

THE INFLUENCE OF VARIOUS FACETS OF  
ETHICAL BEHAVIOR ON EMPLOYEES' JOB  
SATISFACTION AND ORGANIZATIONAL  
CITIZENSHIP BEHAVIOR

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On Employees' Job Satisfaction and Organizational  
Citizenship Behavior

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On Employees' Job Satisfaction and Organizational  
Citizenship Behavior

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I hereby declare that:-

1. This research project is the end result of my own work and that due acknowledged has been given in the references to all sources of information be they printed, electronic or personal.
2. No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
3. The word count for this research project is 18,418.

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# Abstract

Ethics is the study of morality, it is the values that worth pursuing in life. However, the impacts of ethics in our daily practices have attracted great discussions on a success or failure of an individual as well as a company. At the same time, the bombards of unethical behaviors reveal social issues recently demand our high attention. Unethical behavior is one which is not morally right or prohibited in law, but it does affect us.

This study paper examines the influence on various facets of ethical behaviors (coworkers, successful managers and ethical leadership behavior) against employees' job satisfaction and organizational citizenship behavior. In this research, both primary and secondary data were used and analyzed. This research was conducted through distribution of survey forms to individuals who working in accounting, auditing, taxation and company secretarial firms located in Klang Valley for respond. Several analysis methods were used in this research to examine the data collected, such as descriptive analysis, internal reliability analysis, and inferential analysis. The study revealed ethical leadership behavior has high significant level against both employees' job satisfaction and organizational citizenship behavior. Some limitations of the study have also been found and highlighted. Anyhow, strategies to reduce the unethical behaviors such as establishment of code of business conduct, a whistle-blowing mechanism and commitment of top management to business ethics training for employees have been included in the last chapter of the research report.

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# CHAPTER 1

## INTRODUCTION

### 1.0 INTRODUCTION

In recent times, apart from globalization, technological advancements, increased concern for environment and consumer right, have changed the manner of doing business, departure from the old tradition of the business entity which was merely to chart an existence in a business corporation. Our marketplace has become more competitive nowadays, companies not only require gaining excellent customers satisfaction to survive but at the same time, employees' satisfaction is convincingly believed to be correlated to customers' satisfaction, along with their organizational citizenship behavior towards a company. Presently, employee's job satisfaction and organizational citizenship behavior are the common discussion topics in our society.

On the other hand, ethics is said to be branch of philosophy which is concerned with human charter and conduct (Balachandran and Mahendran, 2003). The Oxford Dictionary defines ethics as "a set of moral principles" that govern or influence a person behavior. The ethical behavior remains another hot topic to analyze in current literature study as ethical practices in a company has great influence to gain competitive advantage and retention of talented employees. Peterson (2002) emphasized that ethics plays a role in the scope of employee behavior and organizational climate.

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This research is undertaken to examine the influence on various facets of ethical behavior on employees' job satisfaction and organizational citizenship behavior. The relationship between the dependent variables (employees' job satisfaction and organizational citizenship behavior) and few facets of ethical behavior such as ethical behavior of co-workers, ethical behavior of successful manager and ethical leadership behavior as the independent variables will be examined to respond to the research questions. The initial chapter of this research shall discuss on the background of the research, research objectives and questions, hypotheses of the research and state of problems that prompted in this research. Furthermore, the paramount of the study and chapters layouts of this research will also be revealed in this chapter.

## **1.1 BACKGROUND OF THE STUDY**

Since Enron's world shaken corporate misdemeanors scandal and the failures of other corporations, governance has become one of the concern issues to all stakeholders in business organizations and it remains as the top of boardroom agendas worldwide nowadays. The unrelenting corruptions outwardly emerge in business and politics, have been seriously awakened the public consciousness regarding ethics in general and business ethics (De Cremer, Mayer, and Schminke, 2010). At the same time, in the presence of the spotlights determinedly on the boardroom behavior, many companies are trying to cascade good governance down through the rank of the organization by embedding a code of governance at every level of the business and subsidiary. However, no governance will succeed unless companies take time to understand the ethical mindset of the employees. Employee attitudes toward ethical standards retain critical important in a company (Peter, 2004).

Pricewaterhouse Coopers commissioned Market and Opinion Research International has conducted a survey in 2004 to understand what employees

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feel about the way they work, how colleagues and bosses behave with 933 respondents/employees from both private and public sectors. Arising from the survey, 40% of respondents did not believe that large companies behave in an ethical and honest manner, 20% of their supervisors and 17% of their colleagues, failed to follow company's code of conduct. Meanwhile, 35% of them believe that they were asked to perform duties at work that conflict with own sense of fairness or ethics.

In is a norm for companies pointing finger other place, claimed that problems do emerge but not likely occur in their own industry or company. However, from the said survey, as shown in Figure 1, it was underlined how widespread the actual attitudes really were.

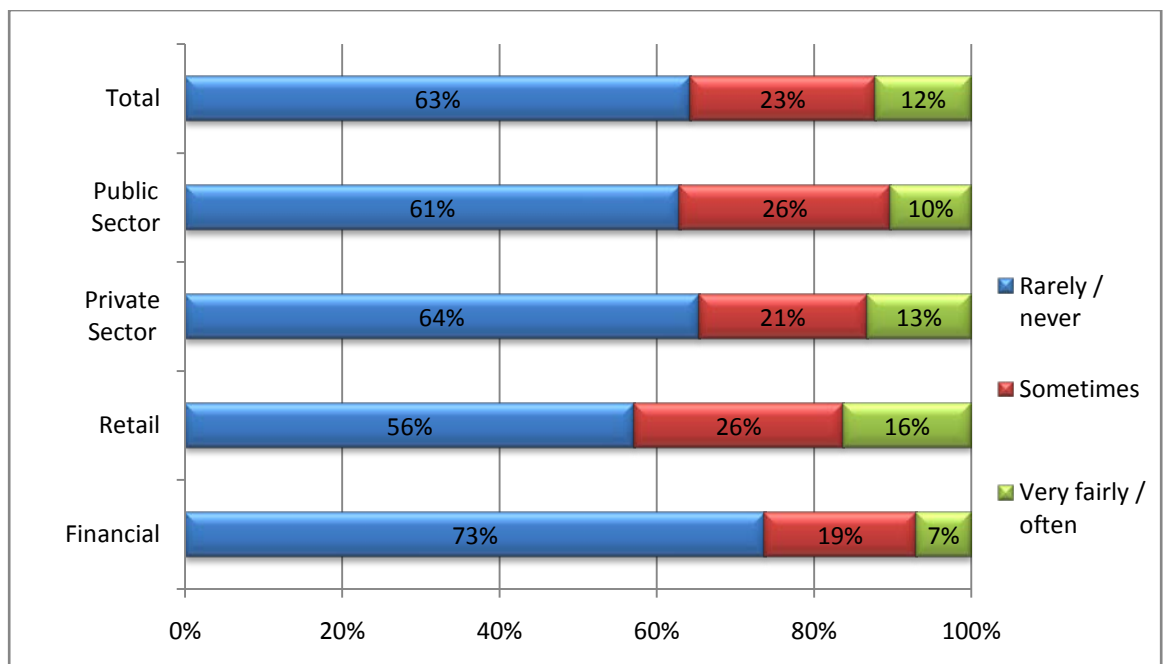


Figure 1: Conflicts with personal ethics are evenly spread

(Source, citation of author Peter (2004)).



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The 16<sup>th</sup> International Anti-Corruption Conference (IACC) 2015 held recently in Putrajaya on 2 to 4 September 2015 with attendance of nearly 1,000 delegates from over 130 countries, was indeed a good platform to discuss on the world's largest challenges, in what way impunity makes to spread of corruption. Delegates from all over the world gathered in Putrajaya to brainstorm on preventive strategies on impunity and hold account to people who advantageously gain from the abusing their power. Akera Muna, Chairman of the IACC Council, reiterated in his speech that corruption is a major obstacle to effective development and aid, it causes social damage.

With the theme of “Ending Impunity: People, Integrity, Action”, the IACC 2015 explored 5 main world challenges, which are ending impunity, clean climate governance, preventing illicit financial flows, political transitions leading to stable and transparent governments and clean sports.

At the closing session of the IACC 2015, a stress was emphasized in calling for culture of transparency promotion that leaders are accountable in leading to a participatory society. This is because the abuse of powers in high level is the expense of many other people and may result serious harm to individual and also the society at the end.

Despite the turbulence in Malaysia and the world are currently facing, Minister in the Prime Minister Department, Senator Datuk Paul Low Seng Kuan, in his opening speech at the IACC 2015 highlighted that Malaysia was not doomed to become a failed state. The fact is that Malaysia economic successes at a low of 2.9% of unemployment rate, a real GDP average higher than of the global average, which supported Datuk Paul Low's claim. However, in a question and answer session during a workshop, Datuk Paul Low admitted that Malaysia has to deal with governance and corruption issues. However, he assures that under his leadership, the Malaysian Anti-Corruption Commission (MACC) continues to be a independent and transparent commission without any blessings or

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interference from any parties, is currently embarking on a transformation journey with the aim of achieving greater effectiveness and efficiency in its operation, prevention and management geared towards improving public support and confidence of nation's anti-graft body (The Stars, 5 September 2015).

Corporate governance has indulged a huge public interest over the last two decades, as it crucially affecting economic health. The portrayed corporate ethics on scandals and malpractices in companies such as Worldcom, Enron, Tyco International, prove that the entire economic system upon that investment returns have sharply not only undermined confidence of the investors but has also resulted a renewed emphasis on corporate governance. Checking from the ethical dimension, the main issues of corporate governance involve queries concerning relationship and constructing trust in a company, both internally and externally (Metzger et al, 1994).

Cragg (1999) suggested that there are two models of corporate governance adopted by today's modern corporations, namely the "shareholder wealth maximization model" and the second, the "ethical or social responsibilities model". The latter responsible corporations are those which incorporate ethics in all aspects of business transactions. They concern all parties, including both internal and external stakeholders.

Admittedly, company cannot survive in isolation and most of businesses operate globally and interconnect with each other, in certain extend. The survival of a company's business greatly depends upon the integration of business code with the societal ethics. Ethics are gaining importance day by day which results into more saturation of business practices. The main success criteria in an international business are with presence of good ethical standards and command of cultural value (Zhang et al., 2011).

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Malaysia is committed by a vision to become a well-developed and high income nation by year 2020, and this vision would not be success and come into reality in absence of a well diligent ethics in mind of each and every one of our citizens in Malaysia. Each citizen should act ethically and diligently without fear and stand proud be a citizen residing in Malaysia.

The main purpose of this research is to examine and explore the impact on ethical behavior that arise from different perspectives in companies in Malaysia on employees' job satisfaction and organizational citizenship behavior. The relationship between the dependent variables (job satisfaction and organizational citizenship behavior) and few identifiable independent variables be examined in order to respond to the research questions and confirm if the objectives of the research are achieved. The initial chapter will discuss the background, problem statement, objectives and hypotheses of the research.

## **1.2 PROBLEM STATEMENT**

During the past few decades, we heard a numbers of high-profile scandals that brought business ethics to the forefront and have been meltdowns companies such as Enron, Arthur Anderson and WorldCom that spawned a significant negative perception among business and industry. Since then, a great deal of attention has been placed on the ethical failures of businesses. Widespread in internet and television coverage have damaged the reputations of many businesses and eroded the trust of stakeholders. There are countless of news about abuse of power, disregard of human welfare, sexual misconduct, discrimination and the lists can be endless continuing.

In the presence of the common on education level arise in Malaysia among the younger generation who generally claim to be more self-determination, self-

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concept and with own belief and ideas in general, the researcher is convinced that this proposed research is able to provide a more rationale focus in this regards. The researcher personally optimistic that this research should feasibly capture the relationship between various ethical behaviors and employees' job satisfaction and also their organizational citizenship behavior from empirical data and hopefully, by end of this research, the result of this research could be able to offer some concluding thoughts for future research and increase the public's awareness and knowledge in this area.

### **1.3 OBJECTIVE OF THE RESEARCH**

The objective of the research is to determine if employees' job satisfaction and organizational citizenship behavior that are affected by various types of ethical behaviors. This study shall explore and reveal whether any correlation relationship between these few variables from respondents working in few accounting, taxation, auditing and company secretarial firms in Kuala Lumpur and Klang Valley.

### **1.4 RESEARCH QUESTIONS**

After having identified the research objectives as mentioned above, the overall research questions to be answered in the research project are:

- a. What are the impacts of various ethical behaviors (co-workers, successful managers and ethical leadership) on employees' job satisfaction?
- b. What are the impacts of various ethical behaviors (co-workers, successful manager and ethical leadership) on employees' organizational citizenship behavior?

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## **1.5 HYPOTHESES OF THE STUDY**

Base on the objectives on the research stated above, listed below are the hypotheses to be formed for the research:-

- H1 There is a relationship between co-workers' ethical behavior and employees' job satisfaction
- H2 There is a relationship between successful managers' ethical behavior and employees' job satisfaction
- H3 There is a relationship between ethical leadership behavior and employees' job satisfaction
- H4 There is a relationship between co-workers' ethical behavior and employees' organizational citizenship behavior
- H5 There is a relationship between successful managers' ethical behavior and employees' organizational citizenship behavior
- H6 There is a relationship between ethical leadership behavior and employees' organizational citizenship behavior

## **1.6 SCOPE OF THE STUDY**

The research will be focusing on the influence of various facets on ethical behavior on employees' job satisfaction and organizational citizenship behavior. Study will be focused on the data that are collected from respondents of the related questionnaire surveys. These respondents are working individuals from few accounting, auditing, accounting and taxation as well as company secretarial firms in Klang Valley. Meanwhile, this research tries to find out which independent variable is able to create the greatest employees' job satisfaction and organizational citizenship behavior and the reason affecting it, if any.

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## **1.7 SIGNIFICANCE OF THE STUDY**

The researcher is convinced that this study could help other to show evidence of the validity of previous related studies and also support related future research, gathers goods ideas and gives better understanding on related research area. Furthermore, this study could also boost the management of a company with better knowledge with regards to the impact of facets of ethical behaviors on their employees' job satisfaction and organizational citizenship behavior. This may bring benefits for the companies in Malaysia to better decision making of management with long viability and strategies to plan ahead. Lastly, this study could serve as references for other researchers also who might have interests to study in this area.

