Chapter 3

Review of Literature
3.1. NEED TO STUDY ETHICS

In recent times, ethics has become rather more fashionable among both educators and practitioners. The need for ethics comes from the fact that we need to make decisions, and that our decisions influence our sensations, feelings and survival. If we wish to live, we need to act. Ethics therefore is a science that identifies the principles that best serve this goal. Ethics is a very important aspect in shaping organizational behavior. This is because unethical business behaviors would certainly have an impact on the organization. First, this would affect the commitment of the employee and would eventually translate to higher turnover rates. Most of the time, employees who are aware of the unethical practice would suffer indirect guilt and anxiety in the workplace (Bansal and Kandola, 2004). These feelings could affect the relationship of employees within the workplace and therefore could eventually affect the performance of the employees in the workplace. This would lessen the commitment of the employees to the organization and could eventually lead to the last option, which is to depart from the organization.

Bruhn (2005) stated that the unethical behavior would have an impact on the creation of further unethical behaviors. The problem indeed is that while socially irresponsible actions are actually from an individual action, it would be the integrity of the organization as a whole that would be affected. This especially the case if the degree of actions starts to blow out of proportion. As the organization starts suffering legitimacy problems and public image starts to become tarnished, the organization would start to crumble and eventually leads to its failure.
3.2. LITERATURE ON ETHICS AND VALUES

This study, as proposed in the first chapter, is aimed at studying the role of ethics in personal, team and organizational effectiveness. After defining ethics, and personal, team and organizational effectiveness, this chapter will initially examine critically the past literature based on ethics and the variables under study.

The study of ethics per se has, of course, been a matter of intellectual discourse. Going back to the ancient Greeks and earlier and the recognition that business raises problems in applied ethics have an equally long pedigree. Ethics is about behavior and about ways of thinking, especially in situations where our choice can affect the dignity and well-being of others. To bring ethics from the abstract to the real world, we have the Golden Rule- Do unto others as you would others do unto you. While it may seem old-fashioned, but it is the foundation of family and civilization (Fortis, 1996).

A few studies have emphasized on compromising personal values for the sake of organizations. According to a survey of Fortune 500 executives, Posner and Schmidt (1984) surveyed approximately, 1500 managers and found that lower level managers felt more pressure to compromise personal principles for the sake of organizations. They expressed a general concern that managers have coped with the complexity of ethical decision making by denying the moral implications of their decisions. Even when the moral implications are recognized, managers may perceive themselves as forced to engage in unethical behavior to survive in an amoral business world. Tyson (1990) also found that new managers perceived a greater need to compromise ethical values than those with more experience.

Some of the researches have emphasized on the differences in the ethical perceptions due to different level of jobs. Posner and Schmidt (1984, 1992) examined how supervisory, mid-level and executive managers perceived ethical behavior in their organizations. In their 1992 study, they found that executive managers were more likely to believe that their organization was
ethical relative to the beliefs of mid-level and supervisory managers. For example, while 78% of executive managers agreed that their organizations seemed to be guided by highly ethical standards, less than 65% of the supervisory and mid-level managers agreed. Similar discrepancies were found on survey items related to frequency of unethical behavior and satisfaction about the general ethics of the company. The executive managers perceived the organization as more ethical relative to the two other levels of management. Similarly, one more business ethics study by Jin and Drozdenko (2003) of Direct Marketing managers suggested that upper-level managers perceived organizational ethical issues differently from mid-level managers. It seems that mid-level managers in mechanistic organizations have a greater tendency to report that their organization has unethical characteristics.

K. Gregory Jin, Ron Drozdenko & Rick Bassett (2007) in a research paper summarized the results of an analysis of empirical data on ethical attitudes of professionals and managers in relation to organizational core values in the Information Technology (IT) industry. They investigated the association between key organizational values as independent variables and the ethical attitudes of IT managers as dependent variables. The study also dealt into differences among IT non-managerial professionals, mid-level managers, and upper level managers in their ethical attitudes and perceptions. Research results indicated that IT professionals from mechanistic organizations were much more likely to report ethical attitudes compared to those from organic organizations. It was found that managers in their corporate environment engage in behaviors considered unethical and that successful managers were more unethical relative to unsuccessful managers. There were significant differences between the upper-level managers and the mid-level managers and between the mid-level managers and the IT non managerial professionals on certain key ethical issues.

The present research is focused on to study the impact of ethics on personal, team and organizational effectiveness. In the discussion of ethics, it becomes
very important to discuss on the foundations of personal values and morality as we have already found a close relationship between ethics, personal values and morality. In some of the settings, the terms are interchangeable and in some situations, these are found to conceptually different. So in relation to the present research, it becomes essential to discuss the literature on personal values and morality with a special focus on the affecting variables.

Rokeach’s (1973) contribution in the conceptual treatment of values is the most influential work and nearly all the subsequent value researchers refer to his work. The literature on personal values reflects four general approaches:

- The first approach is the search for a complete and unified set of human values. Rokeach’s work is clearly some of the most influential in this genre and nearly all subsequent values researchers refer to Rokeach in their conceptual treatment of values. One of Rokeach’s central contributions in his definition of values: “A value is an enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence. In addition, Rokeach defines a value system as “an enduring organization of beliefs concerning preferable modes of conduct or end- states of existence along a continuum of relative importance.” Value systems composed of relative orderings of specific values, are considered to be relatively stable over time, although they are not permanent. The concept of value systems is paramount to this approach as values independent of their place within a system are considered to be meaningless. Other scholars like Schwartz (1981) following this line of enquiry have developed different sets of values but the concept of value systems remains at the forefront of their efforts.

- A second approach to the study of personal values is closely tied to research on person - organization fit. In this approach, values are considered individual characteristics that match to some degree the values inherent in a person’s work environment. Chatman (1989) defines person- organization fit as “the congruence between the norms and
values of organizations and the values of the persons”. Here the emphasis is no longer on identifying a comprehensive set of values within a system, but on the match between values held by a person and those associated with their vocation, job or organization.

- A third approach to studying values is an examination of differences in values across national cultures. The most well-cited research of this type is the work of Geert Hofstede (1980), although the study of cross-cultural values has evolved substantially and still holds much current interest (Sagie, Kantor, Elizur & Barhoum, 2005). Efforts in this regard often emphasize patterns of values and preferences, such as shared orientations towards time, uncertainty and goals, within national or ethnic boundaries. This third approach is distinct from the first two as the focus is primarily on values at the societal level of analysis.

- A fourth approach to personal values research is to study work values. In past research, the term work values have taken on a number of meanings, from business ethics to work preferences (Dose, 1997). In the context of the research presented here, the most pertinent work values are the preferences individuals have for behaviors and outcomes that ought to exist in work-settings, not the importance individuals assign different types of work, work environments or working itself (e.g. Protestant work ethic). The key advantage of this approach is the explicit attention given to the work context.

