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# Predicting Professional Ethics Based on Organizational Culture

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### Abstract

**Background:** Nowadays, one of the aspects of power and distinction of organizations is the enjoyment of desirable organizational culture. The organizational culture of each complex is the full representation of the organization, which shows the inner and outer face of the commitment of the employees to principles of ethics. Professional ethic is related to values and norms and is one of the most important issues that have been considered in different areas of the modern world. Therefore, the purpose of this research is to predict professional ethics with respect to organizational culture.

**Method:** The research method is descriptive-correlation. The statistical population consists of 230 people who are the employees of Islamic Azad University, Mashhad Branch and the sample size was determined 103 people using Cochran formula with 95% confidence level and a Stratified Random Sampling method. Standard questionnaires were used to collect data. The obtained data were analyzed using Smart PLS and SPSS structural equation modeling.

**Results:** Findings of the research indicate that the components of perceived organizational culture have a significant effect on the dimensions of professional ethic including accountability, honesty, justice, fairness, loyalty, respect for others, competition, sympathy, respect for values. Also, based on the multiple regression analysis, components of organizational culture predict all dimensions of employee ethic and finally, it can be concluded that the professional ethic of the employees are at a favorable level.

**Conclusion:** The results of the present research illustrate that the components of organizational culture predict the dimensions of professional ethics of the employees.

**Keywords:** Organizational culture, Professional ethics, Management

### Introduction

Attention to the ethic and principles of ethic which is developed in each society according to the type of culture of that society is one of the

factors of the society's success (1). Observing ethic and preserving ethical values have become one of the most important phenomena that are

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considered in many organizations. Principles of ethic have become part of official politics and informal cultures of organizations (2). Today, the ever-increasing complexity of organizations and increase in the level of unethical and illegal behavior in the workplace have made it imperative for managers and leaders to create and maintain professional ethic in all organizations (3). The importance of professional ethics in organizations that provide professional services is of paramount importance (4). Professional ethics is a kind of moral commitment and conscientiousness to any kind of work, duty, and responsibility. Ethicalness profession is a result of knowing, wanting, gaining, and attitude (5). In other words, the purpose of professional ethics is a set of rules that must be followed by people voluntarily on the basis of their conscience and nature in the pursuit of professional activities without a need for external requirements or in case of violations of legal penalties (6). Professional ethic in the strategic approach is defined as the ethical responsibilities of the organization and the firm for the direct and indirect environment, which has been considered in the last decade. The sovereignty of the professional ethics benefits the organization in domestic aspect, improving relations, promoting the atmosphere of understanding, reducing conflicts, increasing the commitment and accountability of the employees and reducing the costs of control, and from the viewpoint of social responsibility by increasing legitimacy, it affects ethic commitment considering the importance of the beneficiaries, increasing revenue, profitability and improving the competitive advantage and organizational success (7). Professional ethic is a set of norms that are expected of the business owners, that is, they are expected to, in addition to complying with the general ethics, observe a series of values that are specific to their job, for example, a teacher is expected to be compassionate, an attorney to be trustable, a doctor to be reliable and a seller to be honest (8). Professional ethic is an important branch of applied ethics that addresses the necessities of life in new societies and is the point of convergence between ethic and professional

practice in interact with society. Professional development is an internal matter related to values and norms. In other words, professional ethic is the commitment of the mental, psychological, and physical energy of a person or a group to a collective idea that is aimed at gaining the power and inner talent of a group or individual for development (9). It is based on this concept that the set of rules and ethic should be adhered to in any profession. Today, more than before, ethics and social responsibility of managers have been considered by management scholars. It is clear that any manager's decision sooner or later can change the fate of all the institutions of society in a small or large amount. It is worth noting that in today's world and modern societies, the creation of scientific advances and the provision of the relative welfare of human beings has been a successful procedure, but advance human morality was neglected. Esoteric and ethical gaps in contemporary societies have also been a constant concern for humanity. Ethic is one of the most important issues that have been considered today to link the values of the traditional world and the modern world in different areas. Organizations, as the dominant parts of today's societies, are one of the most widespread areas that have recently witnessed the emergence and development of ethical approaches. The weakness of the ethical system leads to a reduction in communications and an increase in losses in the organization. When professional ethics prevail in the organization, the flow of information is easily facilitated and the manager is informed of the incident before it occurs. One of the challenges faced by efficient managers at different levels is how to create a suitable platform for human factors working in all professions so that they work with the sense of responsibility and commitment to issues in their community and profession, and the ethical principles governing their profession and career (10). In other words, there must be a balance between the economic and social functions of the organization. It seems that the manager in the organization can overcome this challenge is through applying ethical management in the organization (11). Because organizational morality