## **1.8 CHAPTER LAYOUT**

### **Chapter One: Introduction**

This chapter introduces the overall research project by presenting the research background, research objectives and research questions, explaining the problems encountered in present context that prompted for this research, also justifying the importance of the research. This chapter provides also an overview on what the research is covered.

### **Chapter Two: Literature Review**

This chapter is a collection of literature review that is compiled from secondary data, which refers to other researcher's publications, journals and books. Information that is related to the research topic will be studied and will serve as a reference to create the research framework. The empirical study of other

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researchers will be also demonstrating the relationship between related variables, which will be used to develop the research hypotheses.

### **Chapter Three: Methodology**

This chapter serves as the guideline for researcher to further accomplish the research by explaining the methods and techniques that researcher will be using for data collection and analysis. The processes of research from selection of samples, gathering of data and methods to analyze data will be based on the description of this chapter.

### **Chapter Four: Data Analysis and Findings**

This chapter presents the research's output and findings. Data will be analyzed based on the method and approach decided in the former chapter. Interpretation will be done on the analyzed data by referring to related created by other former researchers.

### **Chapter Five: Discussion, Implication and Recommendation**

This chapter discusses the research findings that were presented in the earlier chapter. The discussion will include some statements by other researchers to support the findings. Further, this research will be summarized by some implication and recommendation by end of this last chapter.

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## **1.9 CONCLUSION**

Chapter one basically serves a plan for the entire research project. This chapter laid out an overview of the important processes that will be implemented for the completion of this research. The research objectives and questions that were presented in this chapter served as the guideline for the research, which allow the writer to refer while proceeding to next stage of this research.



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## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 INTRODUCTION**

In this chapter, a review of literature on each individual variable was carried out, starting with the independent variables (ethical behavior of coworkers, ethical behavior of successful managers and ethical leadership behaviors) and followed by the dependent variables (job satisfaction and organizational citizenship behavior). This chapter highlights important findings from other researchers' studies that could be used to tackle the related variables involved in this research and helps in resolving the research questions.

#### **2.1 ETHICS**

Ethics is defined as a set of rules about what is right and wrong, good and bad, which leads to prescriptions for behavior such as duties and obligations. As quoted by Albert Schwitzer (2009) in A Guide to Improving Work Practices, established by CCH Asia Private Limited, ethics is the name given to our concern for good behavior. Malaysia vision to achieve as a high income nation by year 2020 for the benefit of the whole country and its citizens, it is important to understand that ethics are crucially of its essence and it surely goes beyond legal issues. Ethical conduct builds trust and confident among individual.

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Legal compliance mechanisms remain formal documents in most US corporations in addressing or conducting ethical issues (Weaver et al., 1999). Having said that, we may notice many abuses outrage with the entirely legal compliance mechanisms; one of the example would be the misleading accounting statements could be lodged by simply complying with accounting principles in general. Juries have difficulty in obtaining abstract and sophisticated financial concepts, unclear in laws regulating companies. Well-counseled executives have plenty of tricks for distancing themselves from taking responsibilities with the fact that criminal laws merely apply to harsh cases, as pointed in France et al., (2002) study.

In the survey conducted over 1,100 college students on 27 US campuses and unfolded that even though the students were disturbed by recent corporate scandals, some 84% believed that US was having a business crisis and 77% was in the view that CEOs should personally held liable for it. Legal compliance mechanisms prove to be insufficient, despite these mechanisms remain as a key component of corporate governance. Legal compliance mechanisms lack of moral firepower to rebuild and regain confidence and trust in a company (Weisul and Merritt, 2002).

Termes (1995) compared legal compliance mechanisms (codes) and ethical compliance mechanisms (virtues) and coined that the ethical functioning of financial institutions cannot be trusted on the imposition of code of ethical conduct and the only way in which companies can be ethical is only for it people to be ethical.

Trevino (1986) study noticed legal compliance programs matter lesser than perceptions over the program's orientation in certain characteristics towards aspirations of ethical and values. Consistency between policies, actions and

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organizational ethical climate dimensions for instance ethical leadership, fair treatment of employees, and open discussion of ethics are such characteristics.

There were certain differences in terms of content and character of legal and ethical requirements which can assist in understanding why ethics was accorded a normative primacy in practical and legality to be judged by reference to ethics and not the vice versa, despite with the appearance of some convergences and congruities, as claimed by Kleining (1999). According to his research, legal mainly relates to intentions and more general with character that shows in the conduct of a person. On the contrast, ethics concerns with what people is and not what they do. Furthermore, ethical values are universally recognized and legal is legitimately needed in certain extent and it varies from difference countries.

Overemphasis towards legal compliance mechanisms may also be an expense of ethical reflection, people may have fewer room to form own opinion and consume own responsibility for decisions they make, it may cause in a subtle of “accountability” for “responsibility” (Longstaff , 1986).

Paine (1996) identified an organizational integrity-based stratagem is more comprehensive and broader than the legal compliance strategy to encourage and support an ethical corporate culture. Figure 2 shows the differences between the legal compliance and the ethical compliance approaches.

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Figure 2: Differences in Legal and Ethical Compliance Approaches

<b>Factors</b>	<b>Legal</b>	<b>Ethical</b>
Ethos	Regards ethics as a set of limits and something that has to be done	Defines ethics as a set of principles to guide choices
Objectives	Geared toward preventing unlawful conduct	Geared toward achieving responsible conduct
Method	Emphasizes rules and uses increased monitoring and penalties to enforce these rules	Treats ethics as infused in business practice (leadership, core systems, decision making processes, etc)
Behavioral Assumptions	Rooted in deterrence theory (how to prevent people from doing bad things by manipulating the costs of misconduct)	Rooted in individual and communal values (both material and spiritual)

Adapted from Paine (1996)

The substance of laws must not be lost in the fight of compliance with their own form, in the presence of corporate governance, comply with their form. Companies must put great efforts to comply with not merely on letter of laws, but also the recognition of advantages such as in providing companies with bigger measure of less burden in insurance mechanism, securing more accurate and better flows of information, enhancing better effective and efficient business decisions, and lastly for the opportunity unveils with additional well defined standards (Harsbarger and Holden, 2004).

Compliance is a need in adhering to rules and regulations, but insufficient for business attribute. Ethics concerns in doing the right things and it constructs trust. In absence of trust, business may fail. Good ethical practices give a competitive advantage for businesses (Priest, 2008).

Stone (1975) argued that law fails to provide adequate control of business behavior. Laws often are a reaction to public demands, time delays before particular conduct becomes problems. Further, loopholes in law can create

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opportunities for legitimizing negative behaviors. For instance, licensing of direct selling companies requires under Direct Selling Act, as a mechanism to protect consumers. The Act was only been promulgated, following with complaints and legitimize by illegal behavior only takes place.

According to Abdul Rahman (1999), the primary concern of law is to minimize harm. Law does not tell us what to do, rather, it tells us what not to do but sadly, it fails to stipulate and support important affirmative action as to what the mission of business ought to be. Abdul Rahman advocated that law can be good or bad. Ultimately it only guides for righteous conduct based on values is people power to act upon it. Advocates of compliance have difficulty appreciating value-based initiatives because they consider business as a reactive mechanism within a legal, economic or social environment. If only rely on law to define our social responsibility, we are actually inviting more regulations and legislation which cascading also bureaucracy and legal enforcement. The compliance oriented approach relies heavily on external controls such as penalties. By contrast, self-regulations through voluntary code of ethics definitely offer less expensive and attract better option for corporation, the community and the country at large.

Ethics requires action beyond mere compliance to the law. Ethics is not a code for human conduct. It concerns with judgment, belief and values pertaining to all aspects of decision we make, be it social, economic, political and even cultural (Syed, 1994). Corporate ethics set parameters to the way management should make decisions on issues pertaining to society, employees, and issues pertaining to morality. Adherence to strict code of ethics proves a meaningful framework in facing ethical dilemmas.

The researcher understands that ethics is an aspect of growing important and has become one of the ingredients in achieving ethical performance in administration, management and the like is ethical literacy. According to Aroff

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(2002), ethics is everybody business, more so if we consider ourselves as professionals. Some researchers piously describe a profession as a positive force for the stabilization of society. Following from this statement, the researcher is interested to testify if the employees who most of them are local professional bodies' members and working in local accounting, taxation, auditing, and company secretarial firms, their views on facets of ethics behavior against their job satisfaction and organizational citizenship behavior.

## **2.2 ETHICAL BEHAVIOR**

Ethics is described and prescribed as moral behaviors and requirements within certain acceptable or unacceptable matters of behaving that treat as philosophical principles in purpose (Minkes, Small, and Chatterjee, 1999). Morally, in certain situations, ethical behavior is described as an accepted “good” and “right” rather be “bad” or “wrong” behaviors (Sims, 1992). With the guidance of code of values and moral principles in relation to what is right or wrong, large community accepts the ethical behavior in both legally and morally (Trevino, 1986).

It is a increasingly demand to understand how and why unethical behavior could appear so early, even though with the presence of various aspects of monitoring systems, it seems that morals and business action move downhill on roller blade speed (Tenbrunsel and Smith-Crowe, 2008).

In the perspective of an organization, ethics can be viewed as a discovery, reaffirmation and evaluation of values and principles (Freeman and Stewart, 2006). Also from the organizational point of view, ethical behavior has been viewed as standards of ethical of senior leaders and also the culture of an organization (DeGeorge, 1986).

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There is increasingly necessary for our future business leaders to elevate their ethical attitudes (Borkowski and Ugras, 1992; Etzioni, 2002; Jennings, 2004). There were too many corporate scandals that emerged in spotlight in the late 1990s and the first decade of the 21st century. Unethical behavior in an organizational can result to financial failure and at the same time, impact on stakeholders confidence profoundly (Giacalone and Jurkiewicz, 2003).

In fact, to enforce the behavioral standards of ethical norms, many organizations have incorporated ethics codes that state the level of moral conduct they expect from their employees (Valentine and Barnett, 2003). They found that employees who aware of these ethics code in their company tend to have stronger levels of organizational commitment. This serves as one platform to encourage strong ethical standards relate to employee behavior.

According to Bandura (1977), by observing the behavior of people associated with, that people can have a new set of behaviors. The provision of ethical and unethical behaviors can impact ethical of other people greatly, as proposed by differential association theory (Ferrell and Gresham 1985). In view of these interest theories, the researcher is keen to investigate whether ethical behaviors do impact on employees' job satisfaction and organizational citizenship behavior.

In this research, there are 3 dimensions of ethical behavior which include co-workers, successful managers and leadership ethical behavior be explored their relationships with employees' job satisfaction and organizational citizenship behavior.

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### **2.2.1 ETHICAL BEHAVIOR OF COWORKERS**

It is norms to accept ethical behaviors that are naturally formed in social environment at certain work situations. Individuals tend to adhere to these set standards of conduct and act in a similar way to their surrounding population at work, employees also act in a similar way to their coworkers, and new employees tend to act in the way that the other veteran employees (Jacqueline, 2012).

“Coworkers” actions normally are related with outcomes of the individual at a workplace (Barnard, 1968; Roethlisberger and Dickson, 1939). Some former studies revealed that actions of coworkers in a workplace generally are related to colleagues’ burnout, stress, physical strains, and perspective of ethics (Beehr et al., 2000; Halbesleben, 2006; Viswesvaran et al., 1999). Hence, logically coworkers’ actions are influential in certain outcomes of a job (Hackman, 1992). Coworker is a significant source of information in a social environment context. Due to pervasive position of a coworker, if colleagues are looking for information on the job, coworkers would be the immediate source of information. Further, the influential position of coworkers and the increase reliance on work groups makes co-worker exchanges information in getting a job done (Parker, 2007). Coworkers are communicated constantly; interactions of coworkers with managers become more frequent, in span of control of the latter (Cole et al., 2002). Coworkers’ ethical behaviors are crucially affecting employees’ attitudes and behaviors. (Salancik and Pfeffer, 1978).

In an organizational context, values of ethical primarily strengthened through values-based leadership. The relationships between leaders and their coworkers are based on the sharing of leaders’ internalized values (Daft, 2007). According to Caplan (1974); Bruk-Lee and Spector (2006), coworkers appear in both negative (antagonism) and positive (support) behaviors. Baumeister et



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al. (2001) revealed in his research that job satisfaction will decrease due to negative or unethical behaviors of coworkers and on another hand, positive or ethical behaviors can enhance job satisfaction.

Festinger (1954) study unveiled that it is easy to get social environment's information, particularly receiving the source of information from individual similar to them. However, if the information was obtained from channels which are uncertain, employees will start to rely on the social environment to gain interpretations. Employees' interpretations can be affected by the attitudes and behaviors of those coworkers.

### **2.2.2 ETHICAL BEHAVIOR OF SUCCESSFUL MANAGERS**

Machiavelli wrote in the 16<sup>th</sup> century that nothing could be more difficult to conduct or uncertain in success than leading to introduce a new order of things. Managers face changes every day, especially in available environment. Every effort has to be made to achieve congruence between the environment and available resources of the organizations (Cheah, 2003).

Superiors have big affects on the subordinates' ethics (Wotruba, 1990). Demonstration of ethical from upper level management in their daily behavior sets tone for lower level employees' attitudes. Further from that, in the absence of top management's commitment, it is rather uneasy for employees to discuss openly on issues with respect of ethics. People are only capable to express ethical views in absence of any fear of retribution which pervadeinall aspects of corporate strategy (Brigley, 1995).

Followers follow leaders' leads in certain ways (Herb, 1987). According to Trevino (1986), in companies where legitimate authority prevail the rest of other things, employees are ordered to undertake top management's

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instruction, even if those instructions contrary to the staff perception on what is right. However, people will endeavor to minimize the dissonance by avoiding actively in such situations and information that potentially raise the dissonance (Frestinger, 1942). Base on Koh and Boo (2001), dissonance could be the basis source to reduce job satisfaction.

In the context of justice, managers who support ethical behavior are viewed to treat fairer to their employees. Following from that, greater level of job satisfaction for employees can be secured. When people feels to be been treated fairly, they are unlikely to reject the changes presented to them (Cordery, Sevastos, Mueller and Parker, 1993).

In the presence of ethical practices, no undue pressure should be imposed by managers against employees to achieve impossible goals, to support an ethical work environment (Wells and Spinks, 1996). Most of the unethical behaviors undertaken by employees are resulted from attempts in completing goals which are pressured to accomplish within the bounds of ethical behavior. In the event that a company feels that their employers are ethical in their behaviors, job satisfaction ratings tend to be high and that turnover intentions are low (Pettijohn and Taylor, 2007). Based on Brown and Gray (2004), modeling from managers is another influence tool on ethical behavior. Employees tend to follow mangers' behavior that they hold accountable of their action (Wimbush and Shepard 1994).

