Workplace Ethics and Employee Behaviour: The Mediating Effect of Psychological Empowerment in the Textile Industry

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ARTICLE INFO	ABSTRACT
	Workplace practises based on ethical environment create positive employee behaviour and successful business. This paper examines the impact of workplace ethics on employees' behaviour with the meditating role of psychological empowerment. A descriptive survey research method was adopted for the study using 280 questionnaires, which were administered on Employees in textile industry. Data was collected through questionnaire and analysed through SPSS and SMART-PLS. Each item was based on a 5-PointLikert scale. The results show that workplace ethics has positive impact on psychological empowerment. On the other hand, mediator role of psychological empowerment enhances the effect of workplace ethics on employee's behaviour. It is recommended from this research that managers of textile companies should focus on the ethical environment because it plays a vital role in enhancing the positive behaviour of employees as well as develops and sets their mind to work with loyalty with the organization.

Introduction

Today, companies workplace are considerably greater importance on their employees to thrive and gain competitive advantage in this changing and rapid world(Webb et al., 2020). This leads to their efforts that increase employee involvement. Although employees rely on several agents and variables, one of these factors is the prevailing ethical environment within a company(Anser et al., 2021). Ethical environment and commitment to work are two concepts of management which interact with one another. Workplace ethnicity culture includes an informal management structure

in a company that includes supervisors, managers and employees' background, assumptions and perceptions about how they should not act ethically and how they do so. Psychological empowerment is described as a knowledgeable mental state (Yustina, 2017). Conger and Kanungo (1988) identified psychological enhancement as a process to enhance the self-effectiveness of the employee by identifying conditions that promote impotence and by removing them both by formal organizational practices and by informal information provision techniques (Sattar et al., 2020). Empowerment includes a principle of decentralization, which gives workers lower-level decision-making powers and ensures that they have the resources to decide themselves. These are some of the features of ethical management. Workplace ethics is highly important in the corporate world because it is directly linked to the prosperity of a nation (Mitonga-Monga et al., 2016). It refers to the how the businesses practice its morals in the country and how it maintains relationships with its stakeholders and the environment. The basic concern of business ethics is how ethically the firms deal with their employees, customers, shareholders and society overall(Yustina, 2017). To have justice in organizations is very essential in business ethics. Issues that show the concern of employees about fairness are: whether the people who carry out decisions practically have any say in the decision making itself; whether the members of work unit are involved in the decision making that directly affect their work; whether the people who have less authority but more knowledge are given any say in problem solving; and most importantly what reward and recognition is given to workers who perform good(Williams et al., 2017). The behavior of employees also contributes a lot in the success of any organization as how they act creates the business ethics and the image they carry portrays the face of the organization. They must create a cooperative and mutual understanding with each other that is based on trust and dignity(Gottman et al., 1998). Their individual participation in the workplace and in-role job performances is equally important along with extra role conducts. A workplace based on ethics and morals enhances the personal work personality also of the employee's well-being. It also positively contributes to the people's health, both of mind and body (Kashyap & Raghuvanshi, 2020). Psychological empowerment is the basis for an intrinsic mission, providing four knowledge that reveals personal guidance: competence, purpose, self-determination and effect and shows cognitive guidelines for their work. Psychological ability has shown a major motivational resource which can improve the commitment of workers to their jobs. Previous research has shown that personality, including core self-assessments and self-esteem, has been considered a vital function in psychic empowerment (Tian & Robertson, 2019). In many organization employees do not feel safe because of the lack of work ethics. Due to this reason work engagement decreases. They do not work with their proper attention and consideration which creates negative impact on psychological condition of employees. Therefore the purpose of this study is to find out the impact of workplace ethics on employee behaviour through the mediating role of psychological empowerment.