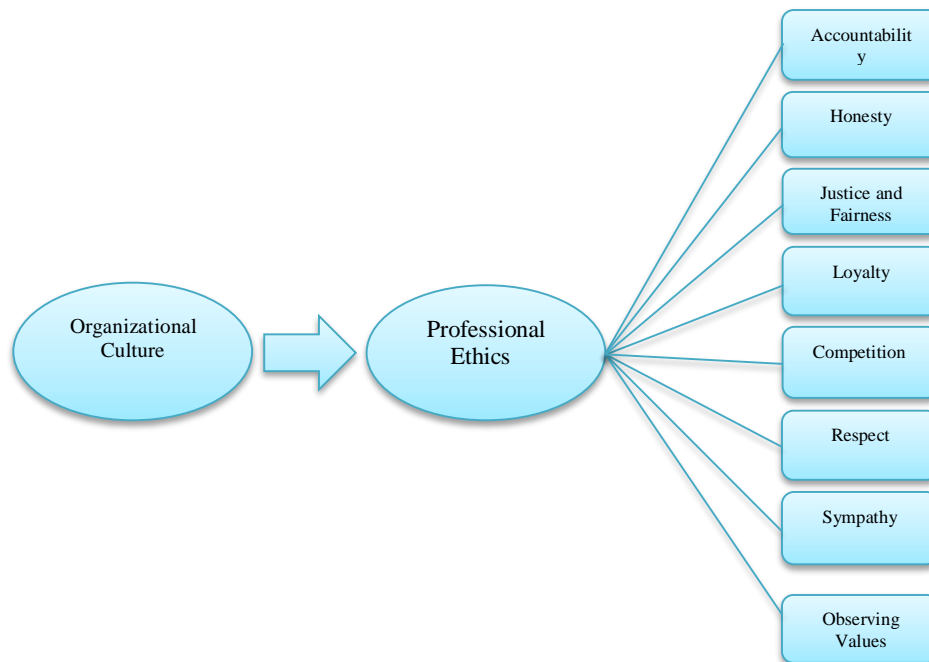
is based on trust building, and weakness in the ethical system and tendency towards distrust leads to a reduction in communications and an increase in organizational losses, which ultimately lead the management to feed back control. In this way, the positive energy of the organization turns into negative. Therefore, the knowledge that can act as a catalyst for the rationalization of an organization based on humanistic attitudes is professional ethic. Professional ethics is, in fact, a rational thinking process aimed at realizing what values, at what time and how, should be preserved and promoted in organizations (12). Organizational culture as an internal system is able to guarantee ethical performance in employees and create an acceptable ethical system without requiring external levers. The role of organizational culture is significant in functions, behaviors, decisions, choices, encounters and communications. As the organizations are more and more paying attention to social responsibility which is one of the important dimensions of professional ethic, investigating this issue can motivate organizations to focus on organizational culture. Organizational culture is an important motivation to pay more attention to society as the main beneficiary of organizational activities. Over the decades, researchers have acknowledged that culture influences the ways in which employees behave. Also, under many conditions of the work environment, informal culture, norms, and expectations affect the employees' behavior even more than formal rules (13). Organizational culture has an impact on all aspects of the organization: based on common beliefs and values, it gives power to organizations, affects the attitude of individual behavior, motivation and job satisfaction, the level of commitment of human resources, designing organizational structures and organizational systems, targeting, formulating and implementing policies and strategies (14). Organizational culture is a factor that, on one hand, links the internal components of the organization and, on the other hand, is the factor separating the organization from other organizations (15). Therefore, it is only appropriate and flexible organizational culture that can gradually change the