Zabid and Alsagoff (1993) found that managers have high ethical values but is also found that nearly 53% of the managers also believed that ethical standards are lower today than they were 15 years ago. This perception was said to be attributed to a more laid back attitude among the younger generation on the issue of ethical behavior.

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Many people aspire to become a successful manager, but the practices of managers may perceive as successful by a particular individual. However, in the event that a manager believes that unethical behavior can lead to his success; such perception would strongly motivate him for such unethical behavior (Victor and Cullen, 1990).

Following the researches above, it seems managers are capable to create significant influence on the followers' ethical decision in certain extent. Hence, in this research, the research would like to explore if the relationship exists between ethical of successful managers who working in accounting, auditing, taxation and corporate secretarial management firms and their job satisfaction and organizational citizenship behavior.

### **2.2.3 ETHICAL LEADERSHIP BEHAVIOR**

“Leader” is a word to describe someone in a position to lead, manage, influence, facilitate and guide. Leadership is a symbol of relationship between a leader and his/her followers within an organizational context. Ethical leadership is important in offering direction on mission, vision and goals of a company (Kanungo and Mendonca, 1996). Ethical leadership is described as a main factor in the management for the external environment in term of reputation (Blanchard and Peale, 2011).

Brown et al., (2005) defined ethical leadership as “the demonstration of normative appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision making”. Leadership styles are capable to enhance employees' outcome (Mayer, Kuenzi, Greenbaum, Bardes & Salvador, 2009). Ethical leadership is been constructed as ambiguous and covered with different elements (Yukl, 2002). Capabilities to affect employee

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attitudes and behaviors by a leader can be viewed from various factors, for instance job performance, job satisfaction, organizational citizenship behavior and organizational commitment (McShane and Von Ginow, 2010).

Kouzes and Posner (1987) study unveiled that the essential character to leadership is honesty. Peoples want to follow a person is worthy of our trust, someone being truthful and ethical, regardless in a battle or boardroom.

According to Brown, Trevino and Harrison (2005) study, leaders should be the central source of ethical guidance as they possess the influencing power that could encourage and manipulate the ethical conduct of their followers, in developing and promoting the ethical behavior among employees in an organization. Nuabuife (2010) agreed on the importance of leader as an agent in promoting ethics but ethics should not be decided by individual self through and interchanges of views in a belief system and culture, rather leaders have to involve in defining the true meaning of what is ethical while imposed by acting in the defined ethical way when they lead.

Brown, Trevino, and Harrison (2005) proposed that leaders should be the central source of ethical guidance as they possess the influencing power that able to encourage and manipulate the ethical conduct of their followers. Followers identify specific traits and behaviors of their leaders and make predictions on how they can act in same pattern. These leaders are perceived as ethical leaders as their actions are principled followed by others. Ethical leaders demonstrate consistent with their words and behaviors to inspire their followers (Zhu, May, and Avilio, 2004).

Collins (2001) examined the character traits of effective business leaders in the culture of 11 companies that transformed from good solid businesses into great companies that produced phenomenal and sustained returns for their stockholders. He noticed the traits of fanatical drive and diligence have been

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shown by all the leaders in these companies, but the highest level leaders were also shown their conscience and integrity that put full interest towards their stockholders and employees.

Ethical leaders encourage both ethical and job related performance (Brown and Mitchell, 2010). The researcher would like to explore in this study whether perceived ethical leadership behaviors do promote employees job satisfaction and also their organizational citizenship behavior.

However, with regards to this research, the researcher does not want to dwell or analyze on specific styles or sciences of leadership, rather, focus would be put on leaders behavioral who can bring out the best in people, excite and inspire followers to move forward in a desired direction.

### **2.3 JOB SATISFACTION**

Job satisfaction remains a hot topic in the study of organizational behavior and has attracted a considerable amount of interest from researchers. Back to the 1930s, study on job satisfaction has been initiated (Padmanabhan, 2005). Padmanabhan's study summarized the concept of individual's overall job satisfaction and feeling in term of satisfaction from diverse aspects of the job. Moorman (1993) described job satisfaction of an employee is the joint contentment of affective and cognitive.

According to Locke (as cited in Madlock, 2008), job satisfaction been described as a pleasurable emotional from the appraisal of job. It is impactful to employees' performance and turnover intention (Kumara, et al., as cited in Ho, Yong, Poon and Ooi, 2009). Furthermore, Fang (2009) pointed out factors such as quality of relationship with supervisor or employer and degree of fulfillment in work influence greatly someone job satisfaction. These factors

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could determine the degree of satisfaction of employees in a workplace. In term of relationship quality, interpersonal communication could also play a part of it. In a research by Sharbrough et al (as cited in Madlock, 2008), it was identified that there was a positive relationship between communication competency of leaders and employees' job satisfaction, where higher level of satisfaction is able to achieve when leaders used motivational language to communicate with employees.

Job Descriptive Index developed by Smith et al., (1969) measured the overall of job satisfaction cover 5 dimensions, which include satisfaction with supervision, with coworkers, with pay, with work and with promotion. Organizations may uncover specific problems areas by this measurement of various dimensions of job satisfaction and provide researchers insights on certain aspects in the labor market. In this particular research, only 2 dimensions of job satisfaction, which are satisfaction with pay and satisfaction with work, will be assessed.

The word “pay” refers to all forms of compensation that arrived from both direct or indirect cash and non-cash benefits. Base to Miceli and Lane (1991) study, pay satisfaction can be understood as individuals overall amount of positive or negative feeling toward their rewards from their workplace.

Mowday et al., (2013) indicates that role-related to variety of work tasks may affect employees' commitment toward organizations. There are 3 components of the work-role, which are job scope or challenge, role conflict and role ambiguity. Role conflict is said to be inversely related to commitment in two separate studies by (Mathieu and Zajac, 1990; Morris and Sherman, 1981).

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## 2.4 ORGANIZATIONAL CITIZENSHIP BEHAVIOR

Organizational Citizenship Behavior (OCB) was one of the common topics in organizational behavior research (Podsakoff and MacKenzie, 1997). Bateman and Organ (1988) described OCB as those additional jobs concerning with human behaviors which be carried beyond the routine duties prescribed in the job descriptions or measured in the formal evaluations. OCB is personal choice and preferences, and is not enforcement duties specified in a job description. It has been identified 5 major types (dimensions) of OCB, namely altruism, conscientiousness, sportsmanship, courtesy and civic virtue from Organ's study. Arising from Organ's study, the main features of OCB can be summarized as follows:-

- beneficial and informal behavior or gestures
- discretionary; not enforceable requirement of the role or job description  
not directly or explicitly recognized by formal reward system
- uncompensated individual contributions in the workplace that goes role requirement
- enhances the effective functioning of the organizations in the aggregate

A company's effectiveness, efficiency and profitability could be prominently affected by OCB. OCB may elevate co-worker and managerial productivity, and at the same time, it offers more efficiency in term of allocation of resource, lessen in managerial expenses, offer wider coordination among activities across all parties in a company, develop attractiveness for high quality new recruits, at the same time, increase stability in the organization's performance and enhance organizational capability to adapt effectively to environmental changes (Erturk et. al., 2004).

In term of OCB issues, many researchers have put their attention in employees' cooperative types of behaviors. Following from this different behaviors

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attributed by the employee, it can be noted that some employees act are considerably different from each other (Koster and Sanders, 2006). OSB is desirable because it helps resource transformation and innovation in enhancing organizational efficiency without any specified contract (Murkison, 1996). Formal job responsibilities do not nominate or demand OCB for an employee (Farh, Zhong and Organ, 2004).

OCB basically determines the employees' readiness to give up their effort and cooperate with the organization in order to contribute to the productivity, employee satisfaction, customer satisfaction, and quality. Improved OCB represents employees' accessibility and keenness to experience changes for the successful implementation of novel methodologies of management (Jung & Hong, 2008).

Previous studies from other researchers reveal that the climate of the organization is significantly associated to OCB because climate cause perceptions among employees that will manipulate their willingness to working harder and involved with their work and become more enthusiastic to enroll in OCB (Dimitriades, 2007). Managers should give more concentration in increasing OCB because organizational effectiveness and customer perceptions of service are positively related with OCB (Torlak and Koc, 2007).

Today, we must admit that companies are facing stern competitive, following with the flow of intense awareness and knowledge among all stakeholders. In order to cosset the competitive advantage, companies have to make pace with the increasing change and for this, high commitment from employees are needed (Lok and Crawford, 2001).

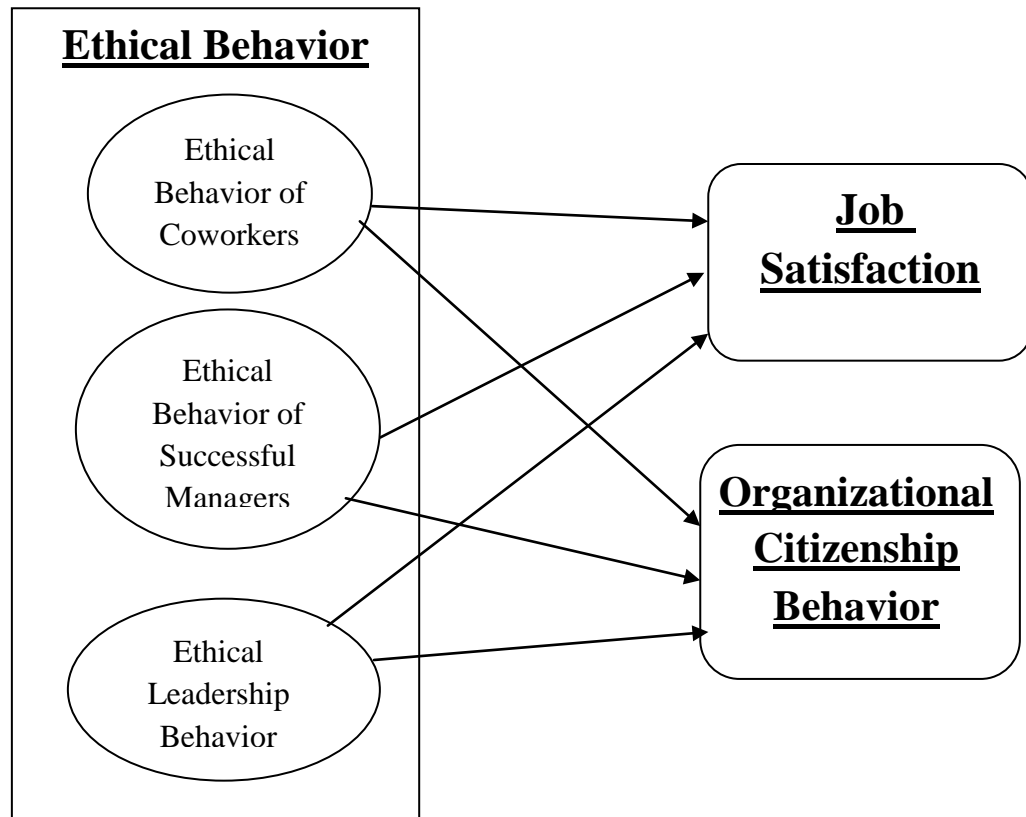
This research will help to identify whether employees' OCB is significantly affected by the ethical behaviors of coworkers, successful managers and ethical leadership behavior.



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## 2.5 RESEARCH FRAMEWORK

Figure 3: Research Framework



The independent variables in this research comprise of ethical behaviors of coworkers, successful managers and leadership behavior. These dependent variables, job satisfaction and organizational citizenship behavior, are the prime interest in this research. Table above illustrated the relationship between these variables.

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## 2.6 HYPOTHESES DEVELOPMENT

### *H1 - There is a relationship between ethical behavior of coworkers and employees job satisfaction*

This hypothesis is developed to examine the relationship between ethical behavior of coworkers and employees job satisfaction. Employees overall job satisfaction is highly influenced by the interpersonal relationships among workers in workplace (Lau et. al., 2015). According to the social information-processing theory, coworkers are the most immediate source of information, where there is an increase reliance on work groups, making coworker exchanges influential information (Parker, 2007).

### *H2 - There is a relationship between ethical behavior of successful managers and employees job satisfaction*

This hypothesis is developed to examine the relationship between ethical behavior of successful managers and employees job satisfaction. Valentine and Barnett (2002) study certified that greater perceptions of organization's ethical values and greater levels of ethical conduct among employees can be secured in the presence of a formal manager's code of conduct and thus affected the overall employees' satisfaction in a company. According to Morrison (2008) research, unethical behaviors not just impact on organizational commitment and turnover intentions but also the level of job satisfaction.

### *H3 - There is a relationship between ethical leadership behavior and employees job satisfaction*

This hypothesis is developed to examine the relationship between ethical leadership behavior and employees job satisfaction. According to Kim and

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Brymer (2011), ethical leaders who practiced openness in communication are able to disarm employees' suspicion towards organizations actions and a strong moral atmosphere can be enhanced in an organization, in return with higher job satisfaction among employees.

***H4 - There is a relationship between ethical behavior of coworkers and employees' organizational citizenship behavior***

This hypothesis is developed to examine the relationship between ethical behavior of coworkers and employees' organizational citizenship behavior. O'Fallon and Butterfield (2005) mentioned employees' commitment towards a company is influenced greatly by the peers' ethical behavior. As indicated in the social learning theory, a worker who newly joins a company always considers the coworkers as the role models and follows the coworkers' action in a job. This correlates with social leaning theory which indicates that by observing closely people's behaviors surrounding and associated them, a new behavior would be emerged (Bandura, 1977).

***H5 - There is a relationship between ethical behavior of successful managers and employees' organizational citizenship behavior***

This hypothesis is developed to examine the relationship between ethical behavior of successful managers and employees' organizational citizenship behavior. According to Nelson and Quick (2009)'s study, managers' unethical behavior only discourage human development, but it will affect the extent of dissatisfaction for an employee.

***H6 - There is a relationship between ethical leadership behavior and employees' organizational citizenship behavior***

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This hypothesis is developed to examine the relationship between ethical leadership behavior and employees' organizational citizenship behavior. Ethical leadership behavior is found to have the ability to gain trust from employees because such behavior is perceived as honest, integrate, open, trustworthy, and fair (Brown et al., 2005; Hogan, Curphy, and Hogan, as cited in Rubin et al., 2010). These characteristics of ethical leadership behavior could enhance employees' organizational commitment as it creates conformity and confidence of those who are working in the organization (Kim and Brymer, 2011).

