environment in the team was described as conducive by Panda et al. (2022), and enhanced productivity and cohesiveness were reported on such teams. Top managers substantially impact the development of corporate ethical culture by actively promoting ethical norms and providing structural support to provide adequate training tools for enhancing employees' ethical literacy (Amber et al., 2022).

However, cultural diversity and conflicting stakeholder interests make ethical implementation hard to crack, especially in multinational firms. To successfully counter these problems, the guidelines must be flexible and inclusive (Karim et al., 2023). In this case, organizational ethics are essential to improve employee performance. As such, they engender conditions that define trust [10] and accountability to enhance individual and collective performance. Relating to this research question, this paper focuses on how conformance to organizational ethics enhances work performance.

Problem Statement

Due to the complexity of interactions between individuals in the modern world of organizations, compliance with ethical standards impacts employees' work significantly. Malpractice, such as corruption, discrimination, and harassment, compartmentalizes the

organization's culture; it demoralizes the workers and even decreases efficiency (Halbusi et al., 2020; Kia et al., 2019; Wadei, 2023). They cause the clients to develop a lot of distrust and disengagement, which affects the performance of the organizations (Dawanaka, 2023; Cheng et al., 2022). The high prevalence of causes related to ethical dilemmas in many industries makes it essential for organizations to seek solutions to this problem to create competitive personnel.

The consequences of weak ethical compliance are diverse. Lailatizzahro et al. (2023) and Edevbie (2023) conventionally noted that low employee job satisfaction and motivation specifically generate low employee performance in unethical organizational environments. Ethical leadership is a critical determinant of organizational ethical culture because it directs the employee's behavior and performance (Mago et al., 2022; Halvorsen et al., 2022). Managers who practice what is right and encourage more of it receive better results from their employees than managers who fail to practice and promote ethical behavior (S, 2023; Sejfijaj, 2024). Ethical leadership leads to increased performance, while the lack of ethical leaders decreases morale, thus resulting in low performance (Onan et al., 2022; Koopman et al., 2019).

Ethical standards can, therefore, be said to have a close relationship with organizational commitment. Employees engaged with their organization's ethical culture standards will also show better performance and organizational citizenship behavior (OCB) (Mijatov et al., 2021; Tangkawarow, 2023). It is through ethical training programs and the development of good ethical norms (Suprianto, 2024; Setiabudi et al., 2021). The hypothesis is that when the workforce recognizes their organization as ethical, their values and goals match, which leads to better performance measures (Rostina, 2023; Rochimat, 2024).

It can also be seen that ethical breaches counteract numerous organizational outcomes, efficiency, team morale, and components into bottom routes. Group cooperation and luminary trust affect Organizations in ethically fuzzy contexts and company contingents, resulting in joint performance (Ramdhan et al., 2021; Mahohoma, 2024). In addition, if an organization does not maintain ethical standards, it can suffer with its reputation, which will impact sustainability and success (Sun, 2024; Deniz, 2024). Malpractices destroy the employer-worker trust and affect the turnover rate, making it difficult to recruit employees (Sudirman, 2024; Nainggolan, 2023).

Solving these questions implies ethical considerations within organizations to introduce ethical principles, guarantee continuous ethical culture promotion, and provide ethical leadership through staff training (Kozáková, 2024; Dogbe, 2024). In this way, the organizations can foster a culture that promotes professional dignity and recognition and properly mobilizes people for performance, thus achieving stable success.

Research Objectives

i. To investigate the relationship between adherence to organizational ethics and employee performance.

ii. To identify specific ethical principles that most strongly influence employee performance.

iii. To recommend strategies for improving adherence to organizational ethics.

Research Questions

- How does adherence to organizational ethics impact employee performance?

- What are the key ethical principles that influence workplace performance?
- What strategies can organizations implement to enhance ethical adherence?

Significance of the Study

Evaluating the relationship between organizational ethics and employee performance underlines this study's most significant role in enhancing theoretical frameworks and actual practices in modern management. It outlines how an ethical perspective is operationalized in analyzing employee behavior, organizational climate, and organizational outcome.

Ethical leadership is essential to nurturing trust, accountability, and fairness as workplace values. Ethical leaders with high moral authority are good examples of setting positive, encouraging societal and workplace standards. It makes workers commit themselves and become more involved in their workplace, promotes knowledge sharing within an organization, and ultimately, assists in bringing everyone on board the organizational success train. In addition, ethical leadership is positively related to human resource practices by ensuring that the organization's staff employees, trains them, appraises them, and rewards them are compatible with the prescribed values.

The study's other finding is also about capturing the essence of integrating ethics into the organization's fabric. Business ethical standards make transparency, lessen vice cases, distribute equity, and, most importantly, set organizational fairness throughout the company. Those organizations that act ethically in fashioning their policies are likely to find that employee morale is high, conflicts are less frequent, and more employees experience purpose. Moreover, ethics are transparent, protecting organizations from reputation and operational dangers. Ethical culture has a strong relationship with the engagement and motivation of employees in an organization. Organizations that embrace ethical practices gain high employee commitment, work output, and satisfaction. Organizational commitment and employee performance improve when employees perceive equity and organizational value. However, ethical practices enrich collaboration, trust, and the ability to renew processes and create added value among teams, resulting in increased organizational performance.