pattern of interaction between individuals in the organization (16). According to research, professional ethic can be considered as one of the most important organizational needs that has increased in recent years with the increase of ethical problems; the promotion of professional ethics among employees of organizations has become important and there is no doubt that there is a need for a suitable platform for the growth of ethical qualifications. Therefore, based on this fact and given the importance of leading the society towards getting progressive and advanced, this important issue has to be addressed and ethical standards in the organizations should be observed. The elaboration of the ethical code of the employees, which includes the cultural values of the society and the interests of the organization, is one of the important areas in which the members of the organization follow a general ethical and value orientation and create a cohesive culture in the organization (17). Formulating the Principles of Professional Ethics of the employees, which includes Cultural Values of the society and the ethic of the organization are one of the important areas based on which the organization members follow a general moral and value guideline and model and an integrated culture is formed in the organization (17). Organizational culture can also be used as a powerful leverage to strengthen organizational behavior. A weak organizational culture prevents individuals from trying to keep their personal strength and efficiency in sharing their knowledge. Organizational culture can be considered as a model of shared values and beliefs that helps members of the organization gain understanding of organizational performance and provide norms for employee behavior in the organization (18). In fact, organizational culture is a social concept that induces a common sense to a given group at a given time (19). Addressing professional ethic in the community's major programs is a priority, and the university, as a research and educational center, must be ethical in interacting with students, professors, employees and the outside world. Furthermore, paying attention to the strategic role of the university in promoting professional ethic in

businesses and organizations, illustrates the ethics of the organization of the university. In order to institutionalize ethics, the university needs a continuous and effective promotion of ethics in its organizational culture in all its components (20). Due to the importance of higher education and Educational Ethic in the development of the country, it is essential that some studies be conducted in this regard and examined, but unfortunately, little research has been carried out on ethics in higher education in Iran and this is especially true given the impact of organizational culture on work ethic. Based on research, professional ethic education is one of the most important educational needs in the academic field which has become more important in recent years due to increasing moral hazard issues, promoting professional ethic among faculty members and stu-

dents. Obviously, there is an increasing need for ethical education in the growth of ethical qualifications of faculty members and the university staff. Therefore, on the basis of this fact and given the importance of educating students and leading the society towards becoming progressive and advanced by the future students of this country, this important issue has been taken into consideration and also it is necessary to make sure that all the university staff observe professional ethic.

Therefore, the purpose of this study is to predict professional ethic with regard to the components of perceived organizational by the Islamic Azad University, Mashhad Branch staff. Accordingly, after studying and reviewing the research literature, the conceptual model of the research was designed and presented in Fig. 1.



**Fig. 1:** Conceptual model of the research

## Materials & Methods

This research is applied in terms of purpose, and is descriptive-correlational in terms of type and analysis. The statistical population in this research

is all employees of Islamic Azad University, Mashhad Branch with 230 people and Stratified *Random* Sampling Method is suitable. The Cochran formula was used to sample the research population. According to Cochran formula and at

5% error level, the sample size was 103. Demographic characteristics: Descriptive statistics are used for demographic data as frequency tables and bar graphs using Excel software. Gender-related data showed that 13% of the employees were women and 86% of the men were men. The data collected in relation to the age of the respondent indicate that 1% of the audience is under the age of 30 (young), 33% of the audience is between the ages under 31-40 (middle aged), 49% of the audience are between the ages of 40-50 years old, and 16% of the audience are more than 50 years old. The data related to the educational level of the research audience showed that 22% of the audience hold an associate degree and lower, 38% of the audience hold a bachelor's degree, and 39% of audiences hold a Master's degree or higher.

The data collection instrument is a questionnaire. Organizational culture questionnaire is used to measure organizational culture variable. This questionnaire consists of 26 questions and includes four subscales of engagement in work, adaptability, adaptability, mission, in which each subscale consists of 5 items.

To measure the variable of professional ethics a professional ethic questionnaire in the organization has been used that includes 16 grades and 8 subscales (accountability, honesty, justice and fairness, loyalty, supremacy, competitiveness, respect for others, sympathy with others, and observance and respect for social values and norms). The type of scale used in them has been graded in the Likert spectrum. The reliability of the questionnaire is shown in Table 1.

**Table 1:** The reliability of the questionnaires of the research

Questionnaire	No. Of Questions	Cronbach's Alpha Coefficients
Professional Ethic	16	0/809
Organizational Ethic	26	0/824

The data analysis method is quantitative, and for analyzing the collected data, SPSS and PLS were used.