## **2.7 CONCLUSION**

Analyzing the empirical studies by other researchers assists the researcher in better understanding of the research background and further knowledge on each variable that engaged in this particular study. At the same time, the research framework that illustrated the correlation of each variable and hypotheses in this research study were developed through other researchers' previous studies and assumptions made from other researchers' findings and reviews in their former studies. The relationship between the three independent and the two dependent variables will further be explored in next chapter.

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## **CHAPTER 3**

### **METHODOLOGY**

#### **3.0 INTRODUCTION**

Methodology serves as a guideline and to be carried out in the proposed research. According to Hocking, Stacks and McDermott (2003), methods and procedures of a particular research should be stated clearly out that it could be replicated and evaluated by others. This chapter will present the research design, research methods and instruments and construct measurements used for data collection and data measurement. Further, sampling topics will also be discussed such as sampling design, sample size, and other sampling related aspects. This chapter will further explain on the way data be processed and analyzed.

#### **3.1 RESEARCH DESIGN**

Once a decision is made to proceed with the research, a plan or blueprint for gathering the data required to address the research objectives must be devised (Aaker et al, 2005). This is what a research design is. Research design basically is a plan for a study that provides the specification of procedures to be followed by researchers in order to accomplish (McDaniel and Gates, 1999). Its function is to ensure that evidence generated from the data would be able to answer the research question confidently and convincingly (De Vaus, 2001).

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According to Scheuren (2004), research is explained as “a technique to gather information from a subset of individuals”. It is an attempt to measure phenomena which are indirectly noticeable, a study with multi-questionnaires to apprehend the results from a comprehensive population in a single period (Gall et al., 2007). To understand the potential relationship in this research, the researcher had chosen a non-experimental quantitative research design for this study. This study tries to measure phenomena which are indirectly noticeable; a research with multi-questionnaires is to be used to apprehend the results form a comprehensive population in a single period.

### **3.2 DATA COLLECTION METHODS**

Data collection is a process of gathering data and it is an important aspect of every type of research study. Inaccurate data collection can affects the results of a study and leads to invalid results. In the proposed research, both primary and secondary data are used to respond to the hypotheses and research questions.

Primary data refers to first hand data from a huge pool of respondents without any prior interpretation on the quantitative research. Primary data have not been subjected to processing or any other manipulation, and are also referred to as raw data. This kind of data is usually collected through survey and observation methods.

For this research, 230 sets of questionnaire were distributed for respond. This questionnaire is organized and simple to allow respondents to complete without hassle.

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Whereas, secondary data refers to as the information obtained from the research findings done by other researchers that have been published in books or journal articles. According to Mukesh, Salim, and Ramayah (2013), secondary data is indispensable for most organizational research, the secondary data can be internal or external to the organization and it can be accessed through Internet or perusal of recorded or published information. However, researchers have to be careful in using secondary data because it is just possible that the available data may not suitable or inadequate in the context of problem under investigation.

The researcher obtained the secondary data basically from reference books, online sources articles from online journals and the Web Wide Web. Certain information regarding some related research topics arrived also from ProQuest and Emerland websites provided in UTAR library service.

### **3.3 SAMPLING DESIGN**

Sampling design covers all aspects on how the samples in a study are selected and specified. In survey methodology, the sampling design is an important aspect which provides a basis for the sound measurement of economic and social phenomena from a survey. Sampling design is important for researchers to get reliable information in quicker and cheaper manners. Thus, researchers tend to scrutinize the measurement a scaling processes as well as questionnaire design (Zikmund, 2012).

#### **3.3.1 Target Population**

Population or target population is “the entire group of people, events or things of interest that the researcher wishes to investigate” (Cavana, Delahaye and

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Sekaran, 2001). This research aims to examine employees' job satisfaction and organizational citizenship behavior that associate with various facets of ethical behaviors. The target population of this research is employees practicing in the field of auditing, accounting, taxation and company secretarial firms in Klang Valley.

### **3.3.2 Sampling Frame and Sampling Location**

The choice of a sample of a specific target population needs the constitution of a sampling frame. Sampling frame is usually in the form of an outlined list used to define researchers' population of interest. It is a set of elements from researchers can choose a sample of the target population (Malhotra and Peterson, 2006). Sampling frame might be irrelevant for this study because the used of non-probability sampling techniques.

### **3.3.3 Sampling Elements**

This research is done based on convenience sampling. Convenience sampling refers to the sampling processes used to reach the respondents or constituent which is the most convenient (Zikmund, 2012). Convenience sampling is easier to conduct as it helps the researchers to obtain a large number of respondents quickly at a lower cost. Judgment sampling is used as a major sampling process because it is inexpensive, convenient and time-saving. According to Hair, Bush and Ortinau (2006) and Malhotra et al. (2006) as whom the respondents meet the criteria of the study is able to represent the interest of the population.



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### **3.3.4 Sample Size**

Sample size is the amount of components to be incorporated in the research (Malhotra and Peterson, 2006). The target population for this research comprises of Malaysian employees who work in accounting, taxation, auditing and secretarial firms within Klang Valley. A total of 230 set of questionnaires were distributed for respondents. The end count of questionnaires without missing values for all variables under analysis was 165, representing approximately 71.7% response rate.

## **3.4 RESEARCH INSTRUMENT**

The research instrument used in this research is self-administered questionnaire, meaning respondents read and understand the questions and complete the survey on his or her own without the presence of interviewer or computer assistance. Aaker et al., (2007) described self-administered questionnaire as questionnaire has to be filled up by respondents without assistance or companion of researcher. A paper surveys has been adopted in this research study. The survey instrument was designed to be completed by respondents in approximately 10 – 15 minutes. This study was strictly in voluntarily basis and on personal identification data will not be needed and this applies anonymity to all respondents. Particular instrument will be used as the tool to collect data and responses, which will used to analyze the data in the following chapter.

Questionnaire is one of the most commonly used instruments in survey research. This is mainly because the ability of questionnaire in collecting large amount of data at a reasonable low cost. Questionnaire could provide a variety of statistics for data analysis because it allows researchers to collect and

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examine variables such as demographic information, attitudes and behavior of the respondents (Wimmer and Dominick, 2003). In this research, the researcher distributed the questionnaire to respondents offices directly and also through emails to his friends and former colleagues for respond.

An introduction letter will be attached together with the survey questionnaire, elaborating the survey objective, approximately time to complete the survey form, assuring the confidentiality of the study and also to express courtesy and appreciation for respondents' participation.

The questionnaire for this particular study will be constructed in two sections. The first section will be highlighting on demographic profile of the respondents, such as gender, age, race, marital status, education level, position in the company and personal monthly income. Second section focuses on the questions related to respondents on the affects of certain ethical behaviors from various groups of people against their job satisfaction and organizational citizenship behavior in a company.

To ease the effort of interpretation, the scale score used in this study are number of items in the instrument to create a score on five-point Likert scale. The Likert-scale has 5 response categories, which featured five different categories of answer that ranged from 1 to 5 in a question. For example, 1 = never and 5 = always or 1 = strongly disagree and 5 = strongly agree. Respondents were asked to choose the range that is most applicable to their experience or opinion.

Furthermore, all questions in this research will be designed as close-ended questions for the ease of answering and lesser time consumption. These questions will be constructed in short and precise format so that respondents could easily read and understand what is being asked. According to Wimmer and Dominick (2005), close-ended questions allow respondents to answer from

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the list of choices uniformly where the responses can be easily quantified in later stage.

Further, to ensure the questionnaire is well-structured and will obtain useful results effectively, a pretesting is done before the survey was actually launched. The pilot test was conducted on 10 respondents. This is also to ensure that the survey link can be accessed and results can be submitted upon completion without any interference. The pretesting process was carried out 1 week before the actual launched date of the survey to allow sufficient time for necessary amendments. Luckily, the results of pilot test were adequate and no major problem was encountered, this perhaps due to the adoption of other researchers or scholars' questionnaire, which helped to reduce the occurrence of errors during the questionnaire construction.

### **3.5 DATA COLLECTION PROCEDURE**

Both primary and secondary data were collected for this study. For the start, secondary data was collected in order to the researcher to have better understanding on the subject under study. Previous researchers on the study subject were secured through journals, electronic journals, magazines, books, dissertations and other printed materials.

Questionnaire survey forms were disseminated to the respondents based on purposive convenience sampling basis. The questionnaire was distributed and collected personally by the researcher right after respondents had completed the questionnaire. Questionnaire was also forwarded through email to researcher's friends and former colleagues for respond. The respond of the research was considered good as 165 distributed questionnaires were responded within stipulated periods with some follow-up works emails by the researcher from the date of distribution of the questionnaires.

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### 3.6 CONSTRUCT MEASUREMENTS

Measurements are often implied in empirical research as it can be considered as the assigned numerals to empirical properties, events, or objects based on certain rules. Measurements are important because the quality of information gathered through data collection is highly depends on the measurement procedures (Ghauri and Gronhaug, 2005).

Several previous established survey instruments from few literatures were adopted and used as data instruments to collect data for this research study. The constructs were adopted and modified from the sources as shown in Table 1 below.

Table 1: Construct Measurements and Sources

<u>Constructs</u>	<u>Sources</u>
Demographic or work characteristics	Developed by the researcher
Ethical behavior of coworkers	Hunt and Wilcox, 1984
Ethical behavior of successful managers	Hunt and Wilcox, 1984
Ethical leadership behavior	Ponnu and Tennakoon, 2009
Job Satisfaction	Heneman and Schwab, 1985 & Brayfield and Rothe, 1951
Organizational citizenship behavior	Podsakoff., MacKenzie, Moorman & Fetter (1990) and Williams & Anderson (1991)

All construct items are listed in the following respective tables below.

Table 2 – Demographic and Work Characteristics construct and measurement items

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<u>Construct</u>	<u>Measurement Items</u>
Demographic and Work Characteristics	1. Gender 2. Age 3. Race 4. Marital Status 5. Education Level 6. Position 7. Personal monthly income / allowance

Table 2 illustrated the demographic and work characteristics questionnaires which were designed to collect general information of each respondent. This section consists of 7 items and respondents were requested to respond all items with single item measure.

Table 3 – Ethical behavior of coworkers’ construct and measurement items

<u>Construct</u>	<u>Measurement Items</u>
Ethical behavior of coworkers	1. My co-workers feel it is not acceptable to make personal class at works 2. My coworkers feel that it is not acceptable to take office supplies home 3. In order to get ahead in their future careers, my coworkers believe that they do not have to compromise personal ethical standards 4. It is not acceptable for coworkers to accept gift from others for preferential treatment at work 5. My coworkers feel that it is okay to bypass established protocol in order to get work done faster 6. My coworkers will report others violation of company policies and rules to superiors

Table 4 – Ethical behavior of successful managers’ construct and measurement items

<u>Construct</u>	<u>Measurement Items</u>
Ethical behavior of Successful managers	<ol style="list-style-type: none"> <li>1. Successful managers are generally more ethical than unsuccessful managers</li> <li>2. In order to succeed at work, one does not need to compromise one’s ethics</li> <li>3. Successful managers do not withhold information that is harmful to self-interest</li> <li>4. Successful managers do not make rivals look bad in the eyes of others</li> <li>5. Successful managers do not look for a “scapegoat” when they feel they may associates with failure</li> <li>6. Successful manager do not take credit for the ideas and accomplishment of others</li> </ol>

Questionnaire of both ethical behaviors of Co-workers and Successful Managers are adopted and modified from “Ethical problems of marketing researchers” (Hunt and Wilcox, 1984)

Table 5 – Ethical Leadership Behavior construct and measurement items

<u>Construct</u>	<u>Measurement Items</u>
Ethical Leadership Behavior	<ol style="list-style-type: none"> <li>1. My organization leader listens to what employees have to say</li> <li>2. My organization leader has the best interest of employees in mind</li> <li>3. My organization leader makes fair and balanced decisions</li> <li>4. My organization leader can be trusted</li> <li>5. My organization leader discussed business ethics or values with employees</li> </ol>

	<p>6. My organization leader set examples of how to do things the right ways in terms of ethics</p> <p>7. My organization leader disciplines employees who violate ethical standards</p> <p>8. My organization leader conducts his personal life in an ethical manner</p> <p>9. My organization leader defines success not just by results but also the ways that they are obtained</p> <p>10. When making decision, my organization leader will asks “What is the right thing to do?”</p>
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Questionnaire of ethical leadership behavior is adopted from Ponnu and Tennakoon (2009).

Table 6 – Job Satisfaction construct and measurement items

<u>Construct</u>	<u>Measurement Items</u>
Job Satisfaction	<p>1. I am satisfied with my benefits package</p> <p>2. I am satisfied with my most recent raise</p> <p>3. I am satisfied with the influence my supervisor has on my pay</p> <p>4. I am satisfied with my current salary</p> <p>5. I am satisfied with my company’s pay structure</p> <p>6. I am satisfied with the information my company gives about pay issues</p> <p>7. I am satisfied with the consistency of my company’s pay policies</p> <p>8. I am satisfied with the differences in pay among jobs in my company</p> <p>9. At this very moment, I am enthusiastic about my work</p>

	<p>10. Right now, I feel fairly satisfied with my present job</p> <p>11. At this moment, I am finding really enjoyment in my work</p> <p>12. Right now, I consider my job to be pleasant</p>
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Questionnaire for job satisfaction is adopted and modified from Pay Satisfaction: Its Multidimensional Nature and Measurement (Heneman and Schwab, 1985) and Overall Job Satisfaction (OJS) (Brayfield and Rothe, 1951).

Table 7 – Organizational Citizenship Behavior construct and measurement items

<u>Construct</u>	<u>Measurement Items</u>
Organizational Citizenship Behavior	<p>1. I help colleagues who have been absent from work</p> <p>2. I help colleagues who have heavy workloads</p> <p>3. I am mindful of how my behavior affects other people’s job</p> <p>4. I go out of my way to help new employees</p> <p>5. I take a personal interest in my colleagues job</p> <p>6. My attendance at work is above the norm</p> <p>7. I take underserved break at work</p> <p>8. I often complain about insignificant things at work</p> <p>9. I adhere to informal rules devised to maintain order</p> <p>10. I attend meeting that are not mandatory but considered important</p> <p>11. I perform duties that are not required but which improve corporate image</p>



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Questionnaire for the organizational citizenship behavior is adopted from Podsakoff., MacKenzie, Moorman & Fetter (1990) and Williams & Anderson (1991).