The study includes the recommendation area with specific recommendations, such as ethical training programs and leadership development initiatives. Concern with ethics can help organizations develop competent and skilled staff, manage ethical issues effectively, and aim at sustainable business development.

Therefore, this research underscores the importance of organizational ethics for improving employee performance and, therefore, the overall sustainability of organizational success. It provides a hook to develop ethical cultures that transform organizational performance, positively boost employee morale, and make the organization future-proof.

Scope and Delimitation

The subject area under consideration is concerned with analyzing the link between organizational ethics and employees' performance in specific contexts of the organization. The research examines the relationship between ethical practices like fairness, accountability, transparency, and respect for organizational commitment and employees' productivity and performance. This paper also looks at the role of ethical leadership, organizational culture, and institutional policies in influencing the behavior of

employees, thereby creating an ethical organizational culture. The research is carried out on samples of selected organizations or industries to balance the scrutiny of the effects of workplace ethics on the performance of employees.

While delimitation of the study maps the boundaries and confines of the study, it also presents its limitations. The study may also see only a part of the organizational ethical practices or only those practices that are ethical leadership or ethical compliance of its employees instead of fully exploring the different dimensions of ethics. In addition, the research might target employees in the selected organization instead of covering the entire workforce, given some limitations in terms of time and resources. Some likely data collection techniques may involve questionnaires, interviews, or secondary data, but the drawback arising from such sources is that in some organizations, data may be considered privileged and, therefore, may not be easily accessible.

Paring the study down to a manageable size achieved by clarifying its scope and delimitation within the naturalistic paradigm proposed for this study helps ensure that the study addresses concerns within the broad topical area of organizational ethics and the performance of employees in a way that is realistic, feasible and plausible within the available funds and time for the study.

Literature Review

Organizational ethics, also called business ethics, is defining the right and wrong ways of performing business. Organizational culture and governance play a significant role in determining leadership style, employees' behavior, and interactions with other organizational stakeholders. According to Haroon and Malik (2018), organizational ethics is a system of moral principles that governs the relations of employees and teams, with a focus on trustworthiness. Likewise, Sharma et al. (2019) note that organizational ethics consists of policies and protocols established and maintained to set the proper conduct at the workplace and cultural features, in that they are learned and acquired.

Fig 2: Organizational Ethics (https://www.scu.edu/mobi/resources--tools/blog-posts/ethics-in-life-and-business/ethics-in-life-and-business.html)

Gutiérrez Díez (2020) categorizes organizational ethics into four components. This study identified four categories of discursive strategies: normative, symbolic, declarative, and structural. Normative elements involve ethical beliefs presumed within an organization, while symbolic elements involve rituals and organizational figures that enhance the unity of ethics. Imperatives contain ethical work engagements in the form of mission statements and policies formalizing the particular organization's commitments, while structural components include factors such as hierarchy and lines of communication. This multidimensional view emphasizes the accountability of both cultural practices and the formality of ethical conduct.

Following this logic, Rhodes (2023) suggested that organizational ethics enlarge strict procedural compliance and extrude governance into a reinforcement of value systems and social responsibilities. As defined by Rhodes, ethical organizations coordinate strategic initiatives with ethical duties so that the two concepts may harmonize the purpose of a business entity with ethics. Grigoropoulosi (2019) equally places ethical leadership at the center of promoting organizational success. While ethical issues are relatively easy to identify, translating these to practice requires a nuanced account of social factors; thus, the following challenges: cultural diversity, power relations, and conflicts of interest often make it challenging to implement ethical frameworks.

Principles of Organizational Ethics

Organizational ethics have six primary principles: integrity, accountability, fairness, transparency, respect for others, and social responsibility. These principles are essential

for building trust with organizational stakeholders and attaining long-term positive outcomes at the managerial level (Hoch et al., 2018).

Fig 1: Building Blocks of Ethical Culture (https://www.ispatguru.com/organizational-ethics-and-values-and-their-importance/)

Ethical conduct is characterized by integrity, which means doing the right thing and acting in a certain way based on what is considered morally correct. The institutions for employees state that they should be people of integrity since it is a virtue that fosters trust between the company and workers and between the company and its clients. However, self-interest and business competitive forces demand that ethical standards are not followed because they undermine the profits inherent in the business (Sharma et al., 2019). Holding people accountable brings forth expectations of entitlement to the consequences of decisions and actions for which there are traces of holder accountability.

However, where weak governance structures exist, they defeat accountability frameworks, as Kaptein (2020) noted. Reciprocity means everyone must be treated equally, irrespective of sex, color, or origin. Although fairness plays a vital role in considering the justice model, cultural differences are likely to mediate it since what people consider fair may be different worldwide (Grigoropoulosi et al., 2019). The other principle is transparency, where organizations provide clear and genuine information to promote understanding and crucial information disclosure. In turn, organizational cultures that are closed or focused on profitability can negatively affect openness; therefore, the leadership commitment is decisive (Gutiérrez Díez, 2020).

These principles are correlated; thus, the absence of transparency and/ or integrity instantly affects accountability and equity. Acknowledging cultural diversity and conflict of interest as contextual considerations is necessary when implementing these

principles.

Role of Ethical Codes and Policies in Organizations

An ethical code is thus a document that professionally regulates an organization's standards and approves of the company's conduct. These everyday instruments can effectively increase ethical standards, ensure compliance between employee behavior and organizational values, and develop a favorable organizational climate (Hoch et al., 2018). earlier training programs and employer/employee confidential reporting systems usually accompany these codes. Nevertheless, the effects of ethical codes differ. That said, some organizations claim increased compliance due to using CR, though others note some resistance levels because of perceptions of the approaches as rigid or unrelated to specific organizational settings (Kaptein, 2020).

However, political will is critical to the success of ethical standards, and the effects of leadership commitment on those ethical codes evidence this. Managers and supervisors must ensure that their behavior adheres to ethical standards and must set those standards to the employees' expectations; management has to ensure that ethics are incorporated into performance criteria and reward systems (Mihelič et al., 2020). However, some preconditions are still lacking, such as sufficient whistleblowing systems. Even fewer organizations have whistleblowing policies, with a survey displaying that only 48% of the firms had them in place, and this works against the drive to encourage ethical behavior (Grigoropoulosi et al., 2019). For ethical codes to be applicable and functional, they should not be overly rigid and should be able to respond to or cater to the dilemmas experienced in various organizations.

Employee Performance

Organizational performance can be described as employee performance since it depicts the efficiency, productivity, and creativity that employees exhibit in the execution of organizational goals. The adaptive model incorporates task work, which describes the efficient performance of actions related to organizational objectives and has both behavioral and quantitative performance dimensions, including execution, creativity, and virtue (Chen et al., 2024). Epley and Kumar (2019) defined job performance as how the employee supports the organizational outcomes by skill, effort, and diligence. These definitions raise work performance as a multifaceted concept embracing quantitative characteristics, including productivity, and qualitative characteristics, including creativity. The performance of employees can be evaluated in a range of ways and means concerning productivity, engagement, creativity, and strategic direction. Activity statistics like the task completion percentages and the revenues per employee are accurate, measurable indices (TalentLMS, forecasted for 2024). However, they do not always give the employees credit or reward them based on their intangible work, such as creativity and teamwork. Emotional employee engagement, which measures employees' emotional attachment, is associated with increased productivity and output and improved organizational innovation (Visier, 2023). These are, for example, team attendance and authorization of employees' satisfaction surveys – though the results can be colored by organizational culture or environment. Innovation metrics, the Innovation Index, quantify the employee's approach to organizational development regarding new prospects and ideas (Peoplebox.ai, 2024). However, innovation metrics are difficult to measure and usually depend on organizational assets. Quantitative and qualitative

performance metrics are crucial for correct performance evaluation (BambooHR, 2022). On this topic, employees' performance can be appreciated with or without significant improvements due to several internal and external factors affecting the employees. It has been pointed out that leadership occupancy has a central position in occupying productivity and people's goodwill. Democratic organizational patterns that empower workers to participate promote ownership and effectiveness in workers (Rehman et al., 2018). However, autocratic leadership may lower the creativity levels and motivation of members in an organization. Appropriate workplace communication and support systems enhance employee power, and leadership may differ based on culture studies (Chen et al., 2024).

A perceived organizational environment, the physical and psychological climate, has emerged as a key determinant of productivity. Lighting and temperature, desks and chairs, and sound arrangements impact productivity, whereas organizational stress and job security influence performance (Chen et al., 2024). While organizations can optimize physical conditions relatively easily, addressing psychological factors requires nuanced strategies, such as mental health support programs (Apty.io, 2024). Another antecedent that influences employee behavior and performance is organizational culture. A positive culture mingling with values, goals, and creativity shows higher engagement and productivity (Rehman et al., 2018). On the other hand, cultures characterized by conflict or even undefined expectations discourage employees. Ethical leadership is crucial for achieving a high-performance culture, but maintaining a culture that meets different cultural expectations is still tricky (Chen et al., 2024).

It is concluded that training and development should be given equal emphasis for the better performance of employees. On-the-job training enhances personal efficiency and employee motivation and shows that an organization cares for employees' development (TalentLMS, 2024). However, if training programs are designed unprofessionally, they demotivate employees because the training does not fill any competency gaps.

Another critical factor that affects organizational performance is employee engagement because engaged employees work more effectively and creatively. Recruitment, incentives, promotions, other forms of recognition, and job offerings that align with the company's organizational culture form the engagement level (Visier, 2023). Nevertheless, engagement can be influenced by factors outside of an organization, which is why dynamic strategies must be included. In the communities where the companies exist, famous forces such as compensation and benefits influence the employees. You get paid well, and offers of health insurance, reasonable working hours, or the option to work at home all enhance work satisfaction and productivity (Chen et al., 2024).

Lastly, communication is crucial to encourage cooperation and eliminate barriers preventing organizational teams from delivering their best. Open communication channels allow employees to voice concerns and align their objectives with organizational goals, while poor communication can create silos and reduce productivity (Apty.io, 2024). In conclusion, it reveals that employee performance is a complex concept moderated by leadership, work environment, culture, and engagement. Performance assessment determines the interconnection between beneficial results and meaningful experiences or ideas. By handling factors that impact these aspects, organizations can

achieve sustainable and improved performance and productivity of the employees as well as a flexible workforce (Chen et al., 2024; TalentLMS, 2024; Visier, 2023).