## Results

Inferential statistics with the help of software are used to analyze the data collected from the statistical sample for each of the questions. To examine the hypothesis of the research, considering the assumption of normalization, Pearson correlation coefficient and SPSS and PLS software are used.

To use the appropriate statistical techniques, firstly, it is necessary to determine whether the collected data is normal or abnormal in distribution, at this stage, we examine the results of the

Kolmogorov Smirnov test for each of the variables, and we will take appropriate tests to investigate the accuracy of the research questions based on the results.

$$\left. \begin{array}{l} H_0: \text{Data does not have normal distribution.} \\ H_1: \text{Data is normally distributed.} \end{array} \right\}$$

The results of the above table show that the observations related to the research questionnaire are normal. In other words, the significance level of the above mentioned test is more than 0.05. Therefore, the hypothesis is not rejected in the Kolmogorov-Smirnov test and the hypothesis of the normalization of the observations is accepted with 95.0 confidence.

**Table 2:** The results of normal data

		Organizational Culture	Professional Ethic
N		104	104
Normal Parameters <sup>a,b</sup>	Mean	2.965	3.894
	Std. Deviation	0.489	0.466
Most Extreme Differences	Absolute	0.062	0.097
	Positive	0.049	0.097
	Negative	-0.062	-0.084
Test Statistic		0.062	0.097
Asymp. Sig. (2-tailed)		0.200	0.217

Regarding the fitted structural model, the coefficient of model determination is 0.595, which indicates that 59 percent of the changes in the dependent variable of professional ethic are explained by the independent variable of organizational culture. For fitting the model, two convergence and differential credentials are used. In or-

der to obtain convergent validity, values greater than 0.5 represent the integrity or internal validity of the measurement models. The value of the extracted variance of the AVE is related to the structures. Since the numbers in Table (3) are more than 0.5, the validity of the measuring instrument is acceptable.

**Table 3:** The rate of goodness-of-fit of the model

The amount of variance extracted	Component
0.574	Adaptability
0.568	Engagement
0.558	Mission
0.571	Compatibility
0.580	Respect
0.690	Superiority
0.757	Observing Values
0.772	Honesty
0.567	Justice
0.737	Responsibility
0.577	Sympathy
0.710	Loyalty
0.654	Organizational Culture

According to Table (4), which shows the correlation between the dimensions of the research variables, to obtain divergent validity, the correlation between the two of the items is less than 0.9, based on which the overlap between the dimen-

sions of the variables of the research in form of differential validity are confirmed, as a result of which the validity of the structure of the model is confirmed.

**Table 4:** Differential validity of factor analysis

	<i>Adaptability</i>	<i>Engagement</i>	<i>Mission</i>	<i>Compatibility</i>					
Adaptability	1.000								
Engagement	0.517	1.000							
Mission	0.661	0.570	1.000						
Compatibility	0.626	0.607	0.545	1.000					
Respect	1.000								
Superiority	0.277	1.000							
Observing Values	0.386	0.330	1.000						
Honesty	0.256	0.216	0.622	1.000					
Justice	0.304	0.120	-0.055	-0.012	1.000				
Responsibility	0.424	0.297	0.485	0.755	0.089	0.336	1.000		
Sympathy	0.513	0.249	0.435	0.300	0.115	0.684	0.417	1.000	
Loyalty	0.326	0.281	0.322	0.501	-0.001	0.293	0.493	0.248	1.000

Investigating the effect of organizational culture on the professional ethics in Table 5 shows that this path coefficient is estimated at 0.733. Considering the value of the partial index (p-value), which is equal to 0.000, as well as the significance number (t-value) of 20.851, which is less than 0.05 and more than 1.96, respectively, it can be concluded that this path coefficient is significant at the error level of 0.05; that is, organizational culture has a positive and significant effect on professional ethics. The value of the Pearson cor-

relation coefficient between the two variables mentioned (organizational culture and professional ethic) is 0.730, and given the significance level of 0, 000 it can be concluded that there is a significant correlation, in other words, the zero hypothesis that there is no relation between the two variables of organizational culture and professional ethic is rejected. Therefore, hypothesis 1 based on the relation between the organizational culture of professional ethics is accepted.