Literature Review

The literature identities two theories which postulates the impact of changing behaviour due to working environment. The first theory is social exchange theory. Theory developed in 1986 into a social cognitive theory which postulates that learning takes place in a social setting, in which people, environment and actions are constantly changing and sharing together. Social learning theory example in real life, with child conduct imitating family members, peers, famous characters, and even TV characters being one of the most obvious. If a child realizes that such action is significantly rewarded, he will do so at some stage. Social networks provide numerous examples of social learning, with people who imitate others while playing a movie stage, copying dance moves from a music video or not. The need to be socially accepted and liked usually spurs this

frenzied action. In order to comply with working culture, new employees on the job will mimic their employees' actions. Alternatively, they may model the actions of coworkers to make a superior stand. As a way of fitting or gathering attention, students may imitate fellow students, celebrities and mentors. Good behaviors, however, are also modelled in problem behavior.

Second theory supporting the model is theory of self-determination. The study of "Edward Deci and Richard Ryan", psychologists, has established theory of self-determination. The theory suggests that people tend to evolve and achieve. Both the theories hold few assumptions. The first premise that people are consciously directed towards development is the principle of self-determination. Mastery over difficulties and experience in the creation of a coherent sense of oneself are indispensable. While theory of self-determination also focuses primarily on internal motivation sources such as the needs for information or freedom, whereas individuals tend to behave with external reciprocal incentives, including income, awards and acclaim (known as intrinsic motivation).

Workplace Ethics

Ethical practice in the workplace applies to workers in an organization's governance and general attitude towards the workplace, but also to morality and/or lack of morality. As the public as well as rivals view a company, it's often down to the ethics of the workplace(Mitonga-Monga & Cilliers, 2015). The ethical conduct from the up and out should be modelled from inside. Workplace ethics is expressed in the way companies deal with their suppliers and clients, their interactions with others, their tasks and their communication inside and outside of each company(Gallagher, 1998).
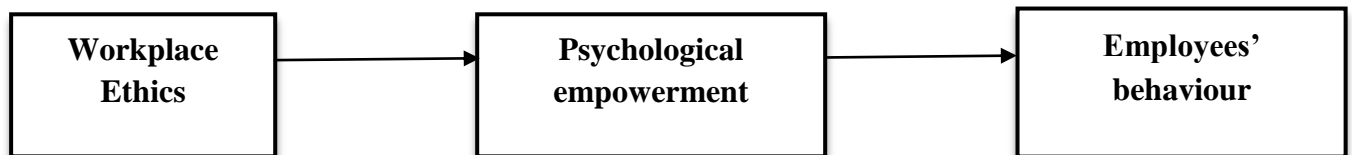
Psychological Empowerment

Empowerment is another essential structure that can contribute to positive results for organizations and individuals. The viewpoint of empowerment is varied, including relationship, social systemic and psychological perspectives(Yener et al., 2012). Empowerment is an increase in intrinsic task motivation. It means that workers have meaning or importance in their employment. If their missions or aims of the work they do are consistent with their own system of meaning, workers believe their work is critical and profoundly concerned with their activities. The awareness that an individual has the ability to effectively carry out the job in a particular environment(Webb et al., 2020). The sense of independence or discretion one must perform in the way one selects means self-determination (or choice). Autonomy of the decisions on working methods, processes, speed, and efforts is reflected in self-determination. The impact of a person is to the degree to which his or her job changes his or her overall intent and the extent to which the individual thinks he or she can have a positive impact on organizational outcomes (Raza et al., 2020). As shown above, ethical leaders are more likely to take into account the developmental needs of each individual and place them in roles where they can experience fitness to their work and meaning in their employment. Such leaders would often treat their workers respectfully, rather than merely treat them as a means of achieving a purpose (i.e. organizational productivity (Buttery et al., 2005). This regard for human dignity can lead to a strong sense of meaning in the workplace as their own objectives conform to the objectives of the company. Consideration of the development needs and benevolence of their workers by ethic leaders can cause them to put employees in circumstances that promote their growth and trust in their skills in relation to work. Such leaders are likely to find and assist workers in making difficult ethical work choices in search of training opportunities (Spreitzer, 1995). Thus, ethical workplace should be empowered to have a stronger sense of competence. As ethical workplace provides basic human rights of integrity and autonomy, and structure employment more often, so workers are able to decide the size of their jobs and

participate more widely in their organization's decision-making structure (Hausman, 2002). This workplace autonomy creates positive impact on employees' behaviour.

Employee Behaviour

Ethical aspects of behaviour deal with what is good or bad, with what is right or wrong, or with moral duty and obligation (Malhotra and Miller, 1998; McNamara, 1998). In ethical environment employees are more likely to have opportunities to consider the effects of the employee, such as involvement in decision-making and job design, in the company as a whole (Sarea & Hanefah, 2013). This kind of environment promote the complete involvement of the self as it helps to raise the human spirit to realize the dreams of an individual and make contributions that cannot be made alone. In short, an ethical environment that protect individual employee rights (especially the most basic human rights of respect, dignity and autonomy) can contribute to more empowerment among employees and bring a positive change in their behaviours (Gallagher, 1998).

The research framework for this study is:

Workplace Ethics	→	Psychological empowerment	→	Employees' behaviour

Here, workplace ethics is behaving as independent variable, psychological empowerment is mediator and employees' behavior is dependent variable. Below are the hypotheses of this study which are made from the literature review.

H1: "Workplace ethics has a positive effect on psychological empowerment."

H2: "Psychological empowerment mediates between workplace ethics and employees' behavior."

Methodology

In order to examine the impact of workplace ethics on employee behaviour through psychological empowerment, sector of textile was selected. Data was collected from employees of different organizations operating in textile industry. Study setting of this research is basically field study because the research was done through questionnaires and the interference of researchers was minimal. 5 point Likert scale was used. Independent variable which was workplace ethics consisted of 9 items, dependent variable that was employees' behavior contained 10 items. Mediator of this study was psychological empowerment had 12 items. So, the total items were 31.

Results and findings

The table explains detail information about the study variable i-e Workplace ethics, Psychological Empowerment and employee's behaviour.

Table 1: Descriptive Statistics

|	Mean	Std. Deviation
PSE	3.6104	.64251
EB	3.4825	.68670
WE	3.6016	.64665

PSE: Psychological Empowerment; EB: Employees behaviour; WE: Workplace ethics

PSE has mean value 3.6104 while minimum vale for PSE, EB and WE is 2.08, 2.10 and 2.22 respectively. Mean for all three variables i.e. PSE, EB and WE are 3.6104, 3.4825 and 3.6016 respectively. PSE has std. Deviation 0.64251, for EB it is 0.686710 and for WE it is 0.64665.

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
.907	31

Model
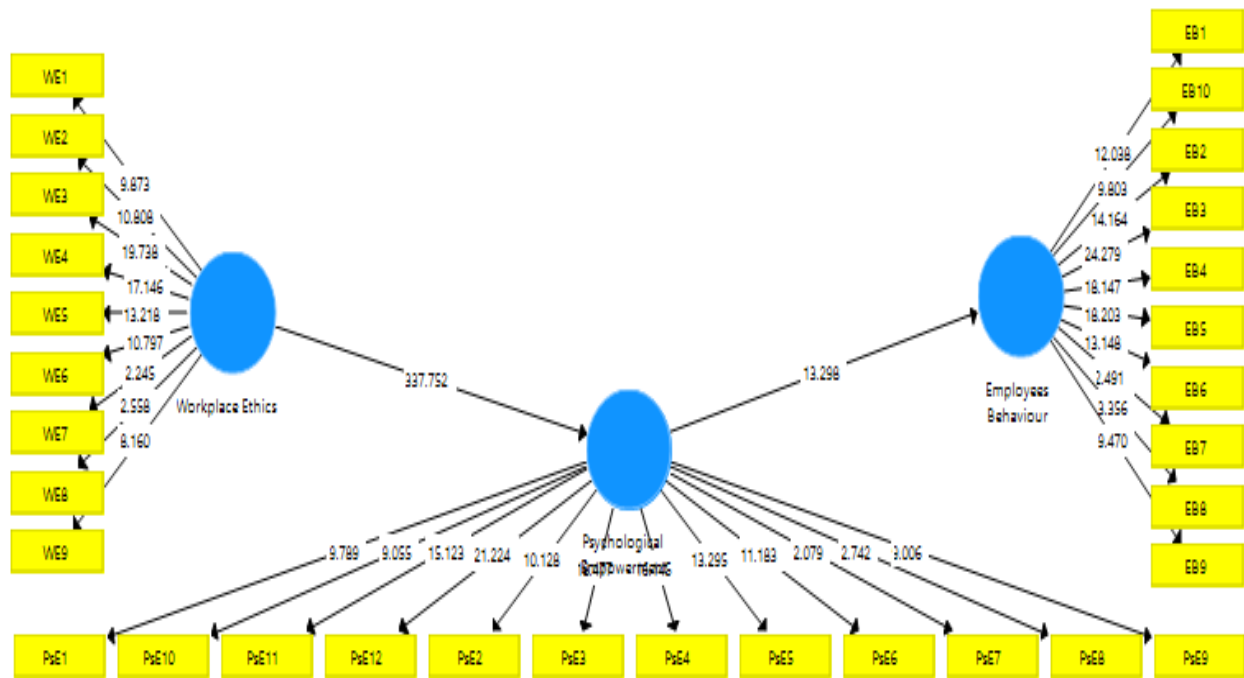
Hypotheses testing

Bootstrapping algorithm analysis is used to find out the significance of relationships. It tells whether the effect of a certain IVs on DVs is significant. Direct and indirect effect of constructs. Sub-probes are generated in bootstrapping by random observations from the original data set (with replacement). Then the sub-sample is used for the PLS model route estimation. This process is repeated until many random samples, usually about 5,000, have been generated. For the calculations standard errors are used as the parameter estimates (for example external weight, outer loads and path coefficients) from the subsamples. This information calculates the t-values to evaluate the importance of any calculation.

Table 3: Hypotheses testing

Hypotheses relationship	Beta value	(STDEV)	T Statistics (|O/STDEV|)	P Values
Workplace Ethics -> Psychological Empowerment -> Employees Behavior	0.608	0.046	13.169	**0.000**
Workplace Ethics -> Psychological Empowerment	0.974	0.003	337.752	**0.000**

Both hypotheses are accepted because significant value is "less than 0.05. T value is greater than 1.96. Beta value for first hypothesis is 0.608 and for second hypothesis it is 0.974."

Conclusion

The goal of the present study was the testing of a theoretical model that seeks to understand how workplace ethics influence on the two measures of employee well-being. Data from 280 textile workers from Pakistan have been gathered. The use of SEM-PLS was checked for two hypotheses. Both have been backed by theories. The results showed positive connections with the employee's behavior. The results showed that there are positive relationships between ethics and psychological empowerments. The relationship between organizational ethics and employee actions was partly influenced by psychological empowerment.

The fundamental reason for this research was to respond to failure of engagement of employees at work and facing unethical behavior. Findings show Workplace ethics positively affects the employee behavior and highly significant in the presence of psychological empowerment. When employees are psychological empowered, it enables them to put knowledge from their past experiences. More the better communication, more the employees are able to share their new ideas and insights with their respective supervisor or leader. So, psychological empowerment as a mediator plays a crucial role in achieving the scope and objectives of organizations.

Discussion

Findings show Workplace ethics positively affects the employee behavior and highly significant in the presence of psychological empowerment. When employees are psychological empowered, it enables them to put knowledge from their past experiences. More the better communication, more the employees are able to share their new ideas and insights with their respective supervisor or leader. So, psychological empowerment as a mediator plays a crucial role in achieving the scope and objectives of organizations.

The employee behavior factor is a crucial factor in organizations. In organizations generation of maximum ideas enhances its performance. New knowledge is required for improving organizational learning. In a friendly environment, employees always feel easy to grab new knowledge, tools and techniques. Employees who are having ethical environment at workplace, are abler to absorb new knowledge. Psychological empowerment is a vital condition for getting benefit in innovation (Fosfuri and Tribo, 2006).

Implications

This research offers valuable perspectives that contribute to the ethics of the literature and the health and well-being of employees. The findings indicate that companies may make their workers feel more empowered by providing an ethical atmosphere so that they are better engaged in their work and defend themselves against emotional exhaustion. In order to provide a more detailed photograph of the role of working ethics in enhancing the health and well-being of employees, this study is expected to encourage other researchers to explore further the relationship between leadership and the work-related health and welfare of employees in different contexts. The theoretical and practical consequences of this analysis are as follows based on the results: Regarding the theory, this study offers proof of the interplay between organizational ethics and the employees' conduct by psychological empowerment. The outcome has strengthened the awareness as to how workplace ethics affects job and psychological empowerment. In addition, this study shows that the relationship between ethical leadership and job involvement and emotional fatigue

mediates psychological control. With regard to the practical consequences, the results of this study show that workplace ethics have an important role in organizations, especially for improving the occupational health and well-being of employees. Therefore, leaders who exercise ethical leadership are essential for the organizations. Organization, which may help to select and maintain ethical leaders and to promote ethical leadership within the organization itself, should use their human resources practices. Any of the ways that businesses can do this are by the selective recruitment of their leaders and ethical concerns. They may also provide ethics training to encourage current leaders to demonstrate more ethical behavior. Furthermore, the current research will help researchers and managers to understand the ethical position of work that leaders can raise in their staff. It can also be used to help explain the results of the ethical climate. It is suggested that leaders should behave in a way that supports job participation in the workplace by recognizing PE as a mediator. Finally, the findings show that the ethics of the workplace are extremely important in building courage and inspiration in employees. For this purpose, managers are responsible for improving, promoting and repeating practices relating to the ethical code of conduct in order to maintain and strengthen the EP between their employees. Organizations should also provide staff with the ethics training program and ensure the ethics audit to build a culture of ethics. The activities of leaders and staff are guided by an ethics program. In a company, the ethics of the employees are improved as well as the chief. Efficiency and eventually profitability are achieved in the business. Ethical initiatives also allow a company to operate within limits, improve accountability, build prestige and gain outside admiration. The leaders have a role to play in shaping the organizing's ethical principles and ensuring that they communicate, track and correct the young people if they go wrong. The employees themselves have a role to play, to be honest and to engage with their representatives.

Limitations and future directions

There are always some limitations in every study. The sample of this study came from only three big cities of Pakistan. Workplace ethics is sensitive to various culture. It has a different scale for every employee. Data was collected from textile industry which cannot be generalized to the other industries like the construction industry and banking industry. All industries have a different type of problems and issues. The study was cross-sectional due to time constraint. Lastly, the lack of cultural perspective and employee's unwariness towards creativeness and innovation is another limitation of this research.

First, causality is a limitation in our study because the research is without any experiments or assignments. Future researchers may analyze the hypothesized relationship in a longitudinal study. Second, data was collected from the banking industry of Pakistan; the findings of the study cannot be generalized in other sectors or cultures. Future studies can test this conceptual model in different industries or cultures to increase the generalizability of current findings. Third, this study uses self-reported data, which may result in a potential problem of common method variance. Future studies should use data from multiple sources such as both managers and employees to avoid this bias.

Future researchers should focus on dimensions of workplace ethics. Moreover, the current study took only textile industry as its sample, future studies should consider other industries. It will help in the generalization of the study. In this study small sample size was taken, future studies can take large sample size and use probability sampling for more accurate outcomes. Current research has done in the context of Pakistan and took textile organization. Future research should be conducted in another context to make it more generalizable.

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