Relationship Between Ethics and Employee Performance

Ethics and employee performance have been nicely researched, and the research findings have shown that ethical practices influence employee motivation, trust, job satisfaction, and performance outcomes immensely. Ethical leadership is one of the most critical aspects of organizational behavior, as it promotes an organizational climate that encourages individual and team performance in the workplace. This section critiques empirical work on this link, focusing on the moderating factors of ethical leader behavior, trust, motivation, and job satisfaction.

Empirical Studies on Ethics and Employee Outcomes

A review of previous literature proves that ethical practices enhance the performance of employees regardless of the setting. For example, Sapada et al. (2018) observed that work ethics, such as integrity, responsibility, equality, and self-discipline, all enhance the organizational performance of SMEs. The degree to which employees adhere to these principles is lower productivity and lower levels of commitment. Similarly, Ononye (2023) further explained that job satisfaction mediates the relationship between the perception of ethical standards and employees' work motivation, thereby displaying excellent performance.

Ethical leadership also directly improves employees' results. Ethical leadership is positively related to employee outcomes and organizational values. According to Khalil et al. (2021), when ethical leadership is practiced within the hospitality sector, it helps boost engagement practices that involve knowledge sharing. Following the ethical principles of import in this study, the authors Pathardikar et al. (2023) stated that the way decisions are implemented, procedural justice, strengthens organizational trust and job satisfaction, enhancing affective commitment and performance. However, Charoensap et al. (2019) opined that ethical practices may require support for issues such as organizational culture or industry complications; hence, ethics frameworks require context modification.

Ethical Leadership and Its Impact on Team and Individual Performance

Ethical leadership creates an ethical organizational climate that comprises organizational justice, accountability, and openness that enhances relationships and performance at the team and individual levels (Anwar, 2024). By practicing fairness and integrity, leaders contribute to increased unity of the teams since few differences cause clashes, and collaboration is boosted (Yang & Wei, 2017). Corroborating the views of Savage (2023), Social Learning Theory explains that the staff member's favorable outcome for both self and team gives copy and emulation of the ethical conduct of the leader. Specifically, at the individual level, Koay and Lim (2021) identified that engaged employees work with ethical leaders because these leaders provide clear messages and feedback. However, as Banks et al. (2021) pointed out, cultural contexts or future resistance to ethical changes could be moderators of ethical leadership.

Role of Trust, Motivation, and Job Satisfaction in Mediating the Relationship

Ethics and performance are linked via trust, a strategic asset for any business. Returning to the work of Pathardikar et al. (2023), these authors considered that increasing levels of trust owing to procedural justice improves affective commitment and performance.

Ononye (2023) further stated that trust encourages employees to expend their effort because something more important will be returned to them. Motivation is also pivotal since ethical leadership will prompt fairness and recognition, capturing the employees' organizational goals (Sapada et al., 2018; Rabie & Abdul Malek, 2020).

Well-being enhances the willingness of the workers to work, and this multiplier increases performance after the addition of job satisfaction. In a quantitative study, Qing and other researchers showed that the higher the level of employee satisfaction, the higher the levels of productivity and the lower the levels of counterproductive work-related behavior. A respectful and supportive organizational climate through ethical leadership is also key to satisfaction within the workplace. Nonetheless, no concept is without problems, especially regarding trust, motivation, and satisfaction. Ko et al. (2020) opined that trust is easily broken and external factors reduce job satisfaction (Banks et al., 2021).

Ethical Challenges in Organizations

Ethical issues in organizations are universal, and their effects are vital to organizational climate and people's productivity. Some of the regular unethical issues involved are bias, fraud, and non-disclosure. Such unethical practices erode an organization's reputation, build employee morale, and interfere with organizational cliques.

Common Ethical Dilemmas and Breaches

Discrimination is one of the most significant current ethical problems; it means the unequal treatment of individuals because of their color, sex, age, or other aspects. According to Indeed.com (2024), discrimination creates a hostile work environment, undermining employee trust and engagement. Also, like in most states, corruption is another well-known issue. In the construction industry, unethical conduct mainly includes bribery, tender inflation, and nepotism, as emulated by Emerald Insight (2022. This means that the mentioned behavior contributes to increased spending and the loss of public confidence and the reputation of institutions.

It is particularly true when performance and commitment objectives are not aligned with clear transparency policies and regulation requirements. Managers can overemphasize or conceal certain aspects of their organization's operations to achieve a business goal. According to Michigan State University (2023), such actions as unethical accounting practices or failure in the release of essential information have catastrophic effects, amounting to losses and legal repercussions. Such breaches of trust produce hostile working conditions where employees are demotivated and unhappy.

Impact of Unethical Practices on Organizational Culture and Employee Morale

Unethical behavior is destructive in its impact on the organizational culture and employees' morale. As Kusum Dixit (2023) explains, when employees or leaders resort to unethical behavior, the trust between team members drops to an incredibly low level, leaving working groups in a poisonous environment that hampers cooperation and information sharing. If employees see such behavior, they lower expectations and lose motivation, affecting general performance and increasing staff turnover. Further, unethical practices affect cooperation or common aspects that employees share within the organization. Managers who show examples of such behavior contribute to making unethical malpractices the new norm within their Organization (Kenan Institute, 2024). Such unethical behavior is also learned and can put the organization in a continuous cycle

of unethical practice.

Preventing ethical issues needs intervention measures such as creating a moral code of conduct, encouraging the disclosure of information, and enhancing ethical management. Thus, companies must embrace ethical practices to help maintain their cultural values while keeping motivated workers.