Personal values identified in the other three approaches may be applied to the work-setting, but usually this setting is addressed only indirectly. Several attempts have been made to identify values that are of specific relevance to managers and employees in work environments but no consensus exists on the values that researchers feel are important in organizations (Megline & Ravlin, 1987).

Kouzes and Posner (2003) emphasized the role of shared values in organization and his research results indicate that commitment, satisfaction,
productivity and other positive workplace outcomes are significantly higher when people share the values of their organizations.

Review of literature on personal ethics and values concludes that the term personal ethics actually assume a much greater meaning for the organization or established group of people. It emphasizes that ethics is power. It may be concluded from the literature that personal ethics have a constructive effect on the behavior in organizations. Personal values have long been considered important antecedents of behavior. As the present study is designed to examine the relationship between personal ethics and personal, team and organizational effectiveness, the next section provides a review of literature of those studies ethics have identified the role of various variables of personal effectiveness in the development of personal ethics.

3.3. LITERATURE ON PERSONAL EFFECTIVENESS

The boundaries of honesty are the focal point of this exploration of the individualistic origins of modernist ethics and the consequent need for a more pragmatic approach to business ethics. The tendency of modernist ethics to see honesty as an individual responsibility is described as a contextually naïve approach, one that fails to account for the interactive effects between individual choices and corporate norms. Dees and Starr (1992) refer to very general “core social values”, such as prosperity, justice and liberty, and somewhat less abstract “social lubrication values”, such as honesty, trustworthiness, and concern for others. This is to suggest that some level of realization of these values is necessary to establish a basis for a cooperative, productive fulfilling existence in society. The way that different societies view the reasons for unethical behavior and the way that they address more specific ethical problems may be expected to differ, however, due to contextual factors.

Burke and Black (1993) and Posner and Schmidt (1984) have confirmed universal principles, such as honesty and responsibility as admirable qualities in the workplace. Both of these studies established honesty as the most highly
rated quality, followed by, in descending order, competence, responsibility, creativity, caring, confidence, cheerfulness, logic/ reason, independence, ambition, courage and obedience. We believe that cross-cultural testing of these universal values has been inadequately performed and documented. In general, researchers have tested ethical vignettes which measure behavior without directly establishing the perceived value of core principles. Continuation with the previous findings, Dees and Starr (1992) has added that different societies will share very general ethical beliefs. Fundamental values like honesty and responsibility will not be expected to differ at least among western cultures.

Loyalty has been investigated in two important studies of exit, voice and loyalty. In the first, Rushbult et al (1988) found support for investment model predictions of loyalty. Specifically, loyalty was more likely to occur under conditions of high prior satisfaction, high investments, and relatively few alternatives. This view of loyalty is consistent with a passive, constructive construct. In a second study, Withey and Cooper (1989) found quite different results. Loyalty was associated with low prior satisfaction, low investment, low organizational commitment, and external locus of control, and the belief the improvement in the situation was not likely. No relationship with alternatives was reported.

Despite little research investigating how family loyalty and relational ethics develop in children, theorist suggests that children’s early family loyalty experiences play a significant role in the future relationships. Twenty four children ages, 5-10 years, were interviewed to examine developmental trends in children’s conceptualizations of family and family loyalty and their reasoning through parent-child ethical dilemmas. Results indicate:

- Younger children possess a simpler, more concrete schema for family, and family loyalty than do older children, and
- Younger children are less able than elder children to adopt their parents’ perspectives in reasoning ethical dilemmas.
The national study of employee loyalty and business (The Walker Loyalty Report for Loyalty in the Workplace, 2005), reveals commitment, loyalty and related behaviors of today’s workforce and also identifies employee’s perceptions of workplace ethics. The walker loyalty report also indicates the presence of a “loyal but mobile” workforce, inclined to be both content in their current positions, but continuously on the lookout for better opportunities. Although 75% of employees said they are satisfied, only 34 per cent are considered truly loyal, meaning they are both committed and plan to stay with their current employees for at least 2 years. 95 per cent of truly loyal companies will recommend their company as a good place to work, compared to just 35% of those classified as trapped or high risk. Truly loyal employees are more likely to participate in the following:

- 360 degree feedback
- Career planning
- Training classes
- Mentor programs
- Job Description Reviews
- Promotions

The Walker Loyalty Report (2007) offers a view of the commitment and loyalty of workers and related behaviors. The survey is based on data collected from approximately 2500 employees in business, not- for- profit, and governmental organizations having at least 50 employees. Although loyalty is on the rise, there is considerable room for improvement on behalf of US companies in converting merely satisfied employees into ones who are truly loyal. As this study reveals, employees with the lowest levels of loyalty are those with the least amount of tenure at their companies. The latest study reports that 34 percent of workers are truly loyal, up from 30 percent two years ago and from 24 percent over the last six years. There is still a huge 60 percent of the workforce that fall into two groups- they are either high risk with plans to leave their employer within two years, and they feel trapped and believe they have no option except to stay. Thus, there is considerable room for improvement
for employers to address workplace factors that drive loyalty, such as providing ample training and development opportunities and exhibiting a strong focus on employees. Employees at higher levels of an organization are more loyal. For example, 86 percent of the executives and senior managers are considered truly loyal, while just 28 percent of individual contributors fall into this same loyalty category.

By summarizing the various researches on loyalty, it has been found that the top five attitude based factors driving employee’s loyalty are:

- Employee focus
- Development opportunities
- Job quality
- Brand
- Reputation

The top five experience based factors driving employee loyalty include:

- Care and concern for employees
- Fairness at work
- Day to day satisfaction
- Feelings of accomplishment
- Compensation benefits

In a description of dyadic organizing, Graen and Scandura (1987) suggest that an initial dyadic exchange occurs to test the subordinate’s responses to requests, demands or assignments. The interactions continue until roles become reutilized. These interactions are often termed leader member exchanges and consist largely of information sharing and participation in decision making. The greater the interlocking of the leader and member behaviors in an interdependent and high quality relationship, the greater loyalty, support, trust and innovativeness will occur.

Fritzsche (1997) states that ethical behavior is a necessary component of developing and maintaining trust. From the perspective of the organization,
ethics is closely related with trust. Many people agree that in order to develop trust behavior must be ethical. Although ethical behavior is not always enough to build trust, it is necessary ingredient. Contradicting with the previous statement it has also been observed from the literature that the relationship between ethics and trust is ambiguous as ethics can promote trust, whilst trust can simultaneously be abused resulting in unethical behavior. In this contribution to the debate on trust and ethics, the focus is specifically on the role that ethics can play in facilitating trustworthiness. There is however also another side to the story: trust can equally be abused and therefore result in unethical behavior. This happens for example when trust relationships are being used to veil malpractices or to exclude others from access to opportunities that they are entitled to.

Despite the extensive interest shown by scholars in trust, Mayer, Davis and Schoorman (1995) argue that its study in organizations has remained problematic. They stated that one of the difficulties that have hindered previous research on trust has been a lack of clear differentiation among factors that contribute to trust itself and outcomes of trust. Worschel, 1979 has contributed a lot in the research on trustworthiness. By treating trust as a psychological phenomenon, he has divided his theoretical orientation into four groups:

i. Firstly, personality theorists concerned with individual differences have emphasized the nature of trust as a personality trait that is developed as a generalized response dependent upon personal experiences and previous socialization (Rotter, 1967, 1971; Wrightsman, 1964; 1966).

ii. Psychologists engaged in experimental laboratory research, have tended to rely on definitions based on actual acts of trusting (Deutsch, 1958).

iii. The third theoretical orientation is the emphasis on trust as social reality. Whilst trust has been typically conceptualized as a psychological event within the individual, sociologists are becoming increasingly more interested in the conceptualization of trust as a property of collective units (Coleman, 1990). These predominant lines of research have led to
a diversity of definitions and meaning of trust which may be seen to highlight its multi- dimensionality, and its importance as a critical component of social interaction.

iv. The fourth research focus may be seen as potentially more rewarding in terms of classifying content areas of trust in specific organizational contexts. The literature suggests that the most useful approach is to view trust as resulting from an individual’s perception of the characteristics or qualities of specific others, groups or systems to be trusted. (Butler, 1981; Cook and Wall, 1980 and Scott, 1980, 83).

An initial step in determining the relevant antecedents of trust involved an examination of the literature concerned with the formation of trust in organizational contexts. The nature of trust in an organizational context has been explored by Jennings et al, 1971. Even though the studies display apparent variations concerning the labeling and the number of the emergent conditions considered to be important with respect to the nature and formation of trust at work the critical themes, as identified by Butler and Cantrell (1984), seem to occur consistently.

Even though the literature concerning trust fails to present a commonly accepted approach to its conceptualization, a review of the definitions suggests a number of central features regarding its meaning. Trust is seen to be associated with an expectation about outcomes based on perceptions and life experiences (Golembiewski and McConkie, 1975). It is also perceived as a belief about another’s trustworthiness that results from a perception of their expertise, intentions, actions, words and general qualities (Blau, 1964).

From time to time, trust has been described as a propensity or attitude reflecting a willingness to take a risk based upon an expressed or implied social contract (Serva et al, 2005, Naeves and Caetano, 2006). Scholars like Schoorman et al, 2007 have consistently defined trust as a key “aspect of relationships” that varied within person and across relationships but perspectives about the exact nature of trust have varied widely.
Trust is a subjective perception that “varied within person and across relationships” (Schoorman et al; 2007), and although one party may trust another, it is not necessary for trust to be reciprocal for it to exist (Brower et al, 2000). The result decision is an inference made when another party is perceived to genuinely take to heart one’s interests and well being and encapsulates that interest as his or her own.

Remple and Homes (1986) emphasized that trust plays the role of a risk reducing mechanism. In everyday life, trust can be developed as a result of both feelings and rational thinking. People’s lifelong experiences with others build up the basis for trust in others. So, experience is needed to acquire trust in a person or a firm. If one lives through a positive experience and develops trust in another, this will reduce the perceived risk of dealing with that party.

The relationship between trust and vulnerability associated risk is common to many discussions of trust (Mayer et al, 1995; Searle and Ball, 2004). We take the position that trust incorporates each of these characteristics but ultimately must rise to the level of behavior that demonstrates the degree to which each individual is personally willing to relinquish control to the party being trusted. Trust is not simply a belief, attitude or psychological state. Ultimately, we trust when we assume a risk associated with a relationship with others and, making ourselves vulnerable, we then take action.

Caldwell and Clapham (2003) identified six factors that measured organizational level trustworthiness, including honest communication, task competence, quality assurance, interactional courtesy, legal compliance, and financial balance. In assessing the decision to trust another person, each party evaluates the other party’s behaviors about the perceived psychological contract and duties owed through subjective mediating lens, and make the decision to trust or not to trust. They also emphasized interactional courtesy as an element of benevolence which is critical to both interpersonal and organizational trustworthiness. It is a subjective perception of the degree to which the other party (1) is committed to the welfare, growth and wholeness of
the other party; (2) establishes relationships based upon dignity and respect; and (3) treats others with courtesy and personal regard.

In extent research, there is strong normative bias toward the inherent values of trust—that is, trust is good for performance. Consistent with the scholarly literature, the popular press also leads trust as the hallmark of effective organizational relationships and perceives the effectiveness of managers as dependent on their ability to gain the trust of their subordinates (Culbert and McDonough, 1985).

As Morrison and Robinson (1997) have suggested, the psychological contract is perceptual and unwritten—and often not necessarily shared by the other party to the exchange. For that reason, the content of each psychological contract and the degree to which the parties have fulfilled their shared obligations may be subject to the individual interpretation of each party.

Tyler and Kramer (1996) review the latest thinking on how trust evolves within organizations. On the one hand, trust is seen as evolving from social relationships, indexed by frequency and duration of contact, i.e. communication. Such social relationships tend to build reputation and confidence in the trusting parties. On the other hand, trust is seen as evolving from organizational forms and management philosophies, i.e. climate. We do not see these phenomena underlying trust as independent, but as closely related.

Many researchers like Sitkin and Roth (1993) have studied trust behavior in terms of trust related interactions between partners, focusing on patterns of mutual openness and cooperation over time, where cooperation is defined as working together to accomplish shared goals. Thus cooperation and the creation of trust are tightly linked.

Trust and goodwill are often a result of creating a history of working together. The creation of relational capital in the buyer-supplier partnership can substantially improve parties work together over time and determines that
each party communicates honestly and can be counted onto honor commitments. The competence or ability of a party is a fundamental factor is being perceived as trustworthy, whether at the organizational level or at the individual level.

Campbell et al. (2006) noted that establishing rapport in the buyer-supplier relationship was of significant importance, particularly early in the relationship. The expressed level of commitment of a supplier wholesaler influenced the level of trust of a buyer retailer in the food industry. Legal compliance encompasses meeting the spirit of law in a relationship and was found to be an important factor in honoring duties and building trust. It had been noted that the trust relationship between the parties is at the heart of relationship marketing. Similarly Muthuraman et al. (2006) noted that the ability of the supplier to understand value added in the buyer’s supply chain was critical to demonstrating the supplier’s competence and trustworthiness.

Weick (2008) described the buyer–supplier relationship as similar with a marriage partnership, and noted that the ability to be perceived as trustworthy required a commitment to honoring the best interests of the other party. Holding the other party to the requirements of an agreement, while within the legal right of a participant in the buyer-supplier relationship, would destroy trust and effectively end a relationship that exists.

Uslaner (2002) concluded that the moral foundations of trust required look beyond the legal requirements of an agreement and turn to its ultimate intent. Financial balance reflects perceptions about desired goals that are both effective and efficient, and reflects the degree to which resources available realistically match expectations about outcomes. Trust in a relationship is enhanced when one party shares information, provides adequate resources, and works in partnership with the other party to pursue aligned objectives.

In a research focused on the role of trust on ethics, Homer (1994), proposed a testable model which links “right”, “just”, and “fair” (ethical) treatment by
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corporate owners and managers to trust, commitment and innovation. The basis of this link is the organization’s dependency on extended stakeholders, such as technical and administrative staff, for creative thinking and commitment in suggesting and implementing innovations. Simple cooperation by employees is no longer sufficient for attaining the flexibility necessary to meet the increasingly competitive environment of today. By this model, it can be measured whether managers can build trust over time by treating the members of the stakeholder group in ways that are “right”, “just”, and “fair”. However, Hosmer himself, as well as others (Mayer, Davis and Schoorman, 1995), offer insights into how such trust might be built and measured, for they suggest that trust is confidence that the self interests of the company owners and managers will not necessarily take total precedence over the self-interests of other stakeholders. In addition he suggests that a pattern of such suitable acts over time leads to trust.

Lewicki and Bunker (1996) argue that trust is a dynamic phenomena that take on a different character in its early, developing, and mature states. The first stage, where no history or reputation of the parties is known, is deterrence based, where trust occurs because of credible threat of punishment for failure to cooperate. The second is knowledge-based, where trust is based on the belief that other party’s dispositions are well-known enough that its behavior can be predicted. The third is identification based, where each party understands and agrees with the other’s values because of a previous relationship.

Social psychologists have long suggested that interaction leads to liking, and this liking may be based on finding opportunities for cooperation and trust (Johnson and Johnson, 1989). Frequent, accurate, and open communication is required to move the conversation past cooperating on simple task assignments to understanding the others’ perspective and building trust. Regular communication allows the exchange of information, about each party’s preferences, values and approaches to problems, thereby leading to the development of knowledge based trust (Lewicki and Bunker, 1996).
In a study, Butler and Cantrell (1994), who discovered that only those communications related to task, career and responsiveness were related to trust, whereas personal communications were not? Therefore, job-related communications specifically may be influential in creating trust. In sum, repeated interactions and open job related communications provide data for the imputation of trust, and trust is sustained by contact and regular dialogue. It is the dialogue which ensures the mutual understanding of the wants of stakeholders and promotes commonality, mutual trust and organizational learning.

Chatman and Baesade (1995) also point out the negative effect individual self-interests can have on trust. They suggest that organizational climates emphasizing individualistic values place emphasis on individual achievement and self-interests, whereas climates emphasizing collectivist goals and cooperative action may reward joint contributions to organizational accomplishments. Similarly, Elangovan and Shapiro (1998) suggest that a lower level of benevolence leads to an increase in betrayals of trust, the most common type of which is opportunistic betrayals. Opportunistic betrayal of trust is an outcome of a calculation of self-interest in a particular situation. Such management philosophies and experiences of cooperation become ingrained in the corporate climate to the extent that they are widely recognized and adopted by organizational members.

Victor and Cullen (1989) developed an instrument measuring ethical work climates based on attitudes towards individual local or cosmopolitan self-interests, including whether the individuals or the organization adhere to benevolence or principles. They link benevolent climates with cooperation but did not specifically discuss trust. In their 1993 study, they proposed and studied nine climates based on a cross tabulation of three loci of analysis and three ethical decision making criteria: (1) egoistic, or individual self-interest (2) caring, friendship or individual benevolence, (3) personality morality, or principles individual, (4) company profit, or organizational (or subunit) benevolence,(6) rules, or principled organizational (or subunit), (7)
cosmopolitan efficiency or self interest, (8) social responsibility, or cosmopolitan benevolence, and (9) laws and professional codes, or principled cosmopolitan. However, the climates are not independent from one another, which suggest that organizations can have combinations of ethical climates.

A central concept in this study is responsible behavior. This concept is often used with different meanings and, therefore, it is necessary to define our understanding of responsibility and responsible behaviors. The literature in the field of ethics has a long-standing tradition with the conceptualization of moral responsibility. Personal and organizational responsibility strengthens the rights of the individual rather than decreasing or subordinating them. “The talk is all of rights, demands, and desires. But the important thing is not just to assert right but to ensure that they are protected which rests wholly on the principle of responsibility” (Kidder, 1991). Personal responsibility decreases the likelihood of unethical or questionable actions and maintains the principle of mutual trust.

The literature in the field of business ethics has a long-standing tradition with the conceptualization of moral responsibility. This highlights, from a philosophical point of view, the possible responsibilities of different moral actors. This conceptualization is a necessary precondition before one can even speak of responsibility. However, from an empirical point of view, this conceptualization by itself does not explain the actual notions of responsibility. For this, it is necessary to develop an understanding of how concepts of responsibility emerge and disappear within the actual context of organizational settings (Adams and Balfour, 1998). They highlight from a philosophical point of view, the possible responsibilities of different moral actors. This conceptualization is a necessary precondition before one can even speak of responsibility. However, from an empirical point of view, this conceptualization by itself does not explain the actual notions of responsibility. For this, it is necessary to develop an understanding of how concepts of responsibility emerge and disappear within the actual context of organizational settings.
John M. Etheredge and Singhapakdi et al (1996) developed an instrument “The Perceived Role of Ethics and Social Responsibility (PRESOR) in the United States, as a reliable and valid scale to measure the perceived role of ethics and social responsibility in achieving organizational effectiveness. This study was carried out to confirm the factorial structure of the instrument and to assess its reliability and validity for use in Hong Kong, the finance and service heart of the Asia-Pacific region and a culture with clear differences in ethical attitudes and perceptions from those of the United States. Constructive replication of the exploratory factor analytic procedure of the original study with a representative sample of Hong Kong managers failed to support the hypothesized scale structure but instead suggested a different, two factors, and structure. Confirmatory factor analysis defined the alternative model which comprised two interpretable, negatively intercorrelated factorial scales, “Importance of ethics and social responsibility” and “Subordination of ethics and social responsibility in the achievement of organizational effectiveness”.

The model showed a high level of goodness-of-fit for the population and the two subscales, comprised of five items and four items respectively, were shown to have acceptable internal consistency reliability. Correlation and multiple regression analysis showed highly significant levels of association with the ethical ideology dimensions of the EPQ (Forsyth, 1980), used in the validation of the original scale, and with two ethical philosophy subscales derived from the ATBEQ (Preble and Reichel, 1988). The instrument is short, easily administered, is psychometrically sound and has considerable potential in the study of the perceived role of ethics and social responsibility in the achievement of organizational effectiveness.

K. Gregory Jin and Ronald G. Drozdenko (2003, 2007) conducted a research as an extension of their recent ethics research in direct marketing (2003) and information technology (2007). In this study, they investigated the relationships among core organizational values, organizational ethics, corporate social responsibility, and organizational performance outcome. The
analysis of online survey responses from a sample of IT professionals in the United States indicated that managers from organizations with organic core values reported a higher level of social responsibility relative to managers in organizations with mechanistic values; that managers in both mechanistic and organic organizations which were perceived as more socially responsible were also perceived as more ethical; and that perceived ethical attitudes and social responsibility were significantly associated with organizational performance outcome measures.

In view of these studies and subsequent empirical evidences that have accumulated, personal effectiveness has been defined as various admirable qualities in the workplace i.e. honesty, responsibility, creativity, confidence, logic, independence, ambition, courage and obedience etc and the various researches have emphasized the role of these variables leading to effectiveness in terms of performance, job satisfaction and organizational commitment. The next section provides a review of those studies which have confirmed the influence of personal ethics on the various variables of team effectiveness.

3.4. LITERATURE ON TEAM EFFECTIVENESS

The continued popularity of team based work over a number of decades is reflected in the large volume of research focusing not the determinants of team effectiveness (Campion, Medsker & Higgs, 1993). Team literature suggests that there are multiple criteria for determining team effectiveness (Hackman, 1988). Effectiveness does not mean the same things to all people, and to be effective, a team must satisfy both internal and external constituencies, for example, Hackman’s Model of team effectiveness includes three outcome components: (1) acceptable task output; (2) team members’ willingness to work together again; and (3) members’ needs more satisfied than frustrated by their team experience. A review of theoretical models explaining team member performance noted that these factors continue to be used in the measurement of effectiveness (Yeatts & Hyten, 1998).
From work design perspective, research into team effectiveness has typically concerned itself with the impact of characteristic features of the team’s overall task and role set, such as the nature and extent of team autonomy, task interdependence and task meaningfulness on the attitudes and behaviors of members (Hackman & Oldham, 1980; Parker, Wall & Cordery, 2001; Stewart, 2006). Drucker (1998) stated that teamwork has become the basic working arrangement for most of the modern enterprises. Approximately 68% of the 1,000 largest U.S. companies have adopted the system of design that offers numerous benefits, such as the improvement of performance, productivity, and cost reduction and employee satisfaction.

In the past decade, research on team effectiveness has burgeoned as teams have become increasingly common in organizations of all kinds (Cohen & Bailey, 1997). A number of theorists have adopted a cognitive perspective, suggesting that team mental models - defined as ‘team members’ shared organized understanding and mental representation of knowledge about key elements of the team’s relevant environment - may enhance team members’ coordination and effectiveness in performing tasks that are complex, unpredictable, urgent, and novel (Marks, Zaccaro, & Matheiu, 2000).

In recent years, a number of researchers like Mathieu et al (2000) have begun to test the effects of team mental models on team performance. These studies have documented the beneficial effects of team mental models on team task effectiveness. Originally proposed by the team mental model construct grew out of prior theory and research in cognitive psychology regarding individual’s mental models. Theorists suggest that team members who share similar mental models can anticipate each other’s responses and coordinate effectively when time is of the essence and opportunities for overt communication and debate are limited.

Mathieu et al (2000) assessed the similarity of team members’ mental models and found that task work mental model similarity and teamwork mental model similarity were both significantly positively related to team processes (e.g.
coordination, cooperation and communication), which were in turn significantly related to team performance. The direct relationship between team mental model similarity and performance was not significant. In a similar, but more recent laboratory-based study, Mathieu et al (2005) showed that task work mental model similarity, but not teamwork. Mental similarity was significantly related to both team processes and team performance. Over the years, a number of prescriptions for successful team-based work design have been devised.

Rouse and Morris (1986) defined a mental model as a mechanism whereby humans generate descriptions of systems purpose and form, explanations of system functioning and observed system states, and predictions of future system states. When the members of a team organize their knowledge of team tasks, equipment, roles, goals, and abilities in a similar fashion, they share mental models- team mental models. Few researchers have examined the influence of multiple team mental models on team performance.

Common to all such formulations is the notion that enhanced autonomy is an essential work design characteristic for high performing teams. By team autonomy, we refer to the extent to which team members are able to exert direct control over the management and execution of an interdependent set at primary work tasks assigned to it by the organization (langfred, 2000). For example, teams may be delegated decision-making responsibility in relation to the selection of the most appropriate work methods (work-methods autonomy), the timings of the performance of work tasks (work scheduling autonomy) and for determining a wide range of other work process related issues (decision making autonomy) as they arise (Humphrey, Nahrgang, & Morgeson, 2007).

Recognition of the importance of team autonomy in promoting work team performance, one component of team effectiveness, may be traced back to the work of socio technical systems theorists, whose interventions frequently involved the creation of autonomous or self managing work groups. From a
socio technical systems perspective, increased autonomy acts to reduce superfluous managerial and bureaucratic constraints on the application of knowledge and skill within the team, enabling its members to more effectively identify and respond to technical variances. Variances are any unprogrammed deviation from standards or procedures that is brought about by the state of materials used, or the normal state of technical procedures (Pasmore et al, 1988).

Researchers like Ryan & Deci, (2000) interested in diagnosing the psychological impact of work have also identified autonomy (at both individual and team level) as a primary contributor to performance. For example, self determination theory identifies the provision of opportunities for self regulation, as one of the environmental supports necessary for the realization of innate intrinsic motivation tendencies in human beings. Within the job characteristics tradition of work design, employee autonomy is respect of job related decisions has long been seen as causative in intrinsic work motivation and subsequent performance (Morgeson & Humphrey, 2008) and a similar motivational perspective has been adopted in respect of the work performed by groups and teams. More recently, autonomy has been cast as a central contributor to feelings of psychological empowerment in teams, a collective motivational state linked to team performance (Kirkman & Rosen, 1999, 2000).

A few studies have found that different constituencies judge performance using different criteria. For example, team members tend to rate their team’s performance high if their team has engaged in healthy internal processes, whereas managers who are less familiar with the team’s internal dynamics are more likely to use measures of productivity and the teams’ external communication through its leader or members to evaluate effectiveness (Cohen & Bailey, 1997).

In a meta-analytic study, Stewart (2006) made similar observations, concluding that enhanced autonomy appears to be helpful for teams, but
additional research is needed to understand the environmental conditions that influence the extent to which autonomy improves performance. However, some have proposed that a positive team autonomy-team performance relationship will only manifest itself in contexts where the team faces task uncertainty, or unpredictability in its task environment.

Within the same context, Wall et al (2002) developed a more universal form of this contingency argument, suggesting that any management practice involving the empowerment of employees through the devolution of decision-making responsibility, such as job enrichment of the creation of autonomous (self-managing) work teams, will promote improved performance only to the extent that workers face variability and lack predictability in work tasks and requirements, including what has to be done and how to do it. They proposed that, where this form of uncertainty is high, enhanced decision making autonomy would promote performance; with the corollary that low decision making autonomy would promote performance, with the corollary that low decision-making autonomy will lead to sub-optimal performance in similar conditions.

Two studies involving 107 undergraduate and 54 MBA teams were conducted to examine the effects of personal values on the performance of individual team members and on the performance of the team as a whole. Values with clear relevance to teams and to work were selected for the studies. To capture the relative importance of these values, they were measured within the context of a broader set of personal values. At the individual level, the importance students ascribed a sense of accomplishment had a significant, but unexpected negative, relationship with individual peer-evaluated performance. Students’ prior performance outside their teams had a stronger positive relationship with in-team performance than did their personal values. At the team level, the average importance team members assigned the value of equality had a positive relationship with team performance. The average level of students’ prior performance was also related to team performance, but the average importance given to the value equality was a stronger predictor of this fundamental team outcome.
Work team environments are related to a variety of values, but it is likely that certain values will be more salient in team contexts and during the execution of team tasks than others (Dose, 1999). Moreover, there should be a logical correspondence between the values that are selected and the situation under investigation (Meglino and Ravlin, 1998). Cornelius et al (1985) used a critical incident technique to investigate the work values of 966 employees at different levels in a variety of different types of organizations. Refinements of this work led to the conclusion that achievement, fairness, helping and concern for others, and honesty were the four most important work values. These four values have particular relevance in team settings. They recommended measuring the importance of each of the four work values described above relative to the other three, but understanding the priority of these values within a much larger set of values is necessary to capture the advantages of measurement within a value system. The value of achievement, which reflects a willingness to work hard and accomplish goals, is beneficial for all employees, but especially so far team members who are dependent on one another for the completion of their work. The value of fairness, which includes impartiality and equal treatment among coworkers, is especially important for well-functioning social units such as teams. Valuing helping and concern for others is also likely to improve team processes because assisting team members in need only strengthens the social fabric of the team but also potentially improves performance. Last, valuing honesty is crucial to the establishment of trusting relationships among team members.

Olver and Mooradian (2003) commented that Rokeach’s (1973) work resulted in one of the most commonly referenced value systems in the personal values literature. This system includes 18 terminal values that reflect different preferred end state of existence (e.g. freedom, self respect, happiness) and 18 instrumental values that indicate different desired modes of conduct (e.g. polite, courageous, broad-minded). A person’s value system is revealed when these values are organized according the degree to which e principle in
his or her life. The Rokeach value system is not designed specifically to reflect work values, but a close examination suggests a strong correspondence between four values it does include and the four work values discussed above. Specifically, Rokeach (1973) value a sense of accomplishment is not identical, but is closely related to, the work value achievement; equality is a familiar form of fairness; helpful matches helping and concern for others; and honest is virtually same as honesty.

Combining the research of Meglino et al (1989) with the work of Rokeach (1973) results in a set of four personal values that are closely related to those found to have particular relevance in work-settings, and a way of measuring them with a well-established value system. In an extensive review of research on personal values in organizations, the results indicate that value congruence (i.e. the similarity or fit of values among pertinent value holders) is a more common configuration of values as independent variables than are individual values themselves. Treating an individual as an independent variable is different from measuring that value is captured by measuring that value in outside a value system. Once the relative importance of any value is captured, by measuring it within a value system, the same value can be used to predict other variables. In one of the very few studies to assess the four work values described above within teams value congruence was shown to have a positive effect on team members’ satisfaction, attendance and performance. The disadvantage of relying on congruence as the sole configuration of values in teams is that the content of the values themselves (i.e. what is actually valued) is given secondary consideration in favor of the degree of similarity among team members.

Chou, Wang & others (2008) conducted a research by Using a sample of 411 members and their respective leaders from 72 Taiwanese corporate teams, they conducted a cross-level study and found that 1) teammates’ shared work values were positively related to team member performance and satisfaction with cooperation; 2) trustworthiness, or how a member was trusted by his or her teammates, mediated the relationship between shared work values and
team member performance; and 3) trustfulness, or how a member trusted his or her teammates, mediated the relationship between shared work values and satisfaction with cooperation. Results provided support for the shared mental model theory and the directional nature of interpersonal trust.

Anit Somechi and others (2009) explored the dynamics of conflict management as a team phenomenon. The study examined how the input variable of task structure (task interdependence) is related to team conflict management style (cooperative versus competitive) and to team performance, and how team identity moderates these relationships. Seventy-seven intact work teams from high-technology companies participated in the study. Results revealed that at high levels of team identity, task interdependence was positively associated with the cooperative style of conflict management, which in turn fostered team performance. Although a negative association was found between competitive style and team performance, this style of team conflict management did not mediate between the interactive effect of task interdependence and team identity on team performance.

Locke and Latham’s (1990) review of the goal-setting literature specific performance goal caused individuals to focus on the business aspects of the decision and ignore the ethical components. In addition, they found that individuals with an ethical decision frame were significantly more likely than those in a business frame to make a decision to cooperate with environmental protection standards (i.e., an ethical decision). They have convincingly demonstrated that specific, difficult goals enhance an individual’s performance on routine or simple tasks. While little disagreement exists concerning the generally efficacy of goal setting alone for improving task performance, much less is known about the usefulness of combining a goal setting approach with other motivational approaches traditionally used to enhance output. For example, although financial incentives are generally recognized as powerful motivational stimulants, the use of such incentives within a goal setting program has actually been questioned by some investigators within a goal-setting program has actually been questioned by some investigators.
In a similar vein, little information is available to clarify how the simultaneous application of goal-setting and competition affects task performance. An intuitive hypothesis is that, if competition typically increases performance when used in isolation, it will also enhance performance when used with goal setting. Miller and Hamblin’s (1963) analysis of 24 studies showed that competition was associated with greater productivity in only 14. Similarly Shaw (1958) demonstrated that when dyads were led to believe they were cooperating, competing or working individually (but performance in fact depended only on the participant’s own efforts), the competitive situation was least effective.

In an alternate example, Staw and Boettger’s (1990) found that individuals instructed to revise a paragraph, but given a specific goal to pay attention to grammar and syntax, were significantly less likely to correct the content of the paragraph, even though the content was clearly untrue and the paragraph was purported to be used as a recruiting tool for the organization. The authors concluded that the focus on grammar produced by the goal “seemed to impede awareness of rather obvious improvements needed in the message itself”. This study may be interpreted as an instance of a broader example of a moral situation where a subordinate is given a report containing misleading information by his or her superior and asked to revise the report. In an effort to make the report as clear as possible, the employee corrects spelling, word choice, and other grammatical errors. However, the integrity of the information is neglected or forgotten in the process.

At least two competing theoretical explanations would suggest that the difficulty of one’s performance goals might relate to the likelihood of wrongdoing. When performance goals reach a certain level of difficulty, individuals feel forced to choose between acting ethically and accomplishing the goal. This would suggest a step-wise positive relationship between goal-difficulty and unethical behavior, as increasing the difficulty of a goal would not influence unethical behavior until the difficulty level crossed the line where individuals feel they could not accomplish the goal by honest means.
Alternatively, and consistent with the common finding by Locke et al (1981) that goal-difficulty has a positive linear effect on the attention and motivational force of the goal. One might expect that the more difficult the goal, the more unethical behavior one would expect. That is, if assigning more and more difficult goals causes individuals to focus more attention on completing the goal, then attention to ethical considerations may be expected to falter in a similar manner.

Across six independent studies using a range of methodological approaches, Shah et al. (2002) demonstrated that commitment to a focal goal substantially inhibited accessibility of alternate goals. In the first study, accessibility of alternate goals was assessed from explicit mention by the participants, whereas studies two through five inferred accessibility from time required for their recognition. Four of the studies examined participants’ abstract and chronic goals. One study examined weekly goals, and one study examined situational specific task goals. In all cases, having a focal goal was positively related to the inhibition of the accessibility of alternate goals. The practice of setting outcome-related performance goals provides individuals with specific objectives which they are expected to work toward. Thus, to the extent that individuals take on the outcome goal as their primary work objective, they are likely to focus attention on engaging in goal-specific activities (such as increasing output), while inhibiting attention to alternate features that may be ethically important (e.g., the potential for harm).

The goal shielding process described above may further dictate the extent to which individuals engage in ethical behavior vs. task behavior, depending on the normative content within the goal. That is, when employees are told to complete a particular task efficiently, the ethical implications of performing this task can be lost, or at least put secondary, to task performance. However, employees who are explicitly told to focus on ethical performance may show a decrement in task performance but ethical behavior will likely increase. When individuals are given no specific goal but rather are told to “do your best,” the effects of goals on attention focus and performance have been found to be
greatly diminished. Thus, employees who are told to “do your best” should perform worse on task performance (but better on ethical performance) relative to those with an explicit task goal; likewise, their ethical performance should be worse (but task performance better) relative to those with an explicit ethical goal.

Additional evidence that the content of goals matters for unethical behavior is presented in a study by Umphress et al. (2005) who attempted to isolate the effect of giving individuals different types of goals on unethical behavior using a task revision exercise. In their study, individuals were given the task of revising a paragraph from their boss that has clear false statements embedded in the message as well as grammatical errors. Participants were randomly assigned to either a no-goal condition, a grammatical goal condition (i.e., goal is to make sure that the paragraph is free of grammatical errors), a content goal condition (i.e., goal is to make sure that the content of the paragraph flows and makes sense), or an ethical goal (i.e., goal is to make sure that the content of the paragraph is accurate and truthful) condition. Indeed, only individuals who were given a behavioral goal of being accurate and truthful took it upon themselves to correct the misinformation in the paragraph. These results suggest that specifying a specific outcome in a goal may again focus the individual on that behavior to the exclusion of other (i.e., ethical) considerations. In addition, the content of the goals may influence the availability of rationalizations for wrongdoing. When an individual has specific goal content that emphasizes conducting work in a moral manner (e.g., correcting misstatements, truthful sales tactics, etc.) rationalizing unethical behavior becomes more problematic. Therefore, goal content is likely to influence both ethical recognition as well as judgment.

Campbell and Furrer (2010) in a research suggested that although research has demonstrated that difficult, specific goals produce higher performance than easy or non-specific goals, little research has examined goal setting in relation to competition. In such circumstances, at least four potential outcomes are logically possible. The investigation manipulated goal level and
Competition in a 3 x 2 factorial design. The participants solved routine arithmetic problems. Results demonstrated that competition had a significant dysfunctional effect on task performance within goal setting conditions.

Deutsch’s (1973, 1949) theory of cooperation and competition may be useful to identify the nature of the interaction that contributes to effective participation. Deutsch proposed that the dynamics and outcomes of interaction could be analyzed in terms of how people perceive their goals are related. In cooperation, they believe their goals are positively linked so that as one moves toward goal attainment, others move toward reaching their goal. They understand that their goal attainment helps others reach their goals; they can be successful together. As a result, they discuss issues and problems in an open-minded way. They deal with conflicts directly and seek to resolve them for mutual benefit. In competition, people believe their goals are negatively related so that one’s success interferes with others; one’s successful goal attainment makes others less likely to reach their goals. They discuss problems and conflicts in ‘win lose’ ways. With independent goals, people consider their interests unrelated so that the successful goal attainment of one neither helps nor hinders others’ goals. They deal with problems and conflicts indifferently.

Guoquan Chen & Dean Tjosvold (2007) stated that the Organizational values of people and respect and interdependent structures of team procedures and task interdependence may help departments believe their goals are cooperative and thereby coordinate effectively. CEOs in China completed measures of their organization’s values and interdependent structures and their Vice- Presidents completed measures of the department’s goal interdependence (cooperative, competitive, and independent) and collaborative effectiveness. Structural equation analysis suggested that values and interdependent structures promote cooperative, but not competitive or independent, goals that in turn results in collaborative effectiveness. These results, coupled with previous research, were interpreted as suggesting that people and respect values, team procedures, task interdependence, and
cooperative goals are complementary foundations for synergy in China and perhaps other countries as well. It was also stated that employee involvement can supplement strong corporate cultures to develop innovative organizations. Executives from forty successful companies responded to interviews on the organization’s values and involvement practices. Structural equation analysis indicate that effective involvement – measured by the use of employee problem solving groups, cooperative interaction, and employee influence – was a critical mediating mechanism between people oriented values and firm performance. These results suggest the complex challenge of developing a successful organization and guides for making an organization both value driven and productive.

Experiments indicate that cooperative interaction contributes to effective participation (Tjosvold et al, 1982). However, there is a need to test these ideas in organizational field settings; especially at the firm level Meaningful participation should result in the employees having an actual effect on the decisions (Hanlon et al., 1994; Lawler, 1992; Pierce et al., 1991). Participation on simple, unimportant issues or without influencing decisions may create distrust and suspicion. Participation is considered a distraction rather than a genuine effort to involve employees and help them practice the values of the organization.

Deutsch (1949) very early questioned the efficacy of competition, and showed that groups encouraged working cooperatively on problem solving tasks outperformed groups encouraged to work competitively. In contrast, other researchers have generally found that competition facilitates rather than inhibits performance. Studies have also suggested that task interdependence by itself does not induce effective coordination but should be combined with common incentives and other uniting conditions (Liden et al, 2004). Similarly, forming a team and scheduling meetings do not mean that departmental representatives will feel cooperatively interdependent and openly discuss issues and solve problems (Jassawall & Sashittal, 1999; Stewart, 2006).
Jewell and Reitz (1981) among others have suggested that this relationship depends heavily on the characteristics of the task. They concluded that for independent tasks (in contrast to interdependent tasks); competition is probably an effective strategy for increasing performance. While simple, independent tasks have generally characterized traditional goal setting research, empirical investigations of goal setting and competition together are surprisingly few.

Studies by Shalley, Oldham and Porac (1987) and White, Mitchell and Bell (1977) demonstrated that a form of competition (i.e. telling participants that their performance would be evaluated and to others who had worked on the task) increased an individual’s performance independent of goal level. Deutsch (1973) and Johnson, Maruyama, Johnson, Nelson and Skon (1981) have argued that competition necessarily involves circumstances where an individual can attain his ends only at the expense of others not theirs. This view of competition appears more in line with common expectations; and is clearly captured in sporting events or athletic contests, where only one or small handful participants are awarded laurels. Similar example is found in academic situations, where large number of students often vies for a much smaller number of ‘A’ grades. Likewise in business, the contracts secured by one firm typically imply that the bids of several other firms were rejected. This aspect implies that the bids of several other firms were rejected. This aspect of competition- potentially gaining an outcome desired by many but attained by only few- is not present in either of the two studies above.

Over the past several decades, Americans have witnessed a number of highly publicized scandals involving unethical corporate behavior. For example, a crisis confronted the Sears Corporation in the early 1990s when an undercover investigation of Sears’ automotive centers in California revealed that automotive service advisors (i.e., individuals who diagnose problems and recommend car repairs) routinely overcharged for work, made unnecessary repairs and charged for work that was never done .According to union officials representing some of the workers involved in the automotive scandal, Sears
imposed sales quotas of $147 per hour in an attempt to increase productivity and cut payroll costs (Stevenson, 1992).

The practice of setting these difficult productivity goals and tying commission to productivity goal attainment was ultimately identified by Sears’s management as the culprit for the systematic defrauding of customers at Sears automotive centers (Elsbach, 2001). As a second example, the most infamous display of unethical behavior by organizational members in recent years can be attributed to Enron Corporation. Just 10 months before Enron’s collapse into bankruptcy, some $320 million in bonus payments and other special cash distributions were paid to Enron executives. These payments were made in accordance with what Enron spokesman Eric Thode referred to as “performance-based programs, which are pretty standard for most corporations” (Eichenwald, 2002a). Justice Department officials involved in prosecuting the Enron case argued that the unethical decisions and behavior exhibited by the executives could be traced to Enron’s “Performance Unit Plan,” whereby executives were paid large bonuses based on the financial performance of the organization (Eichenwald, 2002b).

Several researchers have suggested that setting difficult and specific performance goals for employees may have unintended consequences beyond enhancing task performance (Latham et al, 1986) yet only a handful of studies to date have suggested a link between goal-setting and unethical behavior (Schweitzer et al., 2004). Indeed, a number of critical questions remain unaddressed in the organizational literature regarding the role of goals in contributing to unethical behavior among employees.

Other goal setting researchers have considered competition only as a type of mediating variable. For example, Campbell (1982) argued that competition might improve performance by spurring an individual to set a higher goal than otherwise; or it might decrease performance by discouraging an individual for trying for that implied goal. In both cases, the argument assumes that the effect of competition is mediated through the goal setting process (Mueller,
1983); it would seem premature to conclude that competition affects performance exclusively through goal setting mechanisms. Therefore, ethical recognition is more likely among individuals who participate in goal setting than those who are assigned performance goals, thereby decreasing the likelihood that unethical behavior will result from performance goal-setting. At least two studies can be considered supportive of this position.

First, Latham et al (1994) found that allowing for participation in goal-setting had the function of increasing the amount of task strategizing in which participants engaged. In describing how the Latham et al study was developed, Latham (2001) recounts that “I had foolishly forgotten the final conclusion that participation can increase understanding of what is required to perform the task. The participants in the (participation) condition asked far more questions than did those in the assigned condition”. Consistently, an increased understanding for consideration of the behaviors required by a performance goal is likely to facilitate the recognition that some behaviors have a moral flavor. Thus, instead of the tunnel vision produced by assigned goal-setting, participation can encourage active evaluation of the process by which the goal may be accomplished, and thereby enhance ethical recognition. Second, Ludwig and Geller (1997), in a fascinating study on injury control among pizza delivery drivers, found that participative goal-setting produced increases in behaviors targeted by the intervention (e.g.; turn signal and safety belt use), as well as increases in behaviors not directly targeted by the goal-setting (e.g. intersection stopping).

Taken together, the Latham et al (1994) and Ludwig and Geller (1997) studies suggest that participation may increase the ethical recognition of employees exposed to performance goal-setting. In addition to the effects of participation on ethical recognition, participative goal setting may have substantive effect on the tendency for individuals to disengage their internal moral controls by limiting the availability of rationalizations for wrongdoing. That is, assigning performance goals for employees may be perceived as an implicit order to act in an unethical manner, thus displacing the responsibility from the individual to the superior or organization.
Chapter 3: Review of Literature

Research on co-operation and competition has focused on the consequences of goal interdependence, but understanding the antecedents for goal interdependence is an important theoretical and practical issue. Deutsch (1949, 1973) assumed that groups and individuals pursue their self-interests by developing and striving to reach their goals. However, the pursuit of self-interests does not preclude the development of effective collaboration and relationships. Deutsch argued that it was the way goals were perceived to be structured that determines how groups and individuals interact and these interaction patterns in turn determine outcomes. Goals may be considered cooperatively, competitively or independently related.

In cooperation, people believe their goal achievements are positively correlated; they can reach their goals to the extent that others also reach their goals. In competition, people believe their goal achievements are negatively correlated (G. Chen and D. Tjosvold, 1988) each perceives that the achievement of one prohibits or at least makes it less likely that others will achieve their goals. