The Impact of Organizational Leadership Ethical Conduct on Hospital Employees’ Job Satisfaction: A Correlational Study in Kuwait

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Abstract
The purpose of this study was to examine the relationship between organizational leadership unethical/ethical conduct and job satisfaction of employees in a private hospital in Kuwait. Data was obtained from a private hospital in Kuwait using self-administered surveys from (n=181). The results showed that unethical conduct and job satisfaction were negatively related (r = -0.265, sig = .000), where, ethical conduct and job satisfaction were positively related (r = 0.385, sig = .000). As implications, this study provides evidence of the negative relationship between the level of job satisfaction and unethical behaviors, where on the other hand, it provides evidence of the positive relationship between the level of job satisfaction and ethical behaviors. Thus, from an organizational leadership point of view, one effective way to develop a high level of job satisfaction among staff members is to enforce ethical practices among all levels of staff members throughout the organization.

Keywords: Correlation; leadership; unethical conduct; ethical conduct; job satisfaction; Kuwait

1. Introduction
Organizations should operate in a sound ethical manner as part of their social consciousness. When employees perceive ethical conducts among leaders in the workplace, they are more likely to act in the same manner (Erondu, Sharland, & Okpara, 2004). Ethical behavior is considered a vital component of leadership, therefore when leaders engender ethical practices in their organizations, they become more effective, efficient, innovative, and successful (Morgan, 1993). Unfortunately, leaders of organizations are constantly challenged to compromise their personal ethics in achieving the goals of their organizations (Weeks & Nantel, 1992). As a consequence of this challenge, ethical failures of many leaders have been showed virtually in every part of the world (Beyer & Nino, 1999) as evidenced by “scandals at Enron, Worldcom, Parmalat, Allied Irish Bank, and National Irish Bank” (Knights & O'Leary, 2006, p. 125).

In recent years, the proliferation of concerns with the ethics of leadership has become more pronounced (Knights & O'Leary, 2006). Researchers have been extensively examining organizational ethics in all types of organizations. This is due to the fact that organizational ethics are becoming more complex as a result of globalization practices and because serious ethical lapses have emerged, these have caused serious damage to organizations and societies (Beyer & Nino, 1999). According to Koh and Boo, (2001), ignoring ethical concerns such as “societal expectations, fair competition, legal protection and rights, and social responsibilities” (p. 209), drastically impact organizations. For example, ethical misbehavior, unconstructively impacts employees’ job satisfaction which consequently impacts their level of stress, motivation, commitment, performance, absenteeism, and turnover. Because of that, the crises facing organizations and society are being noted as the crises of leadership and ethics (Arjoon, 2000).
The construct of organizational ethics has been examined by many researchers in relation to many organizational outcomes including customer satisfaction (Barnes & Powers, 2006), organizational citizenship (Enscher, Grant-Vallone, & Donaldson, 2001), financial performance (Wah, 1999), goals achievement (Davis, 2006), productivity and quality (Stainer & Stainer, 1995), turnover (Schwepker, 1999), and job satisfaction (Schwepker & Hartline, 2005). Viswesvaran and Deshpande (1996) stated the literature does not include sufficient studies examining the consequences-based ethical behavior of individuals on organizational outcomes. In fact, they attested that “very little research has focused on the individual consequences of ethical behavior such as job satisfaction, stress and individual performance” (Viswesvaran & Deshpande, 1996, p. 1065).

Although few studies have examined the relationship between organizational ethics and job satisfaction, the vast majority of these studies have been conducted in America. The exceptions are the studies of Koh and Boo (2001), Honeycutt et al. (1995), and Chockalingam, Deshpande, and Joseph (1998), which has been conducted in Singapore, Taiwan, and India respectively. Therefore, for scholars and practitioners, it is necessary to conduct more studies in other parts of the world for the purpose of consistency and generalizability (Honeycutt et al.), and to validate the current U.S. findings (Herndon, Fraedrich, & Yeh, 2001).