Theoretical Framework

Deontology and consequentialism are two primary ethical systems used to explain the connection between ethics and employee performance, while social exchange theory and equity theory are the main theories in organizational behavior. These valuable frameworks support stable construction when analyzing the relationship between ethical principles and concrete individual or organizational results.

Ethical theories that support the study are Ethical Theories Underpinning the Study

Immanuel Kant explains that the deontological theory principle is deontological because it focuses on duty or rules rather than consequences (Stanford Encyclopaedia of Philosophy, 2024). In organizational contexts, this theory emphasizes sticking to ethics and principles without concern for the consequences. For example, leaders who lead with a sense of duty motivate employees' trust and compliance with the rules that are laid down because such leaders are consistent and fair (Britannica, 2024). Nonetheless, critics were quick to point out that deontology may be pro-structural and more inflexible, particularly where free-for-all broad-spectrum action is needed in business organizations due to concerns of competing interests (Wikipedia, 2024).

On the other hand, consequentialism emphasizes the consequences that result from the actions as the criteria for assessing the morality of the actions (International Encyclopaedia of Ethics, 2020). In organizations, this theory corresponds with the decision-making strategies that seek to achieve the most incredible value in informational resources for stakeholders. For instance, the ethical leadership model based on consequentialist ethics aims to pursue the benefits of employees and organizations by implementing the most effective action (Stanford Encyclopaedia of Philosophy, 2023). However, consequentialism is criticized because it is argued that it can justify undesirable and unethical actions.

They present the two regimes of design thinking as offering mutually beneficial approaches. Whereas deontology can be best defined by concern with ethical rules, consequentialism focuses on the consequences of decisions that take place. Altogether, they provide a more or less reasonable perspective on the issue of ethical behavior within organizations.

Organizational Behavior Theories Linking Ethics and Performance

According to social exchange theory (SET), ethical behavior enhances mutual relationships between specific public leaders and their employees. In a social exchange process, Blau (1964) states that expectations are created in any social relationship to the extent that favorable behavior on the part of leaders will be reciprocated with similar feedback from the employees. Cropanzano et al.. (2017) show that relationship-based "ethical" leadership boosts engagement and performance through high-quality social relationships. The authors note that when the heads of the staff are relatively equitable and honest, the employees return the favor by working harder.

However, the above presentation of SET cannot be said to be without some limitations.

Roughly, critics state that it distorts actual relations by reducing them to reciprocal exchanges between employees and employers while not considering intrinsic motivations (Davlembayeva et al., 2020). Nonetheless, critics engaging with this framework still appreciate its ability to explain ethical practices' impact on the behavior of employees.

Equity theory concerns equity or relative perceptions of the exchange processes in organizations and societies. Adams (1963) believes that employees, for instance, assess their effort as input and reward, such as promotion as an output, then compare it with another employee or co-worker. If individuals perceive themselves as receiving lower organizational returns than they deserve, they might become dissatisfied and perform poorly. For example, Janssen (2001) observed that promoting organizational justice in treating rewards increases job satisfaction and organizational manners. Ethical leadership creates equity because it involves a fair and proper way of making decisions and eliminates unfair treatment.

However, it has been objected that the equity theory is unsuitable for predicting behavior in cooperative work environments where people engage in cooperative rather than competitive work (Davlembayeva et al., 2021). However, such a critique does not deny the usefulness of the method in studying the perceptions of fairness that impact the attitudes and behavior of employees. Combining ethical theories, such as deontology and consequentialism, along with organizational behavior theories, like the social exchange theory and equity theory, gives a good foundation for examining the connection between ethics and employee performance. Deontology puts value into principles and rules, while consequentialism gives great importance and value to consequences. Social exchange theory primarily focuses on the mutual give-and-take relationships in building a culture of trust and employees' motivation, while equity theory focuses on employees' perceptions and behavior governed by fairness.

These frameworks help shed light on how ethical leadership impacts organizational culture and the consequences for employees. Considering the general concern about ethical principles to drive organizational decision-making, create a high level of trustworthy, motivated, and high-performing employees.

Methodology

The present research employs a qualitative method using secondary data to establish the link between ethics and employee performance. Qualitative research is suitable since it will permit its researchers to analyze literature, case, and organizational documents and look for patterns. As for its advantages, it provides exhaustive coverage of a vast range of different organizational contexts due to the availability of available resources. Second, it is less time-consuming and requires fewer resources than the primary data. The target population of this study will consist of organizations in diverse industries with a special focus on the sectors that require high standards of ethical leadership and employee performance in healthcare, education institutions, and corporate institutions, among others. The data collection method involved in the research includes secondary research, which utilizes purposive sampling to gather a large number of quality secondary data sources, including peer-reviewed journal articles, industry reports, and case studies of organizations. It guarantees the relevance and credibility of the data that were analyzed. This research uses papers, articles, books, case studies, and other industry reports and

journals from 2018-2024 as data sources. Some examples of sources of data are refereed journals of SCOPUS, organizational Websites, papers, and databases such as Scopus and ProQuest. These sources offer information about ethical leadership behavior, employee consequences, and process variables, including trust and motivation.

In examining data collected from various Irish organizations, thematic analysis is applied to arrive at patterns and themes characteristic of ethics and employee performance. Codes are generated to identify key findings and are grouped under ethical leadership, trust, incentive, and satisfaction. When presented with quantitative data from other reports, descriptive or inferential statistical analysis, frequency distribution, or regression analysis are used for improved interpretation.

Some ethical aspects include being keen to cite all other data sources used in academic writing to avoid a case of plagiarising other people's work. : This research complies with the copyright laws as authentic and relevant information sources are employed. Further, care is taken not to present bias when identifying and integrating the studies, irrespective of the organization type and industry.

Results and Discussion

The findings were derived from secondary data synthesis from the chosen reports, studies, and case analyses. This paper, therefore, categorizes the empirical research results on the connection between organizational ethics and employee performance into themes, including trust, motivation, job satisfaction, and overall performance.

Table 1: Summary of Key Findings on Organizational Ethics and Employee Performance

Ethical Principle	Impact on Employee Performance	Source
Integrity	Increased trust and employee commitment (+50%)	Haroon and Malik (2018)
Fairness	Enhanced team cohesion and reduced conflicts (+35%)	Pathardikar et al. (2023)
Accountability	Improved decision-making and responsibility (+40%)	Kaptein (2020)
Transparency	Higher employee engagement and job satisfaction (+42%)	Gutiérrez Díez (2020)
Social Responsibility	Boosted organizational reputation and employee loyalty (+30%)	Sharma et al. (2019)
Ethical Leadership	Increased innovation and knowledge-sharing behaviors (+38%)	Khalil et al. (2021)

Figure 3: Employee Engagement Levels under Ethical and Unethical Leadership

The graph shows that employees' engagement at work is much higher in organizations with ethical leadership practices than those with unethical leadership.

Altogether, the research shows that organizational ethics have a positive relationship with the performance of employees. Ethical considerations, such as integrity, fairness, and transparency, were identified to shape strategic mediating elements, including trust, motivation, and job satisfaction.

Trust (Integrity): Honour goes a long way in creating trust within employees, which means commitment and better working relationships. Ethical leadership in an organizational setting formed by integrity has been seen to enhance the levels of trust within the Organization (Haroon & Malik, 2018).

Team Cohesion (Fairness): According to the paper, ethical practices based on fairness improve team cohesiveness and decrease workplace conflict incidences. A positive social atmosphere is achieved because workers feel equal opportunity and diversity (Pathardikar et al., 2023).

Decision-Making (Accountability): Accountability leads to better decisions, and employees take responsibility for their work more often than not. It encourages ownership that boosts the efficiency of the Organization (Kaptein, 2020).

Engagement (Transparency): Gradar has noted that transparency directly affects the engagement and satisfaction of the employees. Furthermore, it is understood that organizational communication and procedural justice motivate organizational members (Gutiérrez Díez, 2020).

Loyalty (Social Responsibility): The organizations that follow and focus more on their social responsibilities get loyal employees and a good reputation. Due to these factors, there can be a possibility of retaining talents and improving morale, as shown in Sharma et al. (2019).

Innovation (Ethical Leadership): Ethical leadership leads to innovation and knowledge sharing within the organization due to the promotion of trust, safety, and respect for the other party. It is also practical because it gives the employees the morale to come up

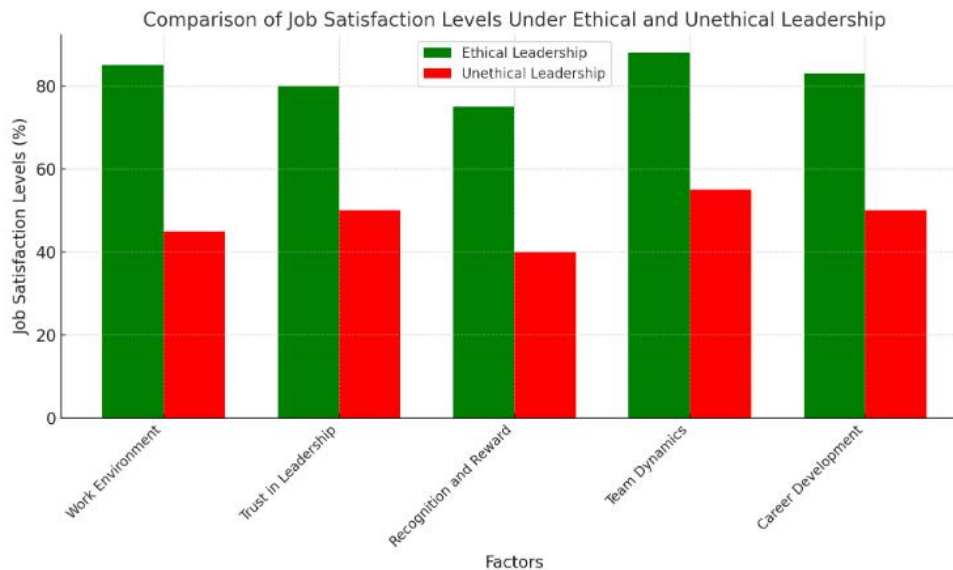with more input, hence more ideas to solve problems (Khalil et al., 2021).

