



“Impact of Ethical Behavior on the organization success and employees Success in Nupco Company”

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1.0. Introduction

1.1. Background

Aftab and Kayani, (2023), stated that Ethical behavior is a critical component of every organization and it has a significant impact on the overall business performance. However, it can be categorized into the following factors, fairness among employees, equality, business code of conduct, effective communication, and trust. Organizations that adhere to high morale of ethics and business values will lead to satisfied employees, and productivity, which will ultimately lead to the enhancement of the organization's business performance. In contrast, an organization that does not adhere to ethical behavior in the organization culture will lead to high turnover among employees, absenteeism, and job dissatisfaction. All such acts of employee will have a detrimental effect on the organization's performance. The major challenges faced by organizations while fostering ethical behavior among employees are, cultural diversity, lack of leadership, lack of ethics training, and lastly, technological advancement. To overcome such problems, organizations must design such policy and procedures that foster learning organizational culture, and innovation. To sum up, Organizations that value employees and foster a healthy working environment gain a competitive advantage in the market. The outcomes are high-performance employees, employee dedication, and customer retention.

1.2. Research Problem

The research gap identified to perform this research study is high turnover of employees may affect the organization's success and the company's reputation in the competitive working environment. The root causes of such problems are lack of leadership and unethical behavior in the organization. Shukurat Moronke Bello (2012), surveyed in 2021 to evaluate the ethical issues that place among some European countries. The findings revealed that the biggest ethical problems facing organizations include payments for bribes, corruption, discrimination, harassment, bullying, and whistleblowing.

A study conducted by AlHassan et al., (2023), reported that 3.9% of healthcare workers reported experiencing an instance of sexual assault at work in the healthcare sector. Moreover, 29.5% of incidents involved sexual harassment by the patients and 27.6% by the employee. The main deterrents to reporting sexual harassment were embarrassment, the belief that doing so would be futile, and fear of unfavorable outcomes. The results and findings revealed that sexual violence

may cause psychological disturbance to the employee which may affect their performance. Therefore, unethical practices must be handled properly. Meanwhile, if such problems are not given proper attention it may result in a big disaster that can harm the company's reputation and employee performance. Therefore, organizations should take immediate action to manage ethical issues occurring within the workplace. To mitigate the risk of ethical issues, organizations such as, Nupco have designed business codes of conduct to preserve the rights of every individual at the workplace.

To conclude, Ethical behavior encompasses important principles such as justice, honesty, integrity, and concern for others. In this case, leaders are responsible for taking such acts that are beneficial for employees and refrain from acts that benefit others and from any casualty to take place within the workplace.

1.3. Research significance

The research significance of this research study is despite the technological advancement in the 21st century, unethical practices manifest in the corporate organization. The reasons uttered are lack of leadership, trust, and lack of commitment to the organization's goal. According to the social learning theory, people observe the behaviors of persons in their immediate environment and use this as a model for appropriate behavior (Zeb and Gul, 2023). Organization cannot achieve their goal and objectives without the participation and dedication of employees towards their roles. Thus, to succeed in the competitive market, every employee must be viewed as a valued asset. Employees with strong morale are reported to be more productive at work than those with low morale.

1.4. Research Aim and Objective

This research study aims to explore the impact of ethical behavior on organizational success and employee success. It will also assess the influence of ethical behavior on employee productivity and job satisfaction that ultimately impacts their performance.

The objectives of this research study are as follows,

- To determine the impact of ethical behavior on the organization and employee success.
- To explore initiatives taken by the pharmaceutical organization to achieve organizational success.

- To have a thorough understanding of the complexity of ethical behavior in the pharmaceutical sector.

1.5. Research Hypothesis

H2: There is a significant relation between the impacts of ethical behavior on the organization's success.

H1: There is a significant relation between the impacts of ethical behavior on employee performance.

H0: There is no significant relation between the impact of ethical behavior on the organization's success and employee performance.

1.6. Research Question

- 1- To investigate the contribution of ethical behavior in creating sustainable organization?
- 2- To what extent can ethical behavior add efficacy to employee performance?
- 3- What are the implications faced by organizations in fostering ethical behavior within the organizational culture?
- 4- What initiatives are being taken by the organization to reinforce ethical behavior among the employees?

2.0. Literature review

2.1. Theoretical Review

2.1.1. Impact of Ethical Behavior on the Organizational Success

Saha and Dahiya, (2020) stated that In the 21st century, the advancement of technology has intensified ethical difficulties for organizations. Therefore, there is a crucial need for the organization to develop ethical leadership. Den Hartog (2015), stated that ethical leadership is the core competency skill that boosts productivity through learning, innovation, training, and experience. It was reported by Piwovar-Sulej and Iqbal, (2023) that leadership is an ongoing process of motivation, creativity, education, and experience. People view ethical leaders as possessing a broad ethical understanding and regard for all parties, including employees. Therefore, leaders need to set up procedures for the growth of responsible workers, convey ethical concerns, model ethical behavior, and foster an ethical work environment for all employees.