### **3.7 DATA SCALE OF MEASUREMENT**

Questionnaire is a formalized set of questions to gather information from a sample of individuals. Barlett (2005) claimed that the main purpose of questionnaire (survey research) is “to collect information form one or more people on some set of organizationally relevant construct”. The questionnaire of this study was divided into 2 sections:

Section A consists of 7 questions, is designed with a combination of nominal scale and ordinal scale of measurement which include gender, age, race, marital status, education level, position and monthly income. This section was carried out to identify the target population’s personal information in order to assist in analyzing the responses.

Interval scale of measurement is being applied in Section B to measure respondents’ opinion for the subject matter in this research. Items for variables include various facets of ethical behavior on employees job satisfaction and organizational citizenship behavior are measured on five-point Likert Scale ranged from (1) Strongly Disagree to (5) Strongly as shown at Table 8.

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Table 8: Summary of Likert Scale used on Variables

Variables	Likert Scale
<u>Dependent Variables:</u>	1 = Strongly Disagree
1. Job Satisfaction	2 = Disagree
2. Organizational Citizenship Behavior	3 = Neutral
	4 = Agree
<u>Independent Variables:</u>	5 = Strongly Agree
1. Ethical Behaviors of Coworkers	
2. Ethical Behaviors of Successful Managers	
3. Ethical leadership Behavior	

### **3.8 DATA PROCESSING**

All survey questionnaires returned from respondents are required to go through a series of processes before proceeding to next analyses stage. This research study involved of 5 steps in the process which performed on a raw data from respondents and presented in an appropriate format such as reports, diagrams or tables. The 5 data processes are listed below:-

a. Questionnaires checking – involves elimination of unacceptable questionnaires to avoid having little or no variance of questionnaires responses. This is an important step for researchers as the completeness and interviewing quality will seriously affect the research study and its result. In this study, data were scrutinized when the questionnaires for pilot study were distributed to respondents for initial screening, are returned. From the returned pilot papers, researcher is able to detect any error or problem and ratification can be undertaken.

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b. Data editing – is a method to identify error sources and correct major errors to improve quality of overall research questionnaires by restructuring any uniformity or incomplete data in a category designed for research analysis. In this study, researcher comprised immediate data edits actions which include typo-errors corrections, automatic edit checks when out of range answers are not acceptable.

c. Data coding – refers the translation of responded questionnaires into numerical values or assigning numbers to the various categories of variables to be used in data analysis. Codes are designed before going to the field while constructing the questionnaires. In this study, researcher has deployed Statistical Package for the Social Sciences (SPSS) Data Entry Program version 20 to perform data coding activities.

d. Data transcribing – involves close observation of data through repeated careful checking, and this is an important step in overall data analysis process. In this study, researcher transcribed all questionnaires' coded data directly into computer by key punching.

e. Data cleaning – identifies missing values which will affect the decision about what to do with missing data and with the remaining outliers (whether to eliminate, remain unchanged, or weight during analysis). The purpose for data cleaning is to determine objectively the required precision of the outcome measures and the acceptable error rate.

### **3.9 DATA ANALYSIS**

The software Statistical Package Social Science (SPSS) Version 20 will be used to analyze the data collected from the survey research. Since this is a quantitative research, the analysis will be done on a relatively large number of

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responses, which will be valuable information that could represent the targeted population (Malhotra et al., as cited in Polonsky and Waller, 2005).

### **3.9.1 Descriptive Analysis**

Descriptive analysis allows researchers to gain more understanding of the data and is often the basis for more complex analyses (Polonsky and Waller, 2005). This basic analysis will be carried out on the data gathered from section one of the questionnaire, which focused on the respondents demographic profile. These data are more of self explanatory data; therefore, the analysis outcome is to provide a summary of the respondents' profile. For section one, the analysis will be done on frequency and percentage distribution.

### **3.9.2 Internal Reliability Test**

Reliability is defined by Hair, Black, Babin, Anderson, and Tatham (2006) as “an assessment of the degree of consistency between multiple measurements of a variable.” Reliability test on measurements is one of the important procedures in this research. As according to Wimmer and Dominick (2003), any scale of measurement that has not undergone reliability test is a poor research because unreliable measures are unable to detect the relationship between variables. As such, Cronbach's Alpha reliability analysis will be used in this research to examine the reliability of the items used as measurement, specifically for the research variables. The analysis will based on Hair et al., (2006) study where each items need to score a minimal agreed reliability value for Cronbach's Alpha, which is 0.70, to be verified as reliable.

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### **3.9.3 Inferential Analysis**

According to Cavana et al., (2001), inferential analysis is often used to find out (1) the relationship between two variables; (2) differences in a variable among different sub-groups; and (3) how several independent variables might explain the variance in a dependent variable. In this research, inferential analysis will be carried out to discover the relationship between independent and dependent variables; and to conduct the hypotheses testing.

#### **Pearson's Correlation Analysis**

Pearson's Correlation analysis will be performed as the initial process in inferential analysis. This is to provide an overall understanding on the relationship between the three independent variables and both dependent variables. Data will be analyzed based on two parameters, which are *Pearson r value* and the significance level. As stated by Lind, Marchal, and Wathen (2008), any correlation coefficient that is within -1.00 or +1.00 indicates a perfect correlation between the variables. Therefore, variables that are found with *Pearson r value* that is closer to -1.00 or +1.00 will be identified as significantly related.

#### **Multiple Regression Analysis**

Multiple regression analysis is a statistical technique that used to analyze the relationship between one dependent variable and several independent variables, and at the same time, predicts the dependent variable by using the independent variables whose values are known (Hair et al., 2006). In this research, multiple regression analysis will be used to examine the relationship between independent variables and the two dependent variables. Furthermore, multiple regression analysis will also lead to the hypotheses test that aimed to resolve the research questions.

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### **3.10 CONCLUSION**

In this chapter, the methodologies used in the study will serve as a guideline to further this research. Information provided by other researchers on the research and data collection methods, sampling techniques, types of analysis, and others will come in handy, especially for the next chapter. The following chapter will report on the results obtained from the research study as well as discussion and interpretation of all the hypotheses.

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## **CHAPTER 4**

### **DATA ANALYSIS AND FINDINGS**

#### **4.0 INTRODUCTION**

After the survey forms have been collected from the respondents, they will be consolidated and analyzed by using software Statistical Package Social Science (“SPSS”) Version 20. The output of the analysis will be presented in this chapter. This chapter will focus on 3 major aspects which are descriptive analysis that presents an overview of the demographic profile of all respondents, internal reliability analysis which featured the Cronbach Alpha Analysis that tested on the reliability of each measurement items busted in this research. The final part shall be inferential analysis where Pearson Correlation Analysis, Multiple Regression Analysis and hypotheses testing will be carried out.

#### **4.1 DESCRIPTIVE ANALAYSIS**

Total of 165 respondents participated in this survey. Table 9 illustrated the demographic characteristics of all respondents, deriving from the survey forms returned to the researcher.

Table 9: Demographic Characteristics of Respondents from the research

<u>Items</u>	<u>Description</u>	<u>Frequency</u>	<u>Percentage</u>
Gender	Male	48	29.1
	Female	117	70.9
	Total	165	100.0
Age	21 years to 25 years	67	40.6
	26 years to 30 years	27	16.4
	31 years to 35 years	25	15.2
	36 years to 40 years	18	10.9
	41 years to 45 years	10	6.1
	46 years and above	18	10.9
	Total	165	100.0
Race	Malay	64	38.8
	Chinese	80	48.5
	Indian	20	12.1
	Others	1	0.6
	Total	165	100.0
Marital Status	Single	112	67.9
	Married	43	26.1
	Divorce /Widow	10	6.0
	Total	165	100.0
Education level	Secondary School	13	7.9
	Diploma	26	15.8
	Undergraduate	65	39.4
	Postgraduate	31	18.8
	Professional Studies	30	18.2
	Total	165	100.0
Position	Executive / officer	99	60.0
	Manager	31	18.8
	Director	2	1.2
	Self-employed	6	3.6
	Others	27	16.4
	Total	165	100.0
Personal monthly income	Less than RM2,000	12	7.3
	RM2,001 to RM3,000	71	43.0
	RM3,001 to RM4,000	31	18.8
	RM4,001 to RM5,000	13	7.9
	RM5,000 to RM6,000	11	6.7
	RM6,0001 above	27	16.4
	Total	165	100.0

As illustrated in the table, majority of the respondents who participated in the survey are young working adults aged between 21 years to 25 years old, which stands about 40.6 percent of the total respondents, followed by working adults



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of age between 26 years to 30 years old, covers 16.4 percent of the total respondents.

The above table also reported on the race of all respondents. Total of 48.5 percent respondents are Chinese, followed by 38.8 percent are Malays, whereas Indian covers total of 12.1 percent. On another hand, approximately 71 percent of the respondents who participated in this survey are female. In term of education level, about 39.4 percent from the total participants in this research are undergraduate, 18.8 percent earned a postgraduate degree and 18.2 percent from them holding professional qualification.

Arising from the table, it was noted also most of the respondents are in executive or officer positions, which stands about 60 percent from the total respondents, followed by 18.8 percent are in managerial level. Whereas, a total of 43 percent responded that they earn between RM2,001 to RM3,000 per month, and merely 16.4 percent earn more than RM6,000 per month.

## **4.2 INTERNAL RELIABILITY ANALYSIS**

Base on Hair et al., (2006), Cronbach's Alpha is one of the most common internal constancy measures, to be used to test the items of measurements for research variables. In this research, Cronbach's Alpha is used to measure the level of internal reliability of five constructs which consists three independent variables and two dependent variables. According to Malhorta and Peterson (2006), when Cronbach's Alpha coefficient of variable is below 0.6, the variable's reliability is considered weak. However, if the Cronbach's Alpha coefficient of a variable falls in between 0.6 to 0.8, it is classified as moderate strong. Nevertheless, if a variable's Cronbach's Alpha coefficient score falls between 0.8 to 1.0, this indicates that this variable has a very strong reliability.

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Table 10 below reports the Cronbach's Alpha reliability analysis for this study. It is clearly shown from the table that all constructs in this study are considered moderate strong and very strong, especially for the constructs of Job Satisfaction which scored the highest Cronbach's Alpha at 0.949. On the other hand, despite the measure of organizational citizenship behavior scored the lowest reliability value among all the constructs, but it is still considered reliable and moderate strong, as it falls above 0.6.

Table 10: Internal Reliability Analysis Result

<u>No</u>	<u>Constructs</u>	<u>Number of items</u>	<u>Cronbach's Alpha</u>
1.	Ethical behavior of coworkers	6	0.773
2.	Ethical behavior of successful managers	6	0.867
3.	Ethical leadership behavior	10	0.930
4.	Job Satisfaction	12	0.949
5.	Organizational citizenship behavior	11	0.757

In overall, all 45 items from this survey have been used to measure the five constructs are relative stable. This indicates that there are reliable relationships among these items for further analysis.

### **4.3 INFERENCE ANALYSIS**

In this section, Pearson's Correlations and Multiple Regression Analysis will be used to unfold the relationship among all variables and to test the hypotheses.

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### **4.3.1 Pearson Correlation Analysis**

Pearson's correlation coefficient ( $r$ ) is a method to examine the strength or relationship of the association among independent variable, dependent variable, moderator, mediator or related control variable. Its objective is to determine the degree and type of relationship between the variables.

Table 11 displays the correlation matrix among the 3 predictor variables (ethical behavior of co-workers, ethical behavior of successful managers and ethical leadership behavior) and 2 criteria variables (job satisfaction and organizational citizenship behavior).

Table 11: Pearson Correlation between Five Constructs

Correlations						
		AVE_EB C	AVE_EB SM	AVE_ELB	AVE_JS	AVE_OCB
AVE_EBC	Correlation Coefficient	1.000	.596**	.322**	.000	.063
	Sig. (2-tailed)		.000	.000	.999	.419
	N	165	165	165	164	165
AVE_EBSM	Correlation Coefficient	.596**	1.000	.230**	-.138	-.068
	Sig. (2-tailed)	.000		.003	.077	.387
	N	165	165	165	164	165
AVE_ELB	Correlation Coefficient	.322**	.230**	1.000	.298**	.401**
	Sig. (2-tailed)	.000	.003		.000	.000
	N	165	165	165	164	165
AVE_JS	Correlation Coefficient	.000	-.138	.298**	1.000	.194*
	Sig. (2-tailed)	.999	.077	.000		.013
	N	164	164	164	164	164
AVE_OCB	Correlation Coefficient	.063	-.068	.401**	.194*	1.000
	Sig. (2-tailed)	.419	.387	.000	.013	
	N	165	165	165	164	165
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

N= 165

AVE\_EOC = Average score of ethical behavior of co-workers

AVE\_EBSM = Average score of ethical behavior of ethical behavior of successful managers

AVE\_ELB = Average score of ethical leadership behavior

AVE\_JS = Average score of job satisfaction

AVE-OCB = Average score of organizational citizenship behavior

As shown in the table, ethical leadership behavior scored the highest Pearson Correlation to job satisfaction among other independent variables. The Pearson r value indicated for this relationship is 0.298, meaning that there is a significant relationship between these two variables. The nearer the Pearson r

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value to -1.00 or +1.00 between two variables indicates that more significant of their relationship is. The relationship is found to be relatively connected to most of the independent variables. The relationship can be further affirmed by checking on the significant level of these variables that was indicated at 0.000, which is lesser than 0.05, denoting a 95 percent of confidence level of the correlation.

With regard to another dependent variable, organizational citizenship behavior, the independent variable that scored the highest Pearson Correlation value in the relationship is ethical leadership behavior, denoting Pearson  $r$  value of 0.401, with also at significant level of 0.000.

#### **4.3.2 Multiple Regression Analysis**

Multiple Regression analysis is conducted primarily to determine the relationship between two or more independent and dependent variables by calculating the coefficient of multiple determinations and fitting a linear equation to observed data. In this research study, Multiple Regression Analysis was used to capture and investigate the relationship of three independent variables and two dependent variables.

Table 12 tabulates the correlation between the employees' job satisfaction and organizational citizenship behavior and independent variables (ethical behavior of co-workers, ethical behavior of successful managers and ethical leadership behavior). The R square value, which is also referred as the coefficient of determination shown in the table is 0.192. As Hair et al., (2006) explained that the percentage of total variation of Y is indicated by the coefficient of determination value by the regression model consisting of X. Based this concept, it can be anticipated that base on this research, 19.2 percent of the average job satisfaction was explained by the three independent variables.

**Table 12: Output: The Overall Model fit of Job Satisfaction (Dependent Variable) and the Independent Variables**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.438 <sup>a</sup>	.192	.177	.65079

Meanwhile, when using the same group of independent variables and tested against with another dependent variable, organizational citizenship behavior, the R square value shown is 0.150, as indicated in Table 13. In other words, 15 percent of the average organizational citizenship behavior was explained by the three independent variables. Nevertheless, only coefficient of determination value is insufficient to determine the relationship between both dependent and independent variables. In such, the researcher has further explored other measures such as ANOVA F ratio, standardized coefficient (Beta) and t values in the following sections to testify the relationship among all variables.

**Table 13: Output: The Overall Model fit of Organizational Citizenship Behavior (Dependent Variable) and the Independent Variables**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.388 <sup>a</sup>	.150	.135	.45204

**Table 14: Output: The Statistical Test for the Overall Model fit of Job Satisfaction (Dependent Variable) and the Independent Variables**

<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.109	3	5.370	12.679	.000 <sup>b</sup>
	Residual	67.764	160	.424		
	Total	83.873	163			

Looking at the ANOVA analysis output for job satisfaction in Table 14, result shows that 83.873 ( $16.109 + 67.764$ ) squared error will occur if the prediction for dependent variable only uses the mean of job satisfaction. Squared error is also referred as the total sum of squares (Hair et al., 2006). In other words, by using the three independent variables (ethical behavior of co-workers, ethical behavior of successful managers and ethical leadership behavior) in this research, the squared error will be reduced by 19.27 percent ( $16.109 \div 83.873$ ). This is statistically significant at F ratio of 12.679 and a significance level of .000.

Table 15: Output: The Statistical Test for the Overall Model fit of Organizational Citizenship Behavior (Dependent Variable) and the Independent Variables

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.823	3	1.941	9.498	.000 <sup>b</sup>
	Residual	32.898	161	.204		
	Total	38.721	164			

On the other hand, Table 15 shows the output of ANOVA analysis for organizational citizenship behavior. When using only the mean of organizational citizenship behavior to predict as the dependent variable, squared error of 38.721 ( $5.823 + 32.898$ ) will emerge. However, if using the same group of independent variables for the prediction, the squared error will be reduced by 14.98 percent ( $5.823 \div 38.721$ ) and the prediction is statistically significant with F ratio of 9.498 at significance level of .000.

**Table 16: Output: The Significance of Relationships between Job Satisfaction (Dependent Variable) and the Independent Variables**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.148	.350		6.131	.000
	AVE_EBC	-.015	.085	-.015	-.179	.858
	AVE_EBSM	-.200	.076	-.221	-2.629	.009
	AVE_ELB	.480	.082	.446	5.877	.000

**Table 17: Output: The Significance of Relationships between Organizational Citizenship Behavior (Dependent Variable) and the Independent Variables**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.505	.243		10.301	.000
	AVE_EBC	.025	.059	.037	.423	.673
	AVE_EBSM	-.087	.053	-.141	-1.648	.101
	AVE_ELB	.288	.057	.395	5.087	.000

Tables 16 and 17 show the significance between the relationship of independent variables (Ethical behavior of co-workers, Ethical behavior of successful managers and Ethical leadership behavior) and both dependent variables, which are job satisfaction and organizational citizenship behavior. According to Hair et al. (2006), the common regression variate of a model is:

$$Y = b_0 + b_1V_1 + b_2V_2 + b_3V_3 + b_4V_4$$

Hence, based on the information in Table 16, the prediction equation for job satisfaction can be stated as:



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$$Y (\text{job satisfaction}) = 2.148 + 0.015 (\text{ethical behavior of Co-workers}) + 0.200 (\text{ethical behavior of successful managers}) + 0.480 (\text{ethical leadership behavior})$$

On the other hand, the prediction equation for organizational citizenship behavior as shown in Table 17 will be as follow:

$$Y (\text{organizational citizenship behavior}) = 2.505 + 0.025(\text{ethical behavior of Co-workers}) + 0.087 (\text{ethical behavior of successful managers}) + 0.288 (\text{ethical leadership behavior})$$

Apart from R square value, the relationship between independent variables and dependent variables for this study can also be explored further through the standardized coefficient (Beta) and significant level as indicated in Table 16 and Table 17. This will be further elaborated in hypothesis testing.

### **4.3.3 Hypothesis Testing**

#### **H1 - There is a relationship between co-workers' ethical behavior and employees' job satisfaction**

Refer to Table 16, Hypothesis 1 is rejected because result indicates that there is no significant relationship between ethical behavior of co-workers and employees' job satisfaction. The Beta value for this hypothesis is 0.15, indicating that ethical behavior of co-workers has little influence over employees' job satisfaction. As according to Hair et al., (2006), the greater Beta value indicates that higher influential factor by the particular independent variable. However, the relationship also insignificant with the highest significance level at 0.858 among other independent variables, which is much greater than 0.05.

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**H2 - There is a relationship between successful managers' ethical behavior and employees' job satisfaction**

Table 16 also shows the relationship of successful managers' ethical behavior and employees' job satisfaction scored a Beta value of 0.221 with significance level of 0.009. In other words, as the significant level is lesser than 0.05, then this hypothesis is accepted.

**H3 - There is a relationship between ethical leadership behavior and employees' job satisfaction**

The Beta value for the relationship between ethical leadership behavior and employees' job satisfaction is 0.446, denoting that this independent variable has influence over job satisfaction. Moreover, the significance level of this relationship is at 0.000, which affirmed that there is a significant relationship between ethical leadership behavior and job satisfaction. In line with this, Hypothesis 3 is accepted.

**H4 - There is a relationship between co-workers' ethical behavior and employees' organizational citizenship behavior**

Based on Table 17, Hypothesis 4 is rejected as the Beta value for the relationship between co-workers' ethical behavior and employees' organizational citizenship behavior is 0.037 together with the high significant level at 0.673. This means that co-workers' ethical behavior has no influence over organizational employees' citizenship behavior.

**H5 - There is a relationship between successful managers' ethical behavior and employees' organizational citizenship behavior**

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Also revealed at Table 17, we may conclude that Hypothesis 5 for this research is rejected as the Beta value for the relationship between successful managers' ethical behavior and employees' organizational citizenship behavior is 0.141, denoting that this independent variable has no influence over employees' organizational citizenship behavior. Furthermore, the significant level of this particular relationship is at 0.101, which affirmed that there is no significance relationship between ethical behavior of successful managers and employees' organizational citizenship behavior.

**H6 - There is a relationship between ethical leadership behavior and employees' organizational citizenship behavior**

Lastly, refer to Table 8, Hypothesis 6 for this study is accepted as the relationship between ethical leadership behavior and employees' organizational citizenship behavior is very significant at the significance level of 0.000. The Beta value of 0.395 proves that ethical leadership behavior is one of the most influencing variables on employees' organizational citizenship behavior compared with other independent variables.

#### **4.4 CONCLUSION**

Researcher obtained the data from respondents and entered into the SPSS. Firstly, the researcher analyzed respondents' demographic profile by descriptive analysis. Aside from that, the relationships between the constructs have been analyzed by Pearson Correlation Analysis and Multiple Regression Analysis.

The finding from this analysis revealed that three out of six hypotheses supported in this research. Overall, it appears that ethical behavior of successful managers and ethical leadership behavior have major influences

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towards employees' job satisfaction and organizational citizenship behavior. On the other hand, co-workers' ethical behavior has no impact on employees' job satisfaction and organizational citizenship behavior.

The next chapter will more deeply discuss and the result of the study, unveil more possible reasons for the findings, analyze this research findings. On top of that, researcher will provide some recommendations and suggestion for future study in related topic.

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## **CHAPTER 5**

### **DISCUSSION, IMPLICATION AND RECOMMENDATION**

#### **5.0 INTRODUCTION**

In chapter four, the researcher has illustrated the analyze data from the collected result. Whereas, this last chapter will introduce answers for the research questions, and discuss the overall six hypotheses. This chapter also summarizes and concludes the entire research study. It highlights the implications of findings that would be beneficial for future study. The findings will be discussed in conjunction with the current findings in various literature on related issues. At the same time, this chapter outlines the limitations that encountered during the analysis of the study and also provides some suggestions for future studies in related topic of interest.

#### **5.1 DISCUSSION ON MAJOR FINDINGS**

The main purpose of this research study focuses on the relationship between various facets of ethical behaviors towards employees' job satisfaction and organizational citizenship behavior. Table 18 summarized the hypotheses testing results, arising from the study.

Table 18: Summary of the Result of Hypotheses Testing

<u>Hypotheses</u>	<u>Determination</u>
H1: There is a relationship between co-workers' ethical behavior and employees' job satisfaction	Rejected
H2: There is a relationship between successful managers' ethical behavior and employees' job satisfaction	Accepted
H3: There is a relationship between ethical leadership behavior and employees' job satisfaction	Accepted
H4: There is a relationship between co-workers' ethical behavior and employees' organizational citizenship behavior	Rejected
H5: There is a relationship between successful managers' ethical behavior and employees' organizational citizenship behavior	Rejected
H6: There is a between ethical leadership behavior and employees' organizational citizenship behavior	Accepted

Developed by researcher

### 5.1.1 Hypothesis One

**There is a relationship between co-workers' ethical behavior and employees' job satisfaction**

Base on Table 18 above, ethical behavior of coworkers proved to have no impact on employees' overall job satisfaction with the significant value at 0.858, which is much greater than 0.05. Thus, there is no evident that ethical

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behavior of coworkers will significantly impact on employees' job satisfaction. Hence, H1 for this study is rejected. This outcome can be supported by a study across the U.S., Malaysia and Australia over a group of marketing practitioners by Peppas (2002), it was noted from this study that younger employees perceived less business ethics compared with the older person. Young employees behave less rely on moral principles and pay less concern on other people. As for the current research study, about 57 percent of the respondents in this research study are relatively young in age (between 21 to 30 years old), who have not much working experience. Hence, Peppas's study seems support with the current study that coworkers' ethical behavior has no affect on employees' job satisfaction.

### **5.1.2 Hypothesis Two**

#### **There is a relationship between successful managers' ethical behavior and employees' job satisfaction**

The result from the study revealed that ethical behavior of successful managers has impact towards employees' job satisfaction. This relationship is deemed significant at the significant level at 0.009, which is considerable lower than minimal significance level of 0.05. This proves that ethical behavior of successful managers is capable to create significant impact on employees' job satisfaction, and H2 for this study is accepted. However, the results generated in this research were opposed to Victor and Cullen (1990) finding which indicated that only unethical behaviors can easily lead to a success and satisfaction, and thus enable someone can be claimed as a successful mangers in a more easy manner.

The researcher convinces that mostly of the managers for the targeted respondents in this current study are holding professional memberships of local prescribed bodies. They are obliged to carry their duties in most diligently

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ways, work within the purview of statutory laws and regulations, code of conduct, while validating other companies' information in most independent attitude. Hence, they are generally perceived to be more ethical as indicates in this study.

### **5.1.3 Hypothesis Three**

#### **There is a relationship between ethical leadership behavior and employees' job satisfaction**

Leadership involves the ability to influence others (Maxwell, 2005). Brown et al. (2005) defined ethical leadership as the demonstration of appropriate conduct via interpersonal relationships and personal actions.

The result of the study revealed that ethical leadership behavior has the greatest influence on employees' job satisfaction, which scored the highest Beta value at 0.446 among all other variables. The findings also suggested that the relationship on this both variables is significant, determining by the significance level of 0.000. H3 for this study is accepted.

The significant between these two variables was also the hot topic discussed in other several studies. The trustworthy and fairness images could be portrayed by leaders who always practice ethical leadership behavior can encourage their followers to pursue the same high moral standards and ethical conduct and follow the leaders footstep (Brown et al., 2005; Hogan, Curphy, and Hogan, as cited in Rubin et al., 2010). The ethical behavior emulated from leaders that the employees adopted will eventually create positive outcome in performance quality, reduce turnover and stress level of employees, and most importantly, increase the job satisfaction among employees (Banerjea, 2010).



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#### **5.1.4 Hypothesis Four**

**There is a relationship between co-workers' ethical behavior and employees' organizational citizenship behavior**

It was noted from Table 18 that ethical behavior of coworkers proved to have no impact on employees' overall organizational citizenship behavior with the significant value at 0.673, relatively higher than 0.05. Thus, this showed that there is no evident that ethical behaviors of coworkers have impact organizational citizenship behavior and H5 for this study is rejected. This can be explained again by Peppas (2002) study that older employees tend to perceive business ethic differently from younger person. It means that following the increase of age of an employee, he/she tends to behave more rely on moral principles and practically pay extra concern toward their coworkers' ethical behaviors. However, this statement seems has contradicted in this particular study. Majority respondents for this research study are relatively young in age and they might not really concern on their coworkers' ethical behavior and thus have influence over their citizenship behavior towards the organizations. Therefore, arriving from this study, it would not be inconceivable to explain that employees who perceive their principled coworkers' ethical behaviors may in fact to be more committed to their citizenship behavior towards the organization.

#### **5.1.5 Hypothesis Five**

**There is a relationship between successful managers' ethical behavior and employees' organizational citizenship behavior**

The result also revealed that ethical behavior of successful managers in this particular study has no significant impact towards organizational citizenship behavior of local employees. This is because the significant value for the

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successful managers' ethical behavior is 0.101, which is higher than 0.05. It shows ethical behavior of successful managers has no impact employees' overall organizational citizenship behavior and H5 for this study is rejected as well. This findings showed supporting results to Zabid and Alsagoff (1993) study that the standards ethical values of current managers are much lower than those managers about 15 years ago and more laid back attitude among younger generation on the ethical behavior issue.

Researcher personal views that the failure in securing significant impact between these two variables was probably contributed by several factors which may result from other procedure rather than the measurement instrument of managers' integrity. This finding differs from Trevino et. al, (1998) study where indicated employees who perceived the organizations supports and encourages ethical conduct prefer managers who are more committed to their organizations.

Malaysia is a high context country, local employees' especially young generation as about 57% respondents in this study tend to rely on a lot of underlying unspoken context and their communication is usually not taken at face value with their managers. Whistle blow is unlikely carried out by this young generation against any unethical behaviors by their managers. Most employees are not willing to report the behavior to an authority body, despite aware of the unethical behaviors in the company (Burton and Near, 1995).

#### **5.1.6 Hypothesis Six**

**There is a relationship between ethical leadership behavior and employees' organizational citizenship behavior**

Projecting at Beta value of 0.395 in the analysis results, ethical leadership behavior was found to have great influences on employees' organizational

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citizenship behavior. The findings also suggested that the relationship of these variables is significant, determining by the significant level of 0.00. H6 for this study is accepted.

The result from this hypothesis correlates with many other researches findings. Ethical leadership provides an effective approach in fostering positive employee outlooks and actions. Employees respond positively to ethical leaders' principled leadership, altruism, empowerment, and reward system, suggesting that improve employee work-related behaviors may follow (Brown and Trevino, 2006). The significant of relationship between ethical leadership behavior and organizational citizenship behavior can be found in several studies. Significant correlations were established between ethical leaders and positive organizational citizenship behavior among followers (Avey et al., 2011, Walumbwa et al., 2008).

## **5.2 IMPLICATION OF THE STUDY**

Based on the results in this research, ethical leadership behavior has been indicated as the most significant factor that affects employees' job satisfaction, as it scored the highest beta value with significant level of 0.000. It was convinced that most of the respondents in this study were in the opinion that they tend to enjoy higher job satisfaction when their leaders possess good ethical leadership behavior. This finding proves that ethics do affect job satisfaction, and perhaps a domino effect can be created towards employees' behavior, performance as well as the outcomes of an organization. More crucially, it is paramount for the top management commitment in enhancing ethical behavior in a company.

The ethical leadership behavior also reported with a relative high beta value at 0.395, scoring also the highest influential variable against employees'

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organizational citizenship behavior in this particular study. This reveals that respondents in this study tend to enjoy higher organizational citizenship behavior if they perceive a well ethical behavior on their leaders in their workplaces. Companies could strive to find out on what environments do affect the employees' citizenship behavior, and then encourage those specific predictors. For instance, if trust in supervisor or employee engagement level is able to affect these behaviors, then organizations should encourage more these activities in the organizations. These efforts foster desired organizational citizenship behavior at all types of work locations and at the same time could help to improve employees' job satisfaction.

The study also offers several implications for practical managers. Firstly, this study demonstrates the importance of leadership behavior. As indicated in this study, there is an association emerges between ethical leadership behavior and employees' organizational citizenship behavior. Previous research also found the strong effects of organizational citizenship behavior to organizations (Podsakoff et. al., 2009). Hence, having ethical leaders would indirectly improve the organization's effectiveness and performance by inducing the performance of organizational citizenship behaviors. As corporate social responsibility (CSR) has become an indispensable part of any businesses or organizations nowadays, having ethical leaders could help in building an ethical culture within the company and capture the CSR opportunities. Leaders who elicit behave more in their organizational citizenship behaviors, their subordinates would try to build relationship with better quality of work which could be finally goes beyond the economic exchange. Enjoying a high quality relationship could enhance elicit trust between followers and leaders (Blau, 1964) and the followers could learn from their leaders and model their behaviors, according to social learning theory. Once the leaders perform ethical conducts and organizational citizenship behavior, their subordinates would model their behavior and perform more organizational citizenship behavior as well.

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On another hand, in this particular study, coworkers' ethical behavior and successful managers' ethical behavior both scored the lowest beta values against two dependent variables. This means that, the ethical behaviors of coworkers and successful managers were the least relevant factors that impact employees' job satisfaction and organizational citizenship behavior in this study. Our peers, colleagues or workmates, whatever we address them, are someone join us in a work or an endeavor and always associate with. They contribute labor and expertise to perform specific duties in exchange for compensation. In general, at a workplace, they are personal responsible on their contribution to earn their living, irregular neither the coworkers nor the successful managers' ethical behavior. However, the researcher believes that these two independent variables retain some moderating effects in this study, but this does not affect directly an employee in performing his/her works. Perhaps future research can explore further in this respect.

In addition to that, majority of the respondents (57%) in this study are between the ages of 21-30 years old and basically they are Y-generation who are considerable self-determination, self-concept with many own belief and idea. Most of them are newly graduated with not much working experience. Even though they are energetic and ambitious but in general, but they lack of abilities in communication and abilities to follow others instruction. They usually possess their own set of belief and thoughts. They generally act in the ways thought appropriate and fit without considering others people advice and guidance. They do not follow what other coworkers or manages action or instruction, if they consider this instruction contrary with their own belief and thoughts. This may seem to support the findings of this study that coworkers' ethical behavior has no direct relationship or impact on employees' job satisfaction.

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Companies play a prominent role for the integrity that flourishes in a workplace. Company may institute a code of conduct/ethics to facilitate as organizational policy. This code of ethics policy sets standards for ethical behaviors for all employees to adhere with. Besides, refresher training sessions should be organized regularly to educate employees about the importance of ethical behavior and also provide information regarding new business policies and ensure employees adhere to the company's policies. If company wishes to enhance a strong ethical behavior among staff, it should consider enacting a rewards system for solid ethical behavior. Further, depending on the severity of the infraction, company may punish employees accordingly to ensure everyone aware of the consequences for unethical behavior.

Establishing an ethics reporting mechanism, such as an ethics hot-line, in which employees can confidentially raise ethical issues and receive ethical guidance, is another option. Failure in enhancing an internal communications system may damage the company and also the whistleblowers. Companies must always alert the employees that they are protected under the Whistleblower Protection Act 2010 and Companies Act 1965, when making disclosures of any improper conduct, illegality, mismanagement and detrimental action by the companies and their leaders.

On top of the above, mentor schemes could be considered to develop and guide the young generation. This guidance and reassurance are essential to nurture Y-generation to be a more mature individual. On another hand, leaders must show their respect to their coworkers and perceive them to share and ahead with same purpose for the company. Coworkers' individuality and freedom should be acceptable within the borders of ethical behavior. Leaders may challenge their followers to hold discussions to brainstorm potential solutions for ethical issues. However, different opinions, ideas and views from workers must be considerable by leaders with open arms. This may enhance a dynamic and fruitful communication atmosphere in a company.

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The researcher believes success of a company and its ethical conduct is inseparable. The researcher proposes that Malaysia federal government may consider reaming in writing of regulatory legislation, mandating for all public listed companies in Malaysia to have a code of business ethics for the knowledge of its employees, in enhancing the employees' understanding on the importance of ethics towards individual as well as the company as a whole. As a study conducted by Institute of Business Ethics in UK in measuring performance between years 1997 to 2001, there was evidently proved that companies with code of business ethics were capable to create an above-average performance compared with those companies without a code of business ethics.

In view of the target respondents in this study are employees working in the accounting, auditing, taxation and secretarial firms where about 19 percent of the respondents are graduates from professional courses and they are members of local proscribed bodies such as Malaysian Institute of Accountants (MIA), The Malaysian Institute of Certified Public Accountants (MICPA), Chartered Tax Institute of Malaysia (CTIM) and The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). In fact, these proscribed bodies could do their part to increase the knowledge and understanding on the importance of ethics to their members. Perhaps, these proscribed bodies may champion to facilitate regular training courses or seminars to upgrade the knowledge with respect of the ethical issues to their members. Relevant courses may be considered to be included in the respective bodies' syllabus.

Undeniable, there are managers always embed values and behaviors to protect their status quo in a company. They control rests at many levels, form fundamental linked between desired outcomes and actual processes and claim they are successful, even though their actions might not be recognized by others. As coined by The Duke of Wellington, success likes a conqueror, like a

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cannon ball, must go on, if he rebounds, his career is over. Following with this statement, we may realize that for a manager to be claimed successful, he/she might need to compromise and preferences unethical to achieve and/or maintain his/her status quo, despite his/her actions might not be acceptable or agreeable by subordinates. This supports the finding on this research that ethical behavior of successful managers has no impact on employees' organizational citizenship behavior.

True ethical behavior is profound and stands for long term. The most helpful way in generating the depth commitment in relation to ethical behavior in a company arrives from top management, as mentioned earlier. Company needs to choose managers with care and due consideration. Managers must be able to act as role models in promoting ethical behavior. Employees tend to emulate their managers and also ethical in their behavior and leads more credibility to code of ethics. Apart from that, employees will feel less reluctant to oppose the guidelines laid out for ethical behavior. Top management must not allow proliferate of any malpractice and unethical behavior. Perhaps, conducting independent social audits occasionally in a company might be another option to retain a constructive ethical culture in a company.

On another hand, ethics remain its prominent role in maintaining a strong reputation of a company. According to Donnelly, Gibson and Ivancevich (1992), significant harm may result from any management's ethical misconduct and high cost for the company to rectify the situation. Ambrose et al., (2008) study claimed that in the case that ethical correlates with job satisfaction can be notified, managers may be capable to locate the suitable manners to influence the company's ethical climate and to enhance job satisfaction while retaining an ethical environment. Same principle applies in this study, but perhaps deeper analysis on other different measures of ethics that link to job satisfaction and organizational citizenship behavior can be carried out in future study.



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The findings of this study are useful and crucial to management as it is a compilation of feedback and perceptions from office employees working in one particular industry. Companies and the management of companies could gain great insights on the managerial implementation that could deepen their understanding to elevate employees' job satisfaction and also their organizational citizenship behavior, in terms of ethical awareness.

### **5.3 LIMITATIONS OF THE STUDY**

The researcher encountered some limitations and obstacles when conducting this research study. It is important to understand and learn from the limitations of the study for future improvement.

With regards to the current study, first and foremost, the population of the survey group is small. There were merely 165 respondents that were successfully collected to develop this research. The small sample size of respondents might be incapable to represent the whole Malaysian employees' thought. A larger sample may be more appropriate to secure a better research as it is more representative of a large population which in return with better accuracy data. Besides, the researcher has little control over the balance representation among all races and age, and also the inequality distributed of questionnaire around the country regions for a better comprehensive finding, due to limited time and his work commitment. In this research study, the researcher only focused on Malaysian employees who have their full-time employment at Kuala Lumpur and Klang Valley areas. It was further claimed that uneven distribution of questionnaire in this study as no target respondents from different areas be included in this study apart from respondents from central region, making it impossible either to estimate sampling variability or to identify possible bias.

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Furthermore, time constrain is another drawback of this study. Time available to analyze this particular research is constrained due to the researcher's work and other commitments. The researcher views that deciding a particular topic does not require an excessive amount of time, but plenty of time have to be devoted to complete the literature review, apply the methodology as well as gather and interpret the results.

In reality, gathering and processing data can be rather expensive, especially for collection of the primary data. Furthermore, self-report measures used in the study might bias on the output. It was noted that some respondents answered the questionnaire blindly but sadly the researcher was incapable to conduct face to face interview with respondents to find out any ambiguous or misunderstood faced by them on the questionnaire.

Insufficient of prior research studies on the related topic in Malaysia's context is another limitation of this research. Basically, literature review is a foundation for understanding the research problem that researchers investigating. On top of that, it was pretty difficult to find strong and relate journals in Malaysia's context to support this research.

Despite the limitations mentioned above, the researcher acknowledges these limitations as opportunity to make suggestions and more appropriate study that could be facilitated for further and future research. However, it is advisable to remove the feasible shortcomings or limitation unfolded in this research, arising from this study. This would be helpful for future researchers to conduct similar testing with modification, such as other-rating than self-rating instruments.

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#### **5.4 RECOMMENDATIONS FOR FUTURE STUDY**

This particular research study has indulged few questions in need for further investigation. This report would like to address several avenues and recommendations in better understanding regarding respective research's areas. However, these recommendations merely served guidance for further studies and not beyond than that.

First and foremost, the sample size could be enlarged for higher degree of accuracy data. Excess of 300 respondents could be an ideal number of respondents. Besides, it is convincingly to have better balance representation among all races and age ranges, and also to obtain a more comprehensive finding by distributing and collecting the research data across different states in the country.

Subject to the permit of time and cost, longer data collection period should be considered, in order to secure a greater response rate. In this case, questionnaire could be set online to require answer to be responded. Further, face to face interview with respondents would be another option where incomplete questionnaire could be prevented.

Besides, additional areas of investigation for future research should be undertaken, for instance, the various other facets on satisfaction, such as promotion, co-workers and supervisor could be analyzed, apart from satisfaction with pay and satisfaction with work which were analyzed and examined in this research. On another hands, different types of variables on organizational citizenship behavior, such as traits related to the personality, attitude of an individual, perception regarding fairness and features of job can also be considered to study on their relationships with ethical behavior in a

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particular company or industry. Researcher is convinced that more accuracy of data could be obtained if these additional variables be taken into the research.

Next, this study merely explored the impact of various facets of ethical behaviors toward job satisfaction and organizational citizenship behavior within employees working in accounting, auditing, taxation and secretarial management firms. In fact, studies might open to other marketplaces rather merely restricted specifically in a specific industry. Malaysian employees from different industry might perceive the facets of ethical behavior, job satisfaction and organizational citizenship behavior differently. Findings might vary from the present study. In certain extent, variables somehow might not derive from an organizational problem, but rather an occupational problem. For future research, it is recommended to examine these variables in the realm of occupational affective.

Distributing questionnaire to employees through their direct supervisors or employers might be an issue. Employees may produce some social desirable responses by inflating the ratings in the ethical leadership portion. Some of the respondents may also tend to inflate their supervisors' rating in the ethical leadership portion, considering the survey may serve as a tool in their performance evaluation. In fact, it would be more appropriate for the researcher to distribute the survey forms personally to the employees after obtaining the consent from the company and to set up a survey collection box and time with all the respondents in the interests of cost and time.

The results can be different when studies the views between males and females employees. Their view and opinion may vary in many ways. Further, organizational culture can affect the effectiveness of the work place and ethics of culture which should also be studied. This can also be another factor which can help in better understanding on the proposed variables. Different gender's

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opinion and cultures in a company may carry substantial different result in the study.

Lastly, the researcher recommends future study should consider to use a mix of self-report measures along with supervisor reporting, which may be complemented with the qualitative data collection methods like focus groups and in-depth interviews. A longitudinal study can also be planned, considering similar variables with a larger sample size. Further from that, a similar study may be conducted across the industries each state or even whole country to facilitate the generalization of interference.

## **5.5 CONCLUSION**

This study attempts to examine the relationship between various ethical behaviors of employees in a company and their job satisfaction and organizational citizenship behaviors. In general, this study had achieved its objectives and answered the research questions and a conclusion was drawn. There are only ethical leadership behavior is supporting both dependent variables, job satisfaction and organizational citizenship behavior in this particular study. In contrast, ethical behaviors of coworkers and successful managers failed to support both dependent variables.

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## APPENDIX 1

**UNIVERSITI TUNKU ABDUL RAHMAN  
FACULTY OF ACCOUNTANCY AND MANAGEMENT (FAM)  
MASTER OF ADMINISTRATION (CORPORATE GOVERNANCE)**

Dear respondents,

Survey on the influence of various facets of ethical behavior on employees job satisfaction and organizational citizenship behavior

This survey is conducted as part of my Research Project, which shall be submitted in part completion of my Master of Business Administration (MBA) degree, major in Corporate Governance, from the Universiti Tunku Abdul Rahman (UTAR).

The purpose of this study is to examine the influence of various ethical behaviors on your job satisfaction and organizational citizenship behavior.

I am therefore inviting you to participate in this survey by filling up the attached questionnaire form. The questionnaire is constructed in a straightforward manner and easy to understand and reply, should not take you more than 15 minutes to complete the survey form.

Please be assured that all information in the survey form will be treated with strictest confidentiality and only the aggregate data will be analyzed.

I do not request for, nor collect, your name or any specific personal identifiable information. The results of this research will be retained by UTAR solely for students' future reference purpose.

Lastly, I shall be ready to answer any questions, clarification or issues that you may need further explanation on the survey, if any. I am contactable at [eyongsm@gmail.com](mailto:eyongsm@gmail.com).

Thank you for your precious time and participation in this survey.

Yours faithfully  
Siew Meng, Yong

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SECTION A - Demographic Profile

INSTRUCTION: Kindly provide the following information by placing (√) on one of the blank space to assist us in analyzing the responses.

1. Gender

<sub>1</sub> Male

<sub>2</sub> Female

2. Age

<sub>1</sub> 21 years to 25 years  
<sub>3</sub> 31 years to 35 years  
<sub>5</sub> 41 years to 45

<sub>2</sub> 26 years to 30 years  
<sub>4</sub> 36 years to 40 years  
<sub>6</sub> 46 years and above

3. Race

Malay

Chinese

Indian

Others \_\_\_\_\_

4. Marital status

<sub>1</sub> Single

<sub>2</sub> Married

<sub>3</sub> Divorce / Widow

5. Education level

<sub>1</sub> Secondary School  
<sub>3</sub> Undergraduate  
<sub>5</sub> Professional studies

<sub>2</sub> Diploma  
<sub>4</sub> Postgraduate

6. Position

<sub>1</sub> Executive / Officer  
<sub>3</sub> Director  
<sub>5</sub> Others: \_\_\_\_\_

<sub>2</sub> Manager  
<sub>4</sub> Self-employed  
(Please specify)

7. Personal monthly income / allowance

<sub>1</sub> Less than RM2,000  
<sub>3</sub> RM3,001 to RM4,000  
<sub>5</sub> RM5,001 to RM6,000

<sub>2</sub> RM2,001 to RM3,000  
<sub>4</sub> RM4,001 to RM5,000  
<sub>6</sub> RM6,001 and above

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## SECTION B

### INSTRUCTIONS:

- a. Please read each question carefully and answer all the questions by filling the appropriate box.
- b. Listed below are some facets of ethical behaviors in your organization that may influence your job satisfaction and organizational citizenship behavior. Kindly circle the most suitable box to indicate if you agree or disagree with the statement.

Strongly Disagree (“SD”)- 1

Disagree (“D”) - 2

Neutral (“N”) - 3

Agree (“A”) - 4

Strongly Agree (“SA”) - 5

Please indicate the extent to which you agree or disagree with each statement below:-

<b><u>Ethical Behavior of Co-workers</u></b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1. My Co-workers feel that it is not acceptable to make personal calls at work.	1	2	3	4	5
2. My Co-workers feel that it is not acceptable to take office supplies home.	1	2	3	4	5
3. In order to get ahead in their future careers, my co-workers believe that they do not have to compromise personal ethical standards.	1	2	3	4	5
4. It is not acceptable for co-workers to accept gift from others for preferential treatment at work.	1	2	3	4	5
5. My co-workers feel that it is okay to bypass established protocol in order to get work done faster.	1	2	3	4	5
6. My co-workers will report others violation of company policies and rules to superiors.	1	2	3	4	5

<b><u>Ethical Behavior of Successful Managers</u></b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1. Successful managers are generally more ethical than unsuccessful managers.	1	2	3	4	5
2. In order to succeed at work, one does not need to compromise one's ethics.	1	2	3	4	5

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3. Successful managers do not withhold information that is harmful to self- interest.	1	2	3	4	5
4. Successful managers do not make rivals look bad in the eyes of others.	1	2	3	4	5
5. Successful managers do not look for a “scapegoat” when they feel they may associate with failure.	1	2	3	4	5
6. Successful managers do not take credit for the ideas and accomplishment of others.	1	2	3	4	5

Questionnaire for both ethical behaviors of Co-workers and Successful Managers are adopted and modified from “Ethical problems of marketing researchers” (Hunt and Wilcox, 1984)

<b><u>Ethical Leadership Behavior</u></b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1. My organization leader listens to what employees have to say.	1	2	3	4	5
2. My organization leader has the best interest of employees in mind.	1	2	3	4	5
3. My organization leader makes fair and balanced decisions.	1	2	3	4	5
4. My organization leader can be trusted.	1	2	3	4	5
5. My organization leader discusses business ethics or values with employees.	1	2	3	4	5
6. My organization leader sets examples of how to do things the right ways in terms of ethics.	1	2	3	4	5
7. My organization leader disciplines employees who violate ethical standards.	1	2	3	4	5
8. My organization leader conducts his personal life in an ethical manner.	1	2	3	4	5
9. My organization leader defines success not just by results but also the way that they are obtained.	1	2	3	4	5
10. When making decision, my organization leader will asks “What is the right thing to do?”	1	2	3	4	5

Questionnaire for ethical leadership behavior is adopted from Ponnu and Tennakoon (2009).

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<b><u>Job Satisfaction</u></b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1. I am satisfied with my benefit package.	1	2	3	4	5
2. I am satisfied with my most recent raise.	1	2	3	4	5
3. I am satisfied with the influence my supervisor has on my pay.	1	2	3	4	5
4. I am satisfied with my current salary.	1	2	3	4	5
5. I am satisfied with my company's pay structure.	1	2	3	4	5
6. I am satisfied with the information my company gives about pay issues.	1	2	3	4	5
7. I am satisfied with the consistency of my company's pay policies.	1	2	3	4	5
8. I am satisfied with the differences in pay among jobs in my company.	1	2	3	4	5
9. At this very moment, I am enthusiastic about my work.	1	2	3	4	5
10. Right now, I feel fairly satisfied with my present job.	1	2	3	4	5
11. At this moment, I am finding real enjoyment in my work.	1	2	3	4	5
12. Right now, I consider my job to be pleasant.	1	2	3	4	5

Questionnaire for job satisfaction is adopted and modified from Pay Satisfaction: Its Multidimensional Nature and Measurement (Heneman and Schwab, 1985) and Overall Job Satisfaction (OJS) (Brayfield and Rothe, 1951).

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<b><u>Organizational Citizenship behavior</u></b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1. I help colleagues who have been absent from work.	1	2	3	4	5
2. I help colleagues who have heavy workloads.	1	2	3	4	5
3. I am mindful of how my behavior affects other people's job.	1	2	3	4	5
4. I go out of my way to help new employees.	1	2	3	4	5
5. I take a personal interest in my colleagues' job.	1	2	3	4	5
6. My attendance at work is above the norm.	1	2	3	4	5
7. I take undeserved break at work.	1	2	3	4	5
8. I often complain about insignificant things at work.	1	2	3	4	5
9. I adhere to informal rules devised to maintain order.	1	2	3	4	5
10. I attend meetings that are not mandatory but considered important.	1	2	3	4	5
11. I perform duties that are not required but which improve corporate image.	1	2	3	4	5

Questionnaire for organizational citizenship behavior is adopted from Podsakoff., MacKenzie, Moorman & Fetter (1990) and Williams & Anderson (1991).

**THANK YOU FOR YOUR PARTICIPATION.**



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**APPENDIX 2**

**SPSS OUTPUT ON DEMOGRAPHIC PROFILE OF**

**RESPONDENTS**

**Gender respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	48	29.1	29.1	29.1
Valid Female	117	70.9	70.9	100.0
Total	165	100.0	100.0	

**Age respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21 years to 25 years	67	40.6	40.6	40.6
Valid 26 years to 30 years	27	16.4	16.4	57.0
Valid 31 years to 35 years	25	15.2	15.2	72.1
Valid 36 years to 40 years	18	10.9	10.9	83.0
Valid 41 years to 45 years	10	6.1	6.1	89.1
Valid 46 years and above	18	10.9	10.9	100.0
Total	165	100.0	100.0	

**Race respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Malay	64	38.8	38.8	38.8
Valid Chinese	80	48.5	48.5	87.3
Valid Indian	20	12.1	12.1	99.4
Valid Others	1	.6	.6	100.0
Total	165	100.0	100.0	

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**Marital status respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	112	67.9	67.9	67.9
Married	43	26.1	26.1	93.9
Valid Divorce/Widow	8	4.8	4.8	98.8
4	2	1.2	1.2	100.0
Total	165	100.0	100.0	

**Education level respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Secondary School	13	7.9	7.9	7.9
Diploma	26	15.8	15.8	23.6
Valid Undergraduate	65	39.4	39.4	63.0
Postgraduate	31	18.8	18.8	81.8
Professional studies	30	18.2	18.2	100.0
Total	165	100.0	100.0	

**Position respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Executive/Officer	99	60.0	60.0	60.0
Manager	31	18.8	18.8	78.8
Valid Director	2	1.2	1.2	80.0
Self-employed	6	3.6	3.6	83.6
Others	27	16.4	16.4	100.0
Total	165	100.0	100.0	

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**Personal monthly income respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than RM2,000	12	7.3	7.3	7.3
RM2,001 to RM3,000	71	43.0	43.0	50.3
RM3,001 to RM4,000	31	18.8	18.8	69.1
Valid RM4,001 to RM5,000	13	7.9	7.9	77.0
RM5,001 to RM6,000	11	6.7	6.7	83.6
RM6,000 and above	27	16.4	16.4	100.0
Total	165	100.0	100.0	

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## APPENDIX 3

### SPSS OUTPUT: RELIABILITY ANALYSIS

#### Ethical Behavior of Co-workers

Reliability Statistics	
Cronbach's Alpha	No of Items
.773	6

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Ethical Behavior of Co-workers Q1	17.76	11.743	.728	.679
Ethical Behavior of Co-workers Q2	17.32	14.768	.529	.742
Ethical Behavior of Co-workers Q3	17.93	12.294	.577	.725
Ethical Behavior of Co-workers Q4	17.58	13.123	.592	.721
Ethical Behavior of Co-workers Q5	18.27	15.358	.238	.811
Ethical Behavior of Co-workers Q6	17.67	14.282	.519	.741

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**Ethical Behavior of Successful Managers**

<b>Reliability Statistics</b>	
Cronbach's Alpha	No of Items
.867	6

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Ethical Behavior of Successful Managers Q1	20.47	15.812	.679	.842
Ethical Behavior of Successful Managers Q2	20.88	15.217	.532	.883
Ethical Behavior of Successful Managers Q3	20.52	15.568	.804	.822
Ethical Behavior of Successful Managers Q4	20.38	17.114	.687	.845
Ethical Behavior of Successful Managers Q5	20.30	16.505	.703	.840
Ethical Behavior of Successful Managers Q6	20.30	15.978	.693	.840

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**Ethical Leadership Behavior**

<b>Reliability Statistics</b>	
Cronbach's Alpha	No of Items
.930	10

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Ethical Leadership Behavior Q1	32.18	34.272	.785	.919
Ethical Leadership Behavior Q2	32.21	34.591	.817	.917
Ethical Leadership Behavior Q3	32.10	36.710	.666	.925
Ethical Leadership Behavior Q4	31.96	35.865	.733	.922
Ethical Leadership Behavior Q5	32.07	36.660	.733	.922
Ethical Leadership Behavior Q6	32.02	36.816	.714	.923
Ethical Leadership Behavior Q7	32.03	37.895	.663	.925
Ethical Leadership Behavior Q8	32.16	36.743	.710	.923
Ethical Leadership Behavior Q9	32.12	36.237	.722	.922
Ethical Leadership Behavior Q10	32.10	36.934	.714	.923

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**Job Satisfaction**

<b>Reliability Statistics</b>	
Cronbach's Alpha	No of Items
.949	12

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Job Satisfaction Q1	32.84	61.022	.776	.945
Job Satisfaction Q2	32.87	61.523	.787	.944
Job Satisfaction Q3	32.81	61.504	.789	.944
Job Satisfaction Q4	33.02	62.705	.743	.946
Job Satisfaction Q5	33.05	63.574	.769	.945
Job Satisfaction Q6	33.01	62.620	.754	.945
Job Satisfaction Q7	32.99	62.436	.753	.945
Job Satisfaction Q8	32.99	63.258	.751	.945
Job Satisfaction Q9	32.74	62.867	.728	.946
Job Satisfaction Q10	32.72	62.620	.792	.944
Job Satisfaction Q11	32.74	63.455	.729	.946
Job Satisfaction Q12	32.66	62.997	.755	.945

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**Organizational Citizenship Behavior**

<b>Reliability Statistics</b>	
Cronbach's Alpha	No of Items
.757	11

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Organizational Citizenship Behavior Q1	32.18	26.564	.177	.763
Organizational Citizenship Behavior Q2	32.19	26.739	.171	.763
Organizational Citizenship Behavior Q3	32.10	25.544	.397	.742
Organizational Citizenship Behavior Q4	32.29	25.342	.361	.744
Organizational Citizenship Behavior Q5	32.94	25.106	.262	.758
Organizational Citizenship Behavior Q6	32.66	23.994	.444	.734
Organizational Citizenship Behavior Q7	33.32	23.561	.377	.744
Organizational Citizenship Behavior Q8	33.21	21.494	.486	.729
Organizational Citizenship Behavior Q9	32.84	22.499	.557	.718
Organizational Citizenship Behavior Q10	32.64	22.318	.625	.709
Organizational Citizenship Behavior Q11	32.60	22.863	.634	.712