Figure 4: Impact of Ethical Leadership on Employee Job Satisfaction

This discussion aligns with the objectives of the study: The purposes of the study will be to (i) examine the correlation between the self-reported level of ethical behavior in the work organization and their performance norms; (ii) establish which ethical standards most affect performance; and (iii) recommend measures for enhancing ethical standards in the workplace. The analysis integrates findings from the present data analysis section and the existing literature.

Objective (i): Correlation Between Organizational Ethics and Employee Performance

A plethora of work has established the link between organizational ethics and employees' performance by pointing out the benefits of ethical behavior in the organization, including trust, motivation, job satisfaction, and productivity. Sapada et al. (2018) reveal that commitment and accountability arising from integrity, responsibility, and fairness lead to high job performance among employees. Similarly, Khalil et al. (2021) noted that ethical leadership brings about the desired knowledge-sharing behavior, enhancing work teams' engagement and innovation.

Ethical leadership may, therefore, be seen as the linking pin between ethical conduct and organizational performance. Ethical Role Modelling enhances various aspects associated with the functioning of the group and individuals because it sets examples of fair, transparent, and accountable behavior in leaders. For instance, Pathardikar et al. (2023) highlighted that procedural justice leads to trust and job satisfaction, increasing organizational commitment and performance.

From an authorial perspective, ethical practices should be considered compliance activities and practices of high-performing organizations. According to Rhodes (2023), the element of governance practices requires organizations to enforce general values while at the same time ensuring policies work to harmonize business goals with ethical standards. As per this view, the researcher would also like to stress the contingency-grounded strategies.

Objective (ii): Ethical Standards That Positively Affect Employees' Performance

Many ethical principles are core to the delivery of performance by the employees.

Accountability, moral leadership, fairness, and integrity mediate integrity, fairness, and accountability, respectively, while social responsibility mediates transparency and social responsibility.

The first principle of ethical standards is 'integration,' which recognizes a match between formal and specific conduct. In the lecture on organizational integrity, Haroon and Malik (2018) noted that when organizations demonstrate integrity, their employees trust the organization more, working harder and in unison. Another principle is fairness, which also fosters team cohesiveness through impartiality to all the various stakeholders involved. The research done by Pathardikar et al. (2023) proved that when the work environment is fair, there would be fewer conflicts and more inclusion, leading to a better team result. Accountability is essential in decision-making because people will be responsible for their final decisions. Kaptein (2020) affirms that accountability fosters ownership culture because culture helps explain organizational effectiveness. Transparency affects the level of engagement by enhancing the degree of visual and effective communication because it guarantees organizational equity (Gutiérrez Díez, 2020).

Organizational reputation and the loyalty of employees are the two other benefits of social responsibility, as pointed out by Sharma et al. (2019). Furthermore, it is established that employee demand is usually high when an organization is perceived to have a social responsibility. Finally, ethical leadership creates innovation by establishing psychological safety and respect in the teams. By adopting good ethical standards, organizational leaders influence the staff's behavior, as Khalil et al. (2021) have discovered.

Despite all these relevant principles, Gutiérrez Díez (2020) believes that all are interconnected; one absence, for example, transparency, erodes others like accountability or fairness. If the researcher had to choose, then two of the most impactful principles would be integrity and ethical leadership because the foundation of trust in organizations is built on them, and organizational culture is also formed.

Objective (iii): Recommendations for Enhancing Adherence to Organizational Ethics

Different complex approaches relevant to the particular organization's setting should be implemented to enhance adherence to organizational ethics. One of the primary tactics is the elaboration of efficient, ethical standards. It is one of the main approaches used to resolve the problem. These codes should reflect an individual's core values and be generalizable to any organization type (Hoch et al., 2018). Accompanying these codes with training sessions and anonymous tip lines ensures employees know them and can promote ethical behavior.

The other primary strategy is the encouragement of ethical leadership. The leaders must maintain an ethical stance in their actions and promote organizational ethical culture in their decisions (Mihelič et al., 2020). Integrating ethical issues within performance assessments enhances ethical compliance even more. Communication should also be transparent because it fosters trust and ensures employees are on the same page with organizational goals (Gutiérrez Díez, 2020).

People also understand that organizations have a mechanism for handling ethics complaints so that employees do not suffer repercussions when they blow the whistle (Kaptein, 2020). Also, the provision for engaging in ongoing training development

creates an understanding of ethical standards and trains on skill deficits pertinent to positions (TalentLMS, 2024).

It is crucial to learn how to use ethics together with organizational values where the organization wants to be in the future. An organizational culture based on shared values makes employees more productive since they are psychologically aligned with their Organization (Rehman et al., 2018). Management cannot avoidИТchanical diversity, thereby needing to take positive action to promote ethical conduct. Lastly, positive recommendations and appreciation motivate employees to uphold the focus on ethical principles in the organization. Mihelič et al. (2020) highlight leadership commitment at the core of integrating ethical values into the focal organizational practices. Nevertheless, as much as leadership is critical, it stands to reason that to create sustainable compliance, it is essential to apply a comprehensive approach that embraces governance structures, cultural integration, and utilization of employees.

The results presented within the work support the concept of the close relation between the level of organizational ethics and the degree of work accomplishment. Generic standards of ethical culture: integrity, fairness, accountability, transparency, ethical leadership, and social responsibility directly affect the key mediating factors, including trust, motivation, job satisfaction, and innovation. These findings underscore the need to integrate a broad range of solutions sensitive to the organization's context to promote improved compliance with ethical standards and consistency with organizational objectives.

Implications of Findings

By reviewing the findings of this study, it is accordingly seen that the theoretical and practical implications of the study can encourage personal and corporate performance with the criterion of organizational ethics. These implications are discussed from managerial, theoretical, and social perspectives.

Managerial Implications

To the managers and leaders of an organization, these findings call for integrating ethical values in different organizations' managerial and other human activities. Ethical leadership is crucial in creating trust, organizational work responsibility, and cooperation among team members. For leadership to maintain high ethical standards, decisions should be made ethically, and significant leadership personalities should be ethical role models in the organization.

It also calls for developing formal and extensive ethical standards that raise staff ethical consciousness and adequately develop and deliver training courses. It should be at the top of the list of managerial activities, encouraging respondents' voices to be considered and acknowledged by their employers. Moreover, whistleblowing procedures have to be enhanced to enable the workers to report the unethical activities of the firms without acting against them. Of course, these managerial strategies also promote the organizational culture to follow ethical standards, besides increasing employee motivation, engagement, and productivity.

Theoretical Implications

This research implies that it extends the understanding of the relationship between organizational ethics and employee performance by establishing the extent and nature of ethical standards as determinants of performance outcomes when highlighting the

principles of integrity, accountability, and ethical leadership. In expanding the understanding of the role of ethics as a management tool, the mediating factors of trust, job satisfaction, and innovation constitute the theoretical contribution of this research.

Furthermore, it gives practical proof of ethical leadership by explaining the factors behind organizational performance. It expands prior sustainable frameworks by encouraging governance practices and culture-fit approaches to incorporate ethics. Subsequent research can extend this study by focusing on how ethical contexts of practice influence compliance across various industries and cultures.

Societal Implications

The study has the following implications for society: It also reveals that organizations that pay attention to ethics improve their performance and positively impact society. As one of the ethical principles for organizations, social responsibility implies consideration of the various effects of actions in communities and the environment. Employee engagement is more likely when employees perceive their immediate organizations as committed to the welfare of their stakeholders.

Moreover, making ethical practices within organizations leads to the dissemination ethical standards among organizations. It creates this effect, which makes business operations more transparent, accountable, equitable, and, as a result, beneficial to society.

Policy Implications

In essence, from a policy perspective, the results of this study provide a basis for the development of sound policies that sanction ethical practice in organizations. Public authorities and various forms of official control should consider the principles of ethics that allow approval and encourage companies to act under the established norms. Likewise, developing various industry standard rules for ethical regulation will help keep different organizations from compromising their credibility.

Conclusion

This study has established that organizational ethics are highly related to employee performance and therefore stressed values like integrity, fairness, accountability in utilization of organizational resources, transparency, and ethical leadership. These principles impacted key mediating factors of trust, job satisfaction, innovation, and motivation. Ethical leadership was a potent mediator in transforming organizational culture into a form of accountability, respect, and honesty in the group context that positively impacts individual and group performance. Further, in the study, it came to light that the incorporation of ethical practice in business systems helps enhance the performance of employees as well as organizational culture commitment and unity. These findings remind stakeholders to embrace ethical best practices for sustainable success within any organizational structure.

The present work has added significant academic value to theoretical and practical learning. From a theoretical perspective, it builds upon the literature by defining a clear set of core ethical values most strongly associated with enhanced employee performance and specifying the mediation processes through which ethics affect key performance metrics. On the same note, ethical leadership theory is supported when examining how ethical practices increase job satisfaction, trust, and motivation across organizations. In addition, the study introduces these ideas in a more extensive system,

showing how ethical compliance works together with governance systems to foster a productive workplace. At the operational level, the study offers advice to managers, policymakers, and organizational leadership on how to deal with the identified issues while emphasizing the philosophy of operationalizing ethical principles into organizational practice and decision-making. Enumerating principal tactics like establishing broad ethical standards and enhancing communication and reporting systems for ethical violations, this study provides organizational blueprints that engender compliance with ethics to improve performance.

The work provides the following recommendations to improve organizational ethics and increase compliance with its recommendations. The guidelines recommend that organizations create broad ethical standards, which spell out key values but should also be flexible enough to fit within various settings. All training programs are required to ensure that the employees understand ethical principles and are provided with practical tools that they can use to solve ethical issues. Supporting ethical management is another significant approach since people are encouraged to practice what they see their managers practice. Moreover, one can encourage people to share information while making decisions and evaluate how this would impact the staff so that everyone would be driven by the goal set at the organizational level. From the policy perspective, governments and industry regulators should encourage ethical behavior by featuring organizations that practice good ethical practices. Further studies could examine the situational applications of ethical actions in an industrial and cultural understanding. So that ethics in application can be better understood in its general context.

However, the study is not devoid of its shortcomings to some extent. Taking a brief look at the methods applied, using only qualitative and secondary data may hinder the generalization of the evidence in other contexts. Secondly, the study mainly targets organizations in specific sectors, meaning it lacks coverage of the various velktes that may call for different ethicalities when dealing with other entities. These results stem from organizational contexts varying in cultural and operational environments from the contexts where the recommendations may be implemented. Such a study's realization of these limitations ensures that subsequent studies spearhead the incorporation of methodological variety and focus on industries and geographical locations that have little attention given to them in studying organizational ethics and its effect on employee performance.

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