The organization must organize a leadership program to equip the employees with ethical standards and a business code of conduct. For example: Nupco Company, is one of the leading organizations in the pharmaceutical industry in Saudi Arabia. According to Nupco (2022), it has a zero-tolerance policy against unethical behavior, such as bribery, fraud, and corruption. Moreover, every employee working in the organization, from the top management to the lower management, must be well aware of the organization's beliefs and values. NUPCO works hard to provide recruitment and selection processes that fulfill the criteria of merit and integrity. The major purpose of developing a code of conduct is to assure that every individual working in the organization is treated with fairness and equality. There should be no sexual harassment, bullying, discrimination, violence, intimidation, or unjust judgment in the workplace. Every employee must be treated with respect and dignity. Moreover, it was awarded the best customer service award for its excellent services by the Saudi Customer Association in 2024 (Nupco, 2024).



According to Wang, (2020), Ethical leadership is needed to overcome the emerging issues related to ethical behavior which are as follows: cultural insensitivity, financial irregularity, diverse cultural workforce, change in climate, global injustice, and lastly, discrimination among employees based on age, gender, creed, religion, and color. Pozgar, (2023) asserted that organizations must design codes of conduct, policies, and procedures that comply with the

organization's goals and standards to mitigate the risk of ethical issues. In a nutshell, organizations must also show ethical leadership in the recruiting, training, and development processes. Additionally, they must reward and promote individuals who uphold ethical norms and perform at the highest levels.

2.1.2. Impact of Ethical Behavior on the Employee Success

Adhikari, (2008) stated that Ethical behavior is an essential component for long-term sustainability because it streamlines the operation successfully. All employees should act honorably and with integrity, starting with management. Walker (2014) asserts that a company's ability to succeed is directly correlated with employee performance. In addition, respect is a fundamental value of businesses and is a crucial element in employee motivation, engagement, and nurturing of a robust culture. There are various tools and techniques implemented in the organization to evaluate employee performance such as health care model and 360 feedback. According to NHS (2020), the healthcare leadership model has nine key components: information analysis, team management, communicating the vision, influencing outcomes, sparking a sense of purpose, tying our service to the community, enhancing competence, and responsibility.

One useful self-assessment technique is 360 Feedback, which uses surveys to measure employees' performance and conduct. This approach involves getting feedback on one's conduct and output from a variety of people, such as supervisors, managers, assessors, and peers (Scherin and Sarges, 2019). Another theory proposed by Herzberg that explains certain aspects of the workplace influence workers' happiness while others protect them from misery (Alshmemri and Maude, 2017).

According to Tezel (2023), these elements are factors related to motivation and hygiene. The things that keep a person motivated at work are known as hygiene factors which include, Pay, bonuses, culture, job stability, and other perks. Consequently, the elements that support an employee in becoming a top performer are known as motivating factors. Ihensekien, and Joel, (2023) stated that they can also be referred to as employee satisfiers since they meet the psychological needs of the workers. It encompasses intrinsic benefits like achievement, responsibility, advancement, reward and recognition, and performance evaluation. To conclude, ethical behavior plays a major role in enhancing employee performance.