According to the literature, there is a discrepancy in the findings regarding the relationship between ethics and job satisfaction. For example, Honeycutt et al. (1995), Sims (1998), and Viswesvaran, Deshpande, and Joseph (1998) have reported a negative relationship between organizational ethics and employees’ job satisfaction; other researchers have reported positive relationships (Saks, Mudrack, & Ashforth, 1996; Deshpande, 1996; Viswesvaran & Deshpande, 1996; Joseph & Deshpande, 1997; Koh & Boo, 2001; Roman & Munuera, 2005; Pettijohn, Pettijohn, & Taylor, 2008; Valentine & Fleischman, 2008), furthermore, Sims and Kroeck (1994) have reported no relationship at all.

Finally, due to the significant impact of job satisfaction on organizational outcomes including commitment and intention to quit (Jawahar, 2006; Cetin, 2006; Lum, Kervin, Clark, Reid, & Sirola, 1998), loyalty (Chen, 2001), empowerment and job stress (Savery & Luks, 2001; Carless, 2004), customer satisfaction (Homburg & Stock, 2004), and service quality for customers (Malhotra & Mukherjee, 2004), this study is believed to be needed. Thus, the purpose of this study was to examine the nature and the extent of the relationship between organizational leadership unethical and ethical conduct and job satisfaction of subordinates in a hospital setting in Kuwait.

2. Review of Related Literature

Job satisfaction has received a great deal of focus from researchers and practitioners (Spector, 1985). In terms of defining job satisfaction, Samad (2005) defined it as “a contribution of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared with what he or she actually receives” (p. 79). According to the literature, job satisfaction impacts both individuals and organizations. On the individual level, job satisfaction impacts stress (Zeytinoglu et al. 2007); and Lambert, Hogan, & Griffin (2007, and burnout (Oncel, Ozer, & Efe 2007). On the organizational level however, job satisfaction impacts empowerment (Hechanova, Alampay, & Franco, 2006), customer satisfaction (Homburg & Stock, 2004), service quality and performance (Park & Deitz, 2006), turnover (Jahangir, Muzahid, & Begum, 2006), and organizational commitment (Al-Ajni, 2006).

“The word ‘ethics’ can be traced to the Sanskrit word ‘sydha’ meaning self-position, self-condition, habit, or custom” (Fraedrich, Ferrell, & Pride, 1989, p. 688). “Ethical means accepted standard in terms of one’s personal and social welfare” (Alas, 2005, p. 71). The term ethics “relates to choices and judgments about acceptable standards of conduct that guides the behavior of individuals and groups” (Erondon et al., 2004, p. 350). Civic ethics should consist of the following norms: “Integrity—pursuing relational wholeness, Reciprocity—mutual giving and receiving, Dialogue—engaging in open conversations, Justice—treating people fairly, Freedom—access to goods for self-development, Care—solidarity with others, and Harmony—a well-ordered and secure society” (Brown, 2006, p. 13).

Knights and O’Leary (2006) state that “the key to good lies not in rules or rights, but in the classic notion of character” (p. 130) such character includes “honesty, fairness, compassion, and generosity” (p. 130). Finally, from a leadership perspective, the literature of ethical leadership focuses on the character of leaders as a prominent focal point (Knights & O’Leary, 2006). Ethics is essential to organizations due to the fact that it “builds brands, draws customers, and saves money in the long run” (Verschoor, 2006, p. 19).
According to McDaniel, Schoeps, and Lincourt (2001), unethical behavior such as discrimination, for example, could have a significant impact on organizations in terms of achieving a competitive edge in the marketplace.

Finally, the significance of ethics can be seen in its impact on customer satisfaction (Barnes & Powers, 2006), employees behavior (Weber, Kurke, & Pentico, 2003), organizational commitment (Schwepker & Hartline, 2005), goals achievement (Davis, 2006), total quality management (Svensson & Wood, 2005), and turnover (Pettijohn, et al., 2008).

3. Methods

3.1. Operationalization and Measurement

Leadership unethical and ethical conducts were measured in terms of two work climates namely, instrumental and caring respectively. These two climates were derived from two major ethical theories along with egoism and utilitarianism (Victor & Cullen, 1988). The job satisfaction of subordinates was measured by using the Job Satisfaction Survey developed by (Spector, 1985). This survey includes nine independent satisfaction dimensions namely, pay, promotion, supervision, benefits, contingent rewards, operating procedures, co-workers, nature of work, and communication. The sum of all dimensions provides a measure of total satisfaction.

3.2. The Research Questions

The attempt of this study was to determine

1. The nature and the extent of the relationship between organizational leadership unethical conduct and job satisfaction of subordinates.
2. The nature and extent of the relationship between organizational leadership ethical conduct and job satisfaction of subordinates.

This study was conducted in a private hospital in Kuwait between the months of May and July of 2008. This hospital operates in a capacity of 100 beds and equipped with the state of the art technology and has affiliations with hospitals and laboratories located in France, England, and America. It provides services to different categories of patients including, emergencies, walk in patients for consultation, patients with appointment to specific clinics, patients referred by external contracting doctors, patients requiring only diagnostic tests, and patients requiring consultation at home.

The Subjects

According to the quality department director, the hospital has 760 employees. However, for the purpose of this study, the target population to be surveyed was all of the employees excluding the support services department personnel which totaled 160. The reason behind this exclusion, which was one of the limitations of this study, was because those employees had a low level of English competency; in addition, they spoke many different languages which made it unfeasible in terms translation and reverse translation of the instruments. Furthermore, on May 15th of 2008, 100 employees—primarily nurses—were on vacation, thus, they were also excluded from the study. As a result of both exclusions, the final target population in this study totaled 500. Finally, the participation of all subjects in this study was completely voluntary.

3.3. Instrumentation and Scales Reliability

Two instruments were used in this study. These include two subscales—instrumental and caring—from the Ethical Climate Questionnaire (ECQ) and the Job Satisfaction Survey (JSS). The two subscales were used to measure the unethical and ethical conduct, where, the JSS was used to measure total job satisfaction. Permissions to use these instruments were obtained from their respective authors.

The ECQ was developed by Victor and Cullen (1988), and consists of 26 items. The development of the ECQ was based on “three major classes of ethical theory” (Victor & Cullen, 1988, p. 104), namely “egoism, benevolence, and deontology or principle” (Victor & Cullen, 1988, p. 104) which reflect “maximizing self-interest, maximizing joint interests, or adherence to principle, respectively” (Victor & Cullen, 1988, p. 104). Out of these three major classes of ethical theory, Victor and Cullen derived five ethical work climates. These climates include instrumental, caring, independence, rules, and law and code.

According to Appelbaum, Deguire, and Lay (2005), the instrumental climate reflects the fact that “members of an organization look out for their own self interests, often at the benefit of others” (p. 45).
The caring climate reflects the concern of the organization’s employees about each other’s well being inside and outside the organization (Appelbaum et al., 2005). Thus, for the purpose of this study, only the instrumental and caring work climates subscales were used to measure unethical and ethical conduct respectively. According to Victor and Cullen (1988), the reliability coefficient value of the instrumental scale is .71 and .80 for the caring scale. Moreover, Cullen, Victor, and Bronson (1993), reported different scale reliability values for the instrumental and caring subscales including .80 and .85 respectively. In this study, the reliability coefficient value for the instrumental and caring scales were found to be .73 and .80 respectively. The JSS was developed by Spector (1985). It consists of 36 items which measure 9 dimensions. These dimensions include satisfaction with pay, promotion, supervision, benefits, contingent rewards, operating procedures, co-workers, nature of work, and communication. The sum of all dimensions provides a measure of total satisfaction. For the purpose of this study, the sum of all dimensions which reflects the total satisfaction was used.

Spector (1985) attested that, the total satisfaction had a scale reliability coefficient value of .91. In addition, Moyes, Williams, and Koch (2006) reported a scale reliability coefficient value of .83 for the sum of all dimensions. In this study, the scale reliability coefficient value for the total satisfaction was found to be .80.

Finally, a 4-point likert scale (1 – 4 where, 1 = strongly disagree, 2 = disagree, 3 = agree, and 4 = strongly disagree) was used for both instruments.

3.4. Sampling and Data Collection Procedure

The entire population of the hospital, except the support services department personnel was surveyed. The surveying process was carried out by using self-administered surveys. In addition, each participant received an informational sheet explaining issues such as the purpose, procedure, confidentiality, risks, freedom to withdraw from participating, and benefits. This informational sheet and research was approved by the Institutional Review Board (IRB) of the University of Maryland Eastern Shore (UMES). Under the supervision of the quality department director, the following steps were undertaken to collect the data:

1. All departments’ managers in the hospital were informed about the study and survey completion;
2. Surveys were distributed to each department’s manager in order to distribute them to their respective personnel;
3. Returned surveys were sent to the quality department director’s office; and,
4. Returned surveys were collected from the quality department director’s office for data analysis.

3.5. Data Collection

The data for this study was collected from a private hospital in Kuwait during the months of May, June, and July 2008. Out of 500 subjects, according to the quality department director, 68 chose not to participate and therefore, 432 subjects were included in the study. Two hundred and thirty surveys (46%) were returned of which, 181 (36.2%) were usable and thus were included in the analysis.

Data Analysis

In this study, descriptive and inferential statistics were utilized using SPSS-16 Graduate Pack. Descriptive statistics were used to describe the demographics of subjects. Bivariate correlation test was used to answer the research questions. Finally, the alpha level of significance for the inferential statistical tests was set at .05. Therefore, any inferential statistical test with a p-value exceeding .05 indicates no statistical significance.

4. Results

4.1. The Subjects’ Demographics

The female subjects (67.8%) outnumbered their male counterparts (32.2%). Eighty six percent of the subjects were between the ages of 18 and 40 while 14% were between 41 and 60. The majority of the subjects, 48.6%, had bachelor degrees and 16.2% had either masters or doctorates. Overall, 98.3% of the subjects had some college education. Most of the subjects, 69.9%, were nurses, 13.6% were physicians, 5.7% were technicians, one engineer 0.6%, 6.2% held administrative-management positions, and 4% were in the profession of administrative-non management. In terms of years of experience, 2.3% of the subjects had less than one year of experience, 34.5% had between 1 and 5 years where, 59.9% had between 6 and 20 years, and finally, only 7.3% had more than 20 years of experience.
The professions which represented 83.6% of the subjects were nurses and physicians. As a result of this high concentration of respondents from the medical cohort, the findings in this study may not be generalized to a non-medical cohort.

Results of Both Research Questions

4.2. The First Research Question

The purpose of the first research question was to determine the nature and extent of the relationship between organizational leadership unethical conduct and job satisfaction of subordinates. To do so, a correlation test was applied to examine the relationship between the instrumental ethical work climate and job satisfaction. The result of this correlation test is shown in Table I. As shown in Table I, the relationship between the instrumental ethical work climate and job satisfaction is significant (p = 0.000) at the 0.01 alpha level (2-tailed). The nature of this relationship is negative (r = -.265) with a magnitude (an extent) of R-Square = 7%. This means, as the instrumental ethical work climate increases, the level of job satisfaction decreases. The magnitude of this relationship indicates that 7% of the variance in the level of job satisfaction is explained by the presence of the instrumental ethical work climate factor, where, 93% of the variance is explained by other factors.

4.3. The Second Research Question

The intent of the second research question was to find out the nature and extent of the relationship between organizational leadership ethical conduct and job satisfaction of subordinates. To do so, a correlation test was also applied. The result of this correlation test is shown in Table 1.

Table 1 shows the relationship between the caring ethical work climate and job satisfaction. According to Table I, this relationship is significant (p = 0.000) at the 0.01 alpha level (2-tailed). The nature of this relationship is positive (r = 0.385) with a magnitude (an extent) of R-Square = 14.9%. This means, as the caring ethical work climate increases, so does the level of job satisfaction. The magnitude of this relationship indicates that 14.9% of the variance in the level of job satisfaction is explained by the presence of the caring ethical work climate, where, 85.1% of the variance is explained by other factors.

5. Discussion and Implications

As shown in Table 1, there was a negative correlation which was statistically significant between the instrumental ethical work climate and job satisfaction (r = -.265, p = 0.01) with a magnitude of R-Square = 7%. In addition, there was a positive correlation which was statistically significant between the caring ethical work climates and job satisfaction (r = .385, p = 0.01) with a magnitude of R-Square = 14.9%. As indicted above, the relationship between the instrumental ethical work climate and job satisfaction was found to be negative with a magnitude of 7%. This means that as the implementation of an instrumental ethical work climate increases, the level of job satisfaction decreases and vice versa. The magnitude of this relationship indicates that, approximately, 7% of the variance in the level of job satisfaction is explained by the implementation of the instrumental ethical work climate factor, where, 93% of the variance in the level of job satisfaction is explained by other factors.

With the idea that instrumental-based behaviors are considered to be unethical, the negative relationship between the level of job satisfaction and the instrumental ethical work climate revealed in this study was supported by Sims (1998). This makes sense since the instrumental climate according to Appelbaum et al. (2005), reflects the fact that “members of an organization look out for their own self interests, often at the benefit of others” (p. 45). The relationship between the caring ethical work climate and job satisfaction was found to be positive with a magnitude of 14.9%. This means that as the implementation of the caring ethical work climate increases, the level of job satisfaction increases and vice versa. The magnitude of this relationship indicates that, approximately, 14.9% of the variance in the level of job satisfaction is explained by the implementation of the caring ethical work climate factor, where, 85.2% of the variance in the level of job satisfaction is explained by other factors.

With the idea that caring-based behaviors are considered to be ethical, the finding in this study was supported by many previous studies which can be seen in the work of (Koh & Boo 2004; Valentine & Fleischman, 2008; Roman & Munuera, 2005). This also makes sense since the caring climate reflects the concern of the organization’s employees about each other’s well being inside and outside the organization (Appelbaum et al., 2005). As an implication of these findings, it is worthwhile to emphasize the fact that according to this study, the level of job satisfaction negatively correlates with the unethical behaviors and positively correlates with the ethical ones.
Although, the level of correlation varies, the fact remains that, a certain level of correlation exists among the level of job satisfaction and unethical and ethical behaviors. For example, the extent of the relationship between the level of job satisfaction and the caring ethical work climate was the strongest 14.9% followed by 7% for the instrumental one. Thus, from an organizational leadership point of view, one effective way to develop a high level of satisfaction among staff members is to enforce the implementation of ethical practices among all levels of staff members throughout the organization. This may seem challenging to achieve, however, with proper open lines of communication and positive attitude towards the implementation of ethical behaviors this challenge may be conquered.

6. Conclusion, Limitations, & Recommendations for Future Study

Based on the findings in this study, job satisfaction and unethical behaviors were found to be indirectly related. Moreover, job satisfaction and ethical behaviors were found to be directly related. Both findings in this study coincided with the similar pre-existed ones which were conducted outside Kuwait.

This study had the following limitations: 1) The generalizability of the findings was limited to the private hospital of this study; 2) The findings in this study may not be generalized to other private hospitals in Kuwait; 3) The findings in this study may not be generalized to government hospitals in Kuwait; 4) The exclusion of the support services department personnel from the study; and 5) The inclusion of a small sample size in this study.

Finally, for the purpose of findings validation and generalizability, similar studies should be undertaken in other private hospitals in Kuwait, using a larger sample size which may improve the validation process, and the utilization of different instruments to measure the constructs of unethical/ethical behaviors and the level of job satisfaction are some recommendations for further research.

Table 1: Correlation Test

<table>
<thead>
<tr>
<th>Work Climate</th>
<th>Job Satisfaction</th>
<th>Pearson Correlation</th>
<th>R-square</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instrumental</td>
<td></td>
<td>-0.265**</td>
<td>7.0%</td>
<td>0.000</td>
</tr>
<tr>
<td>Caring</td>
<td></td>
<td>0.385**</td>
<td>14.9%</td>
<td>0.000</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed). N=181
References


