



The Effect of Work Ethics on Job Performance in International SMEs in Al-Hassan Industrial Estate

Mohammad T. Bataineh*

Department of Business Administration, Jarash University, Jordan. *Email: aboqais2003@gmail.com

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ABSTRACT

The purpose of this study is to explore how work ethics (through work ethics elements: integrity, responsibility, equality and self-discipline) effects on employee's job performance in SMEs in Al-Hassan Industrial Estate. A survey was conducted on 257 employees in SMEs in Al-Hassan Industrial Estate. Hierarchical regression was used to model the effect of work ethics on employee's job performance. The work ethics elements are integrity, responsibility, equality and self-discipline. The results show that work ethics is improved employee's job performance in SMEs in Al-Hassan Industrial Estate. Moreover, the elements of work ethics (integrity, responsibility, equality and self-discipline) also improved employee's job performance. Moreover the company should be provided the necessary information to all auditors frankly, the managers should be authorized responsibility to employees, managers should be treated all employees fairly, and the workers should be carried out the tasks assigned to them by self-monitoring.

Keywords: Small and medium-sized enterprises, Work ethics, Job performance, Integrity, responsibility, Equality and self-discipline

JEL Classifications: L2, L32.

1. INTRODUCTION

Every company in the world making changes to improve the quality of their employees. These changes occur to achieve their goals which need the best performance from the resources they have. The important part that all companies should be concerned about is the human resource (Runtu et al., 2019). The main goal of any company is to increase the productivity of the employees, because the employee productivity increasing affects the overall performance of the company (Aldrin and Yunanto, 2019; Omisore and Adeleke, 2015).

The performance of any company is affected by the work ethics that exist in its employees. Having a good work ethic causes the employees to make physical, mental, and emotional efforts in his work to fulfil and even exceed expectations. The word ethics came from the Greek word ethos, which means a characteristic way of acting (Hartman and Desjardins, 2011; Miñon, 2017). It deals with what "ought" to be (Barclay, 1980), an individual's beliefs about

what is right and wrong or good and bad (Miñon, 2017; Robbins and Coulter, 2012). It defines right and wrong decisions and behaviors (DeCenzo et al., 2016; Walker, 2014). Ethics is taking the most appropriate ethical course of action (DuBrin, 2013). Work ethics can be called a cultural norm that encourages people to take full responsibility for the work they do based on the belief that work has intrinsic value for individuals (Nizam et al., 2016). Work ethics refers to the ability to work in a way that shows ethical commitment to your work and boss. Work ethics is a foundation on which a person's attitude is built. Ethics is related to how a person must behave, while values are mental judgments that determine how a person actually behaves (Nizam et al., 2016).

Increasing the work ethic at the employees leads to increase the productivity. Furthermore (Sunanda, 2018), affirms that ethics refers to the principles that define behaviour as true and proper. Values include ethics when they depend on the believing about what is right and wrong. Ethics is one of the most crucial problems in organizations and especially in the human resources

management. In any organization, the good ethical culture provides the guidance in various areas to build employees who are united, harmonious and ethical (Nizam et al., 2016). "(Pojman, 1990), shows four areas where ethics are usually conceptualized: Actions (right, wrong, permissive), Consequences (good, bad, indifferent), Character (virtuous, malignant) and Motives (good intentions, intentions evil)". According to "(Sapada et al., 2018), work ethic is employees who have a high commitment to the organization and then are more likely to make changes where the changes do not have the potential to change the basic values and goals of the organization and are considered beneficial to the organization, compared with work ethic employees who are less supportive and less committed to their organizations who are more likely to make changes. Ethics are shaped by habits, cultural influences and the value system that is believed."

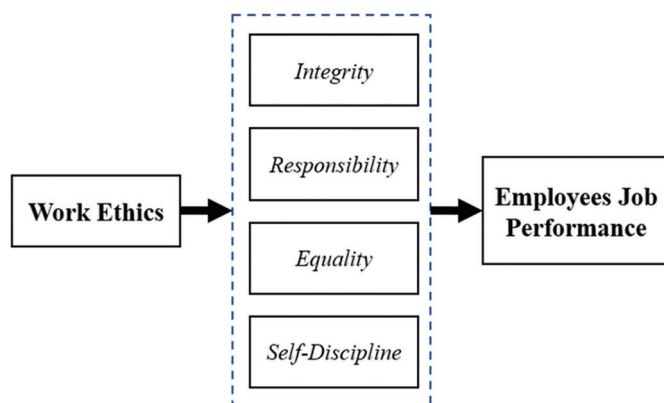
2. CONCEPTUAL FRAMEWORK AND HYPOTHESES

2.1. Work Ethics and Job Performance

Based on the literatures related to work ethics and job performance of employees, Figure 1 shows the theoretical frame work of research represent hypotheses of the research that described employee job performance through work ethics via influenced by a number of variables such as integrity, responsibility, equality and self-discipline (Osibanjo et al., 2018). (Murphy and Lee, 1994; Palanski and Yammarino, 2011) have been studied the effect of integrity on job performance. (Doorewaard et al., 2002; Yang and Kim, 2018) have been studied the effect of responsibility on job performance. (Armstrong et al., 2010; Smith et al., 2017) have been studied the effect of equality on job performance. (Luo et al., 2008) have been studied the effect of self-discipline on job performance.

In this study, we argue that work ethics has been defined as the cultural norm that encourages people to take full responsibility for the work they do based on the belief that work has intrinsic value for individuals (Nizam et al., 2016). Job performance has been one of the essential variables studied for a long decade now (Jankingthong and Rurkkhum, 2012). Employee's job performance is the level of individual employee's productivity in relations to job related behavior or expectations (Babin and Boles, 1998).

Figure 1: Research framework



Performance in this sense relate to task performance which is behavioral oriented depending on the attitude of job holder towards job (Aluko, 2003; Borman and Motowidlo, 1997; Werner, 2000; Samo et al., 2019). Therefore, we propose the main hypothesis: H_1 . "work ethics has a positive significant effect on employee's job performance". according to main hypothesis we found Sub-hypotheses as follows:

1. Hypothesis: Integrity has a positive significant effect on employee's job performance
2. Hypothesis: Responsibility has a positive significant effect on employee's job performance
3. Hypothesis: Equality has a positive significant effect on employee's job performance
4. Hypothesis: Self-discipline has a positive significant effect on employee's job performance.

2.2. Objectives of the Study

The objectives of study are to measure the effects of work ethics on employee's job performance. more specifically this research has four objectives:

1. To explore the effect of integrity on employee's job performance
2. To explore the effect of responsibility on employee's job performance
3. To explore the effect of equality on employee's job performance
4. To explore the effect of self-discipline on employee's job performance.

3. METHODOLOGY

3.1. Sample

Data were collected from the employees in SMEs in Al-Hassan Industrial Estate (see Appendix A for the name of the SMEs). Questionnaires were sent to 117 employees by mail. A possible problem in relying on a single data collection method is common method bias (Podsakoff et al., 2003). To avoid common source bias, managers were paired but data from managers were collected in separate anonymous questionnaires. A cover letter attached to each of the questionnaires informed the respondents of the confidentiality of their responses and the voluntary nature of their participation in the survey. We prepared the questionnaires in English, had a professional translator translate the questionnaires into Arabic first, and then had another professional translator translate it back into English. We compared the back-translated versions with the originals to ensure accuracy. We received completed and valid questionnaires from 103 employees (equivalent to a response rate of 88%). Of the 103 employee's respondents, males accounted for 62%, graduate degree holders or above accounted for 13%, 53.5% were aged above 40 years old and the average work experience was 14 years. We assessed the potential for nonresponse bias following the procedure proposed by (J. S. Armstrong and Overton, 1977).

3.2. Construct Measurement and Development

The rating scale for all items ranged from 1 "strongly disagree" to 5 "strongly agree". To ensure the validity and reliability of measurement, this study adopted measures of job performance, integrity, responsibility, equality and self-discipline from previous

research. Following (Cascio, 2012), the reliability of these constructs was tested using Cronbach's α coefficient, which proved that the constructs in this paper have good reliability.

3.3. Dependent Variable

Job performance was assessed by the employees of the SMEs in Al-Hassan Industrial Estate, which consisted of six items. Examples include: "The company determines the performance standards for each employee according to the nature of his work," "Employees participate in work problems to improve performance," "Performance standards are periodically reviewed in order to raise/lower them in line with work ethics," etc. The Cronbach α test showed the construct had good reliability (Cronbach's $\alpha = 0.891$).