**Table 5:** Results of analysis of research variables

Result	The correlation coefficient	No. of Significance (Test statistic)	Level of Significance	Path Coefficient	Direct Path
confirmation	0/730	20/851	0/000	0/733	Organizational Culture → Professional Ethic

## Discussion

The findings indicate that organizational culture has a positive and significant effect on professional ethic. In order to know the organization and to evaluate the behavior and function of the members of an organization, an understanding of organizational culture is considered to be a fundamental step since, using leverage of culture, it

is easy to make changes in performance and new perspectives can be sustained.

The researchers concluded that organizational culture has more to do with individual culture and managers need to pay more attention to the characteristics of organizational culture to create perceptions of justice (21). Therefore, paying attention to a strong organizational culture seems necessary for the organization and appropriate utilization of that is a critical and vital issue for

the organization. Professional ethic in the strategic attitude is the organization's responsibility for the rights of all environmental elements, both internal and external, which plays a strategic role in the success of the organization.

Non-strategic attitude is an imperfect, deficient, and minimalist perception of professional ethic that reduces its comprehensiveness and lowers it to the level of ethical responsibility of the individual (22). In an article named "Work ethic, a necessity for the organization" the researchers conclude that observance of work ethics in the organization is necessary so that the organization does not conflict with society and guarantee long-term interests by making reasonable and wise decisions. What must be considered in the context of the concept of work ethics is that firstly, work ethics embraces individual morality and career ethics, but goes beyond both and observes the organization as a legal entity. For this reason, corporate responsibility is given to strategic executives; Thirdly, what distorts organizational ethic issues is an issue-centered approach (23). The results of the researchers show that psychological capital can predict professional ethics, which is a kind of moral commitment and conscientiousness to any kind of work, duty, and responsibility (5). Other researchers in a study named "Investigating the Consequences of Organizational Ethical Values" conclude that the ethical values of the organization positively affects procedural justice and distributive justice. Procedural justice and distributive justice have a positive effect on organizational commitment of employees. Organizational commitment positively affects employees' ethical behavior. Also, ethical behavior positively affects the aspect of adolescence and altruism of organizational citizenship behaviors (24). In other studies, explanation of the relationship and the impact of organizational culture on organizational trust has been done. The results show that the constructive norms of behavior are both a predictor of trust and an impact on organizational trust, and the organizations that want to create a culture of trust should gradually inject the norms of cultural success, self-flourishing,

humanistic motivations, and engagement behaviors into their organization (25).

Professional ethics is a process of rational thinking that is a set of accepted ethical actions and reactions that are set by professional organizations and assemblies to provide the most desirable social relations for their members in performing professional tasks. Accordingly, the present study aimed to examine the coefficient of the effect of organizational culture on professional ethic.

Practical suggestions:

- Encouraging the units and employees to coordinate and integrate with each other in solving problems and achieving goals.

- Organizing in-service training programs to increase staffing skills and abilities, and place values, ideologies and culture as a permanent part of education.

- The ethical charter of the organization should be clearly and explicitly explained to all employees.

## Conclusion

The findings of the present study revealed that professional ethic and paying attention to ethic in the organization can lead to increased social responsibility and organizational accountability, which points to the importance of paying attention to ethical issues in the organization. Considering the key role of organizational culture in the promotion and development of professional ethics, it seems that managers and authorities should pay particular attention to these variables and, by removing barriers, provide the necessary framework for institutionalizing ethic and promoting organizational culture. Organizational culture is one of the main factors that assesses the identities and values of individuals inside the organization within the organization environment (26). Organizational culture can be considered as a model of shared values and ideas that helps the members of the organization to gain organizational understanding of organizational operations and Provides norms for employee behavior in the

organization (27). The roots of many of the behaviors and activities of managers and employees must be sought in ethics and ethical values. Given the vital role of organizations in today's societies, the expectations of societies, especially societies which are committed to ethical values have also increased. Failure to pay attention to these values in the management of organizations can lead to huge challenges for organizations (28). In fact, organizations' neglect of these issues and the failure to observe principles of ethic by them can question the legitimacy of the organization and its activities, as a result, affect the income and success of an organization.

## Ethical considerations

In order to observe the principles of ethic as well as confidentiality of information and to ensure the confidence of respondents, the principle of confidentiality was adopted and the respondents were asked not to insert their names on distributed questionnaires in order to ensure their answers remain confidential.

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