Full Length Research Paper

The roles of personality and leadership in promoting ethical behavior among bank employees

Catherine Chovwen

Psychology Department, University of Ibadan, Nigeria. E-mail: chovwenc@yahoo.com, chovwenco@gmail.com.

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Exhibition of unethical behavior by employees have posed serious human resource challenges to organizations in contemporary times. On the other hand, ethical behavior can be promoted through the identification and development of factors that significantly contribute to productive behaviours. This survey was designed to examine the role of personality and leadership variables in the promotion of ethical behavior among employees in banking industries. Two hundred and twenty-five (255) respondents comprising of one hundred and thirty two males (51.7%) and one hundred and twenty three females (48.2%) were sampled for the study. Five hypotheses were tested; two were fully confirmed, two partially confirmed and one not confirmed. Specifically, there was no significant influence of leadership on ethical behaviour, results showed that personality significantly influenced ethical behavior and that type A personality exhibited more ethical behavior than type B individuals. Results confirm that personality has significant implication in promoting ethical behavior among employees.

Key words: Personality, type A, type B, transformational and transactional leadership, ethical behavior.

INTRODUCTION

One of the biggest challenges faced by organizations and institutions in general is getting workers to do what they need to do in order to achieve organizational objectives with the efficiency it deserves. Due to the complex nature of organizational settings, the realization of these set goals is often jeopardized due to the expression of unethical behavior (such as absenteeism, pilfering, falsifying numbers of hours worked or business records) resulting in sub optimal and inadequate performance. Generally speaking, external or environmental factors determine behavior (Skinner, 1972) whether positive or negative. It is evident in different organizations and societies that negative behaviours are at variance with the common good of a people. Thus, each or a combination of positive human behaviour, organizational culture, leadership effectiveness and the dynamics of personality when managed effectively may promote the expression of ethical behaviours in organisations. Ethical behaviours have been identified as actions which are morally accepted as “good” and “right” as opposed to “bad” or “wrong” in a particular setting. Ethical work behaviour is such that conform to the standard and acceptable ways of behaving in an organization (Kreitner et al., 2002). Such behaviours include loyalty, punctuality, diligence and obedience to superiors and they lead to the growth, survival of the organization, result in higher performance and productivity and consequently promote wellbeing and satisfaction of employees.

As earlier noted employee work behaviour is not an isolated concept; it is a function of person-situation interactions and factors influencing it include organizational structure, attitudinal and performance differentials, leadership styles and individual personality. An organization is made up of people of different backgrounds who have different attitudes, values and norms with their cultural heritages and orientation reflecting in different behaviours and in different contexts. According to American Psychological Association (1991), personality is the enduring pattern of perceiving, relating to and thinking about the environment and oneself which is exhibited in a wide range of social contexts. People's personalities obviously have a great impact on many, if not everything they do. It is a major determinant of behavior and overall productivity in organizations. In essence, if personality has been used to predict or explain behaviour in many contexts, it is suggestive that it
could be partly be responsible for the exhibition of ethical or unethical behaviour by employees.

Types A and B personality by Friedman and Rosen (1985) are of interest in this study. Type A individual is considered as aggressive, achievement oriented, ambitious, extremely co-operate and neglects social activities. Type B on the hand is the opposite of Type A. Hence, Type B personality is calmer, unambiguous, and less comparative and enjoys leisure activities. This suggests that Type A individual may readily conform with work rules and regulations and exhibit ethical behaviour, compared to Type B personality who do not struggle against pressure of time and challenges of responsibility. Another variable that may influence ethical behaviour is leadership. The degree to which people engage in ethical and discretionary behavior in organizations may depend on how job holders are led and managed. Leadership is the process of inspiring people to do their best to achieve a desired result. According to Armstrong, (2009) it is the ability to persuade others willingly to behave differently. To Hogan (2001), leadership is not a genetic thing; a person’s approach to leadership is more an outcome of a combination of personal and environmental variables. Although there is no consistent set of personality traits that differentiate effective from ineffective leaders, those who displayed more characteristics of transformational leadership style contributed positively to the achievement of organizational goals and could instill positive behaviours in followers.

Leadership deals with change, inspiration, motivation and influence. It influences by providing purpose, direction and motivation while operating to accomplish vision and improving the organization.

Leadership style is the pattern of behaviours engaged in by the leader when dealing with employees. Depending on the vision and goals of organizations and situational factors, managers adopt different leadership styles. The most effective leader integrates two or more styles regularly, switching to the one most appropriate in a given situation. It is essential that he/she understands the relationship between his/her style and the work environment as this determines not only how they lead their subordinates but also how they perform other management tasks. An effective leader tends to be people oriented and his subordinates are generally motivated, perform highly and adhere to work schedules and job assignments. The type of leadership style adopted in an organization may determine the type of behaviour (ethical or unethical) employees will exhibit towards work. Under normal circumstances, a favourable leadership style will result in a positive attitude to work by employees. Findings vary on the joint influence and interactive effect of personal and situational factors on exhibition of ethical behavior.

In a study that investigates employees’ work ethics, Joseph, Veer and McFadden (1986) collect data from 1,096 employees of some manufacturing industries. The results reveal that employees with high technical skills have poor work ethic than employees with low scores on work ethic measures. Age of employees is an important factor in employees’ ethical behaviour; the older the employees, the better their work ethics. Another study examined the influenced of organizational climate and situational variables on work ethics (Burocuki, 2009). The results reveal that some of the organizational climate properties studies (lack of supportive management, excessive conflicts and role uncertainty) lead to poor work ethics among male employees than female employees, while level of education has no influence.

An assessment of pre-training ethical work behaviour and post training ethical behaviour carried out by Friedman and Lawson (1999) reveal that training program has significant influence on employee’s ethical behaviour. The authors note that employees’ ethical behaviour is better after the training programme than before. Their conclusion emphasise the need to increase employees’ work ethics through the training program. Also, the revelation of the code of ethics/organizational climate on what behaviour is acceptable and unacceptable at work is essential.

In spite of demonstrated activities during recruitment, orientation and training programs in organizations, employees’ still fall short of the required behaviour and work ethics. Available evidence has demonstrated a surge in unethical behaviours of employees in different work settings (Hackman, 1999). For example, despite the perception that the banking industry is one of the best in terms remuneration with equally satisfactory working environment, cases on unethical behaviours are rampant (Adegboye, 2000). Bank employees just like every other organization exhibit unethical and illegal behavior. Researchers have differentiated between behaviours that are unethical and those that are actually illegal (Sanusi, 1999; Soludo, 2004). According to these authors, illegal behaviour include outright pilfering, falsifying and doctoring of accounts, using office time and resources for personal reasons. The authors report that bankers connive with fraudsters to make unauthorized withdrawals from accounts leaving customers with depleted accounts, senior management executive post inflated profits to shareholders which do not reflect the actual state of finances. As a result, the industry is riddled with scandals and unhealthy bank practices which had led to collapse of many banks.

Sanusi notes that most top bank executives condone unhealthy sharp practices among their staff so long as it allows them to achieve their targets; He also reports serious cases of connivance between employees and customers and covering up bad debts given to cronies/relatives of shareholder. According to him these behaviours seem to be legal but unethical. He identifies this problem as causal factors responsible for the collapse of 30 banks out of 90 in Nigeria in 1999 (Ishola, 2004). These findings highlight the prevalence and...
detrimental effect of unethical behavior on organizations and the society as a whole. Promotion of ethical behavior at work is one aspect of employee behaviour that should be of utmost importance to human resources managers and this call for research attention.

- To investigate the predictive influence of personality and leadership on exhibition of ethical work behavior
- To examine the difference between personality types in the exhibition of ethical behavior.
- To examine if senior level employees will exhibit a higher level of ethical work behaviour than junior level employees.
- To examine if male employees will exhibit a significant higher level of ethical work behaviour than female employees.

METHODOLOGY

Design

The study adopts an ex-post facto design because there was no direct manipulation of the variables involved in this study.

Participants

The participants used in this study were two hundred and fifty-five (255) workers from branches of an old generation bank in two cities in South-west, Nigeria. The participants comprised of one hundred and thirty two males (51.7%) and one hundred and twenty three females (48.2%). Forty-eight (18.9%) young employees, two hundred and seven (81.1%) old employees, eleven (4.3%) junior employees and two hundred and forty-four (95.7%) senior employees participated in this study. Forty-six (18%) of the participants were single, two hundred and three (79.6%) were married and about six (23%) were either separated or widowed.

Instrument

Section A of the questionnaire contains items which are used to measure certain socio-demographic variables of age, sex, education, job title.

Leadership behavior description questionnaire (LBDQ)

The questionnaire measures leadership styles (Transformational and Transactional). This is a twenty (20) item scale (LBDQ) developed by Fleishman (1973) and later modified by Fleishman (1980) for measure of dominant leadership styles. The participants were made to express their degree of acceptance on 5 point Likert scale ranging from strongly agree (5) to strongly disagree (1). On the scale, the author reported cronbach alpha internal consistency co-efficient of 0.67 for autocratic style while 0.62 for democratic style. In the present study, cronbach alpha internal consistency co-efficient of 0.82 was obtained for transformational leadership style while 0.76 for transactional leadership style.

Ethical Behaviour Scale

This section measures the ethical status of bank employees. The Ethical Position Questionnaire is a 20 (item) scale questionnaire developed by Forsyth (1980). The scale measures how people determine what is moral or immoral and it describes individual differences in the ethical ideologies. Higher scores indicate the tendency to avoid harming others while making moral judgment with the right action while lower scores indicate less willingness to make such sacrifices. The original response scale used was a 9 point scale with cronbach alpha is 0.82. The response formats ranged from completely agree to completely disagree, while the current study adopted the Likert Spoint response format. A reliability co-efficient alpha is 0.86 was obtained.

Personality characteristics scale

This section assessed participants’ personality by utilizing the Type A and Type B personality dimensions of Friedman and Rosenman (1980). The 48 items inventories was designed to assess Type A personality which is characterized by ambitiousness, aggressiveness, impatience, muscle tension, irritation, and anger.

The items of the scale was selected from 48 items Jenkins Activity Survey (JAS) by Jenkins, Friedman and Rosenman (1978). On the scale, the authors reported an initial reliability co-efficient alpha of 0.54. However items that reduced the scale reliability were discarded, reducing the items from 48 to 28.

A reliability coefficient alpha of 0.67 was then obtained. It has a five point rating scale ranging from strongly agree (5) to strongly disagree (1). High score on measures of personality type is interpreted as Type A while low score is interpreted as Type B.

Procedure

The population of the study comprises of two hundred and fifty five (255) bank employees. The researcher sought the consent of the management of their organization to approve of their employees’ participation in the study. After their approval, participants that showed interest were then given questionnaires with relevant instructions. A total of three hundred and fifty (350) questionnaires were distributed, only two hundred and fifty five (255) were retrieved. Many of the employees declined filling the questionnaire for fear that the outcome might be related to the affect their job status.
Table 1. Showing multiples regression analysis of personality trait and leadership on ethical work behavior of employees

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>R²</th>
<th>Beta</th>
<th>t-value</th>
<th>F</th>
<th>P</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>0.47</td>
<td>0.23</td>
<td>-0.05</td>
<td>-0.79</td>
<td>19.46</td>
<td>&lt;0.01</td>
<td>&gt;0.05</td>
</tr>
<tr>
<td>Personality</td>
<td></td>
<td></td>
<td>50</td>
<td>7.6</td>
<td></td>
<td></td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

Table 2. T-test summary table showing difference between Type A and Type B personality on ethical work behavior.

<table>
<thead>
<tr>
<th>Personality</th>
<th>N</th>
<th>Mean</th>
<th>Std</th>
<th>df</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical work</td>
<td>TYPE B</td>
<td>88</td>
<td>94.35</td>
<td>48.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behaviour</td>
<td>TYPE A</td>
<td>114</td>
<td>114.01</td>
<td>33.25</td>
<td>200</td>
<td>3.40</td>
</tr>
</tbody>
</table>

Table 3. Summary of independent t-test showing difference between junior and senior staff on exhibition of ethical work behavior.

<table>
<thead>
<tr>
<th>Job position</th>
<th>N</th>
<th>Mean</th>
<th>Std</th>
<th>df</th>
<th>t-value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior</td>
<td>133</td>
<td>100.28</td>
<td>44.78</td>
<td>188</td>
<td>-2.343</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Senior</td>
<td>57</td>
<td>115.49</td>
<td>30.24</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Summary of independent t-test showing influence of sex on employees ethical work behavior.

<table>
<thead>
<tr>
<th>Sex</th>
<th>N</th>
<th>Mean</th>
<th>Std</th>
<th>df</th>
<th>t-value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>115</td>
<td>108.20</td>
<td>39.71</td>
<td>200</td>
<td>1.076</td>
<td>&gt;0.05</td>
</tr>
<tr>
<td>Female</td>
<td>87</td>
<td>101.81</td>
<td>44.31</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RESULTS

Table 1 shows that there was significant joint influence of independent factors on ethical work behavior of employees (F (3, 201) = 19.46, P < 0.01). The r value of 0.47 shows a positive relationship between the independent variables and ethical work behavior of employees. The r² value of 0.23 shows that the independent variables contributed about 23% variation on ethical work behavior of employees. The independent influence of the predictor variables shows that personality factor significantly predicted ethical work behavior of employees (β = -0.50, t = -7.6, p < 0.001) while leadership did not influence employee ethical behavior. Based on this result, the hypothesis is partially confirmed (Table 2).

The result from above shows that Type A personality significantly reported higher ethical work behavior (t = -3.40, p < 0.05). Employees with Type A (mean = 94.35) scores higher on ethical work behaviour compared to employee with Type B (mean = 114.01). This implies that personality differences affect employees’ ethical work behaviour. The hypothesis is therefore confirmed.

Hypothesis three which stated that senior level employees will exhibit significantly high level of ethical work behaviour than junior level employees was tested using t-test for independent samples. Table 3 reveals that there was significant difference between junior and senior staff on ethical work behavior (t = 2.34, df = 188, p < 0.001). From the result, senior officers scored higher on exhibition of (mean=115.49) of ethical work behaviour than junior staff (mean = 100.28).

Hypothesis 4 which stated that male employees will exhibit significantly higher level of ethical work behaviour than female employees was tested using an independent sample t-test. The result is presented in Table 4.

Table 4 reveals that there was no significant gender difference in ethical work behaviour (t = 1.08, df = 200, p
DISCUSSION

From the results of the first hypothesis tested there was a significant joint influence of leadership and personality on employees’ ethical behavior. While leadership was not a significant main predictor of ethical work behavior personality significantly influenced ethical work behavior. The findings corroborate the assertion of Parry and Proctor-Thomson (2002) which posits that leadership may not necessarily elevate followers to higher moral ground. According to them, its influence may be depended on other factors such as leader’s vision and personal motivation (Giampetro, 1998; Yukl, 1998). Giampetro (1998) argues further that transformational leaders do not necessarily posses integrity nor promote ethical work behavior. Coplan and Morrison (2000) note that external or situational influences vary in different organizations and ethical behaviour in the workplace may be engendered by a number of organizational influences such as organizational culture and climate, role models and rewards/punishment system. Simmons (2002) maintains that because ethical/unethical behaviour is the result of person-situation interactions, leader’s moral principles and organizational ethical climate needs to be examined. Leaders may more or less be influential depending on the characteristics of work organization such as size, type and culture and how organizations incorporate formal/informal systems to support ethical climate.

Finally, managerial leaders can positively impact the practice of ethical behavior by fairly allocating organizational resources and linking them appropriately. All managerial leaders have five key resources to manage: people, money, capital assets, information, and time. Allocation of these resources and the process managers use to accomplish such distribution can create perceptions of equity and fairness, or inequity and unfairness. Managerial leaders who value justice and fairness are more likely to deal the cards fairly thereby modeling ethical behavior than are those who do not.

As predicted Type A personality significantly exhibited more ethical work behavior than Type B. This implies that personality affect employee’s ethical work behaviour. This is consistent with the assertions made by Barrack and Mount (1999) who assert that individuals who exhibit traits associated with a strong sense of purpose, obligation and persistence associated with Type A also display high ethical behaviour and generally perform better than those who do not. This reveals that the leisure neglecting and achievement oriented Type A individual may exhibit more ethical work behaviour compared to Type B personality who do not struggle against pressure of time and challenges of responsibility. In line with the present study, one may posit that the mismatch between the employees’ personality and work conditions can result in exhibition of unethical work behaviour.

The results reveal that job position influence is associated with employees ethical work behaviour. Senior officials display ethical work behaviour than junior officials. By fostering a pressure cooler atmosphere for results, managers have been noted as unwittingly setting stage for unethical shortcuts by employees who seek to please and be loyal to the company. Ugwu (2001) confirms that ethical behavior in the workplace is a top-down approach; he reports that low level employees model their behaviour after their superiors and managers at the top echelon of the organization should set standards for the low-level employees. According to Stead, Worrell and Garner (2009), managers are potent role models whose habits and actual behaviour send clear signals about the importance of ethical conduct. When top managers use organizational resources for personal pleasure, low level employees will imitate them and may even do worse things. This has implication for promotion of accountability, corruption–free workplace and organisational survival.

There was no gender difference in the display of ethical work behavior. The findings are consistent with other studies where no sex differences in behaviour have been found. An abundance of management behaviour studies observe insignificant difference between male and female managers in work behaviour (Day and Stodgill, 1985; Moses and Boelin, 1994; William, 2003). However, this is contrary to recent studies Gilligan (2007) and Adebayo (2009) which conclude that ethical behaviour of men and women are different. Gilligan (2007) argues that due to differences in women’s conception of self and morality as well as having significantly different moral orientations towards organizational behaviour, women play different roles in life as well as having diverse priorities, whereas men consider principles and difficulties as essential characteristics necessary for good job performance. Boss (2004) summarizes the differences as men tend to be duty and principle oriented; women are more context oriented, emotional and sentimental. It can be concluded that different roles played by both male and female employees are shaped by cultural, organizational and general environment factors.

Conclusion

Unethical behaviour in Nigerian organizational settings has plagued the country’s national development as huge sum of money are lost annually. This paper identified
personality and leadership as factors responsible for good behaviour in the workplace. The paper contends that these variables alone could not account completely for the ethical behaviour of employees in the world of work, but submits that employees' unethical behaviour is a function of the interrelationships between variables, organizational practices and larger environmental contexts.

LIMITATION

This study did not take organizational characteristics into consideration and such investigation might enrich understanding of ethical issues in organisations.

RECOMMENDATION

Based on the result of the findings in this study, it is suggested that management should improve ethical standards in workplace. The various components of corporate ethic programs redesigned to create organizational cultures that sensitize employees to behaviours that are considered inappropriate by focusing on personality A characteristics and leadership behaviours that discourage employees from engaging in unethical conducts. This should include clarification of ethical behaviour, ethics training, management support for ethical behaviour; and maintenance of strong ethical culture/climate.

REFERENCES