3.4. Independent Variables

Work ethics was based on assessments of employees of the SMEs in Al-Hassan Industrial Estate through four main elements: integrity, responsibility, equality and self-discipline. Integrity was assessed by the employees of the SMEs in Al-Hassan Industrial Estate, which consisted of five items. Examples include: "Business procedures are carried out with integrity," "The company provides the necessary information to all auditors frankly," etc. The Cronbach α test showed the construct had good reliability (Cronbach's $\alpha = 0.824$). Responsibility was assessed by the employees of the SMEs in Al-Hassan Industrial Estate, which consisted of five items. Examples include: "Managers authorize responsibility to employees," "The employees assume the responsibility assigned to them," etc. The Cronbach α test showed the construct had good reliability (Cronbach's $\alpha = 0.791$). Equality was assessed by the employees of the SMEs in Al-Hassan Industrial Estate, which consisted of five items. Examples include: "Management treats all employees fairly," "Business and work assignments are distributed in a fair manner to workers," etc. The Cronbach α test showed the construct had good reliability (Cronbach's $\alpha = 0.687$). Self-discipline was assessed by the employees of the SMEs in Al-Hassan Industrial Estate, which consisted of five items. Examples include: "The workers carry out the tasks assigned to them by self-monitoring," "The tasks are accomplished by self-working teams," etc. The Cronbach α test showed the construct had good reliability (Cronbach's $\alpha = 0.807$).

4. RESULTS AND DISCUSSION

4.1. Correlations among Study Variables

Table 1 shows the means, standard deviations and zero-order correlation for all variables, with regard to our hypothesis based on the rationale that work ethics on employee's job performance, we found that integrity has moderate significantly and positively correlated with job performance ($r = 0.39$, $P < 0.01$). thereby more interested in increased the integrity at all employees in the companies. Also, responsibility with job performance was high significantly and positively correlated ($r = 0.48$, $P < 0.01$). Similarly, equality with job performance was high significantly and positively correlated ($r = 0.51$, $P < 0.01$). Also, self-discipline with job performance was low significant and positive correlated ($r = 0.29$, $P < 0.01$). Finally, there were significant and positive correlated between hypothesis 1 with hypothesis 2, 3 and 4 ($r > 0.38$, $P < 0.01$).

Table 1: Means, standard deviations and correlations

Variables	Mean	Std.	1	2	3	4	5
Integrity	4.34	0.61	--				
Responsibility	4.17	0.73	0.47**	--			
Equality	3.92	0.62	0.53**	0.41**	--		
Self-discipline	4.57	0.59	0.38**	0.52**	0.48*	--	
Job performance	3.98	0.78	0.39**	0.48**	0.51**	0.29**	--

n=92. * $P < 0.05$; ** $P < 0.01$ (two-tailed test)

To test the convergent validity, we calculated composite reliability of the variables, A high value of composite of reliability, ranging from (0.29 to 0.52) that suggests reasonable convergent validity of the variables, while the mean, standard deviation and reliability of variables are shown in Table 1. The higher mean was (4.57) for hypothesis (4). While the lower mean (3.92) for hypothesis (3).

4.2. ANOVA and Linear Regression Analysis

In order to examine the study hypotheses and reach conclusions and recommendations that achieve the goals of this study, we used the appropriate statistical methods to test the hypotheses, such as ANOVA and linear regression analysis, to test the main hypothesis and sub-hypotheses using SPSS (Bougie and Sekaran, 2016). Table 2 shows the results of ANOVA and linear regression analysis of the effect of work ethics on employee job performance.

From Table 2, the results indicate that there is a statistically significant effect of integrity on job performance, where the correlation coefficient ($R = 0.834$), which indicates a statistically significant correlation relationship between the independent variable (integrity) and the dependent variable (job performance). Moreover, it has been shown that the value of the determining coefficient ($R^2 = 0.696$) indicates that the visionary leadership has explained 69.6% of the variation in job performance, while the rest is due to other variables that were not included in this model. Also, it can be seen that the variable ($F = 739.147$) at ($\text{sig.} = 0.000$), this confirms the significance of the regression at the significance level ($\alpha < 0.05$). Moreover, the table shows that ($B = 0.839$) and ($t = 25.781$) at ($\text{sig.} = 0.000$) for integrity, which indicates that the effect of this dimension is significant and this means that an increase in integrity by one unit leads to increase in job performance by (0.819). This result agrees with (Palanski and Yammarino, 2011) study that indicates that leader behavioural integrity was not directly related to follower job performance, but was related indirectly via trust in the leader and follower satisfaction with the leader.

Also, the results indicate that there is a statistically significant effect of responsibility on job performance, where the correlation coefficient ($R = 0.798$), which indicates a statistically significant correlation relationship between the independent variable (responsibility) and the dependent variable (job performance). Moreover, it has been shown that the value of the determining coefficient ($R^2 = 0.637$) indicates that the responsibility has explained 63.7% of the variation in job performance, while the rest is due to other variables that were not included in this model. Also, it can be seen that the variable ($F = 687.357$) at ($\text{sig.} = 0.000$), this confirms the significance of the regression at the significance

Table 2: The results of ANOVA and linear regression analysis of the effect of work ethics on employee job performance

Independent variables	Model summary		ANOVA			Coefficients			
	R	R ²	F	DF	Sig. F	B	SD	t	Sig. t
Integrity	0.834	0.696	739.147	1	0.000	0.819	0.017	25.781	0.000
Responsibility	0.798	0.637	687.357	1	0.000	0.769	0.029	22.764	0.000
Equality	0.897	0.805	759.475	1	0.000	0.834	0.031	26.783	0.000
Self-discipline	0.687	0.472	578.542	1	0.000	0.614	0.027	17.517	0.000

level ($\alpha < 0.05$). Moreover, the table shows that ($B = 0.769$) and ($t = 22.764$) at ($\text{sig.} = 0.000$) for responsibility, which indicates that the effect of this dimension is significant and this means that an increase in responsibility by one unit leads to increase in job performance by (0.769). This results agrees with (Yang and Kim, 2018) study which suggest that corporate social responsibility activities not only enhanced the performance of the members, but also confirmed the importance of the authentic leadership of the CEO. Moreover, (Doorewaard et al., 2002) shows that shared-responsibility teams are thought to contribute more substantially to team performance.

Also, the results indicate that there is a statistically significant effect of equality on job performance, where the correlation coefficient ($R = 0.897$), which indicates a statistically significant correlation relationship between the independent variable (equality) and the dependent variable (job performance). Moreover, it has been shown that the value of the determining coefficient ($R^2 = 0.805$) indicates that the equality has explained 80.5% of the variation in job performance, while the rest is due to other variables that were not included in this model. Also, it can be seen that the variable ($F = 759.475$) at ($\text{sig.} = 0.000$), this confirms the significance of the regression at the significance level ($\alpha < 0.05$). Moreover, the table shows that ($B = 0.834$) and ($t = 26.783$) at ($\text{sig.} = 0.000$) for equality, which indicates that the effect of this dimension is significant and this means that an increase in equality by one unit leads to increase in job performance by (0.834). This result agrees with (Armstrong et al., 2010) study which confirms a positive business performance and finds specifically that diversity and equality management system practices are positively associated with higher labor productivity and workforce innovation and lower voluntary employee turnover. Moreover, (Smith et al., 2017) study shows that male subordinates score higher on “Problem Solving” and “Collaboration across Departments,” while female subordinates score higher on the variable “Drive to Learn.”

Finally, the results indicate that there is a statistically significant effect of self-discipline on job performance, where the correlation coefficient ($R = 0.687$), which indicates a statistically significant correlation relationship between the independent variable (self-discipline) and the dependent variable (job performance). Moreover, it has been shown that the value of the determining coefficient ($R^2 = 0.472$) indicates that the self-discipline has explained 47.2% of the variation in job performance, while the rest is due to other variables that were not included in this model. Also, it can be seen that the variable ($F = 578.542$) at ($\text{sig.} = 0.000$), this confirms the significance of the regression at the significance level ($\alpha < 0.05$). Moreover, the table shows that ($B = 0.614$) and ($t = 17.517$) at ($\text{sig.} = 0.000$) for self-discipline, which indicates that the effect of this dimension is significant and this means

that an increase in self-discipline by one unit leads to increase in job performance by (0.614). This result agrees with (Luo et al., 2008) study that confirm a positive effect of self-discipline on job performance.

5. CONCLUSIONS

Our study has been conducted with the effect of international work ethics on employee’s job performance in SMEs in Al-Hassan Industrial Estate. First, our study suggests that work ethics improved employee’s job performance. However, employees should be participated in work problems to improve performance.

Second, the employee’s job performance is improved by the elements of work ethics (integrity, responsibility, equality and self-discipline). Moreover, the company should be provided the necessary information to all auditors frankly, the managers should be authorized responsibility to employees, managers should be treated all employees fairly, and the workers should be carried out the tasks assigned to them by self-monitoring.

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APPENDIX (A)

Name of SMEs in Al-Hassan Industrial Estate:

1. Jordanian Saudi company
2. CIEG (Century group)
3. Jordanian Dutch investment group
4. Al Durra Factory
5. Belgium Chocolate company
6. Acacia For Industrial and Trading Hygienic Paper Co.
7. Classic fashion factory
8. Magma engineering industry
9. Galaxy apparel industries
10. Swiss Corner for Sanitary Paper Manufacturing