2.2. Conceptual Framework

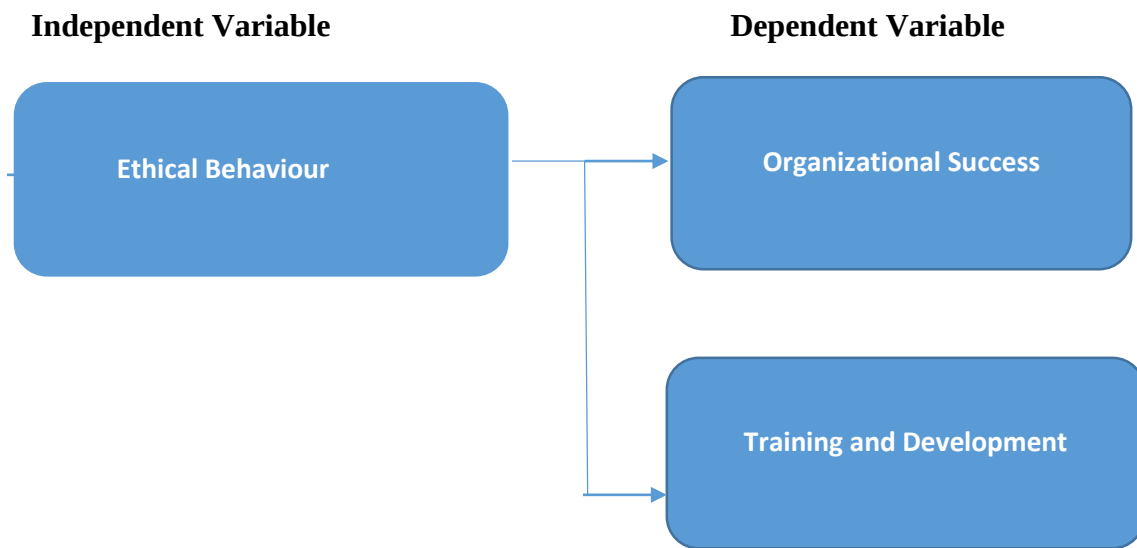


Figure 1: Conceptual Framework

3.0. Research Methodology

3.1. Research Philosophy

According to Saliya (2023), Research philosophy can be defined as a set of fundamental principles that affect the direct plan and conduct of a research study. It is divided into four components such as positivism, interpretivism, pragmatism, and realism. Mbanaso and Okafor (2023) state that Positivism is the research philosophy used by the researcher to conduct this research study. However, positivism can be defined as a belief in which knowledge may be acquired through impartial observations and measurements. To conclude, the positivist paradigm assumes that problems may be solved via careful measurement and examination of data, particularly numerical data.

3.2. Research Approach

A research approach refers to the methodology that a researcher has chosen to gather, examine, and comprehend data. It is segregated into two categories, which include inductive and deductive. At the same time, both methods are used as a scientific process. It was reported by Hall and Shaw (2022) that the deductive approach is a method in which the researcher begins with theory and hypothesis, which is then further tested by observation and data collection methods to derive results. Consequently, the Inductive approach is a method in which data is collected and analyzed to formulate theory, concepts, and hypotheses based on a particular observation. The research approach used in this study is the deductive approach because it is found to be proficient in interpreting results derived from theory.

3.3. Research Strategy

A quantitative research strategy is selected because the researcher plans to perform a survey to gather information related to the ethical behavior of the organization's success and employee performance. It is the best approach to perform this study because the researcher will collect numerical data using this approach, which can be analyzed through statistical calculations and software.

3.4. Method for Data Collection

Data will be collected from two resources, i.e. primary data and secondary data. Ali (2020) states that primary information for this research will be obtained by conducting web-based surveys sent via email, Google Forms, and LinkedIn. Whereas Secondary data will be collected through

journals, articles, and magazines. The researcher will also design a questionnaire based on close-ended questions related to the impact of ethical behavior on the organization's success and employee success. The researcher will collect 150 samples and distribute them among the top and lower management, and human resource managers of Nupco company employees to record their feedback. The opinions of the respondents will be marked on the Likert scale, which is also known as the dimension scale. All the board of authorities involved in business management will be the target audience, such as the general manager, manager, marketing department, and social media experts,

3.5. Method for Data Analysis

The data collected using the survey research approach will be analyzed through software such as SPSS. It is a statistical software mainly used to analyze and summarize data collected through research. Moreover, with SPSS, the researcher can generate tables, charts, and reports to better understand the data gathered through the survey.

3.6. Population and Sampling Strategy

Sarker and AL-Muaalemi (2022) state that Samples are taken in the research to make inferences about the population. It is divided into two types, i.e. Probability and Non-Probability. Probability sampling is the act of selecting a sample from a population when the selection is based on the randomization principle. It consists of four parts: simple random sampling, stratified sampling, cluster sampling, and systematic sampling. Whereas non-probability is a term that makes data collection easier by selecting participants non-randomly based on convenience or other factors.

It will be impossible to gather respondent feedback from a large population. Therefore, to collect the quantitative data needed to address our study concerns. The researcher will use a simple random sampling technique because the random sampling technique gives every person a chance to be selected for the research survey one time. It lowers the possibility of bias and raises the validity and reliability of the results (Sekaran and Bougie, 2016).

3.6. Reliability and Validity

Reliability and validity play an essential role in the authenticity of the research study. The data gathered from the survey will also run through SPSS software. Another software used to test

and interpret data reliability and validity will be a simple linear regression model. Bangdiwala (2018) stated that Simple linear regression models are those that evaluate the relationship between a single independent variable and a single dependent variable.

4.0. Research Limitation

There are several limitations related impact of ethical behavior on the organization's success and employee success in Nupco Company. The researcher found difficulties related to this research study due to irrelevant information, several factors action, scarcity of resources, and limited access. Furthermore, some papers exclude crucial variables that the researcher wants to assess. There is less control over the data because other academics have already prepared secondary research. As a result, a study in this field is necessary to provide additional details about digital transformation and its impact on the fashion retail industry.

5.0. Ethical Consideration

The researcher must first obtain approval from the ethical committee present at the college. The authorization form that the participant must read before finishing the survey also explains their rights to them. As participants, they will be entitled to secrecy, privacy, and withdrawal. Participants will also be disclosed that their responses will be used for research purposes.

6.0. Conclusion

In a nutshell, Ethical behavior has a direct impact on the organization's success and employee success. The literature above makes it clear that employee job satisfaction is dependent upon the ethical behavior of the organization which eventually impacts the organizational success. To conclude, the research findings revealed that there is a positive relationship between ethical behavior, organizational success, and employee performance.

7.0. Research Timeline

“Gantt chart for 2024”

Steps	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12
Introduction of the Research Topic												
Literature Review												
Methodology												
Data Collection												
Data Analysis												
Results												
Submission												

Gantt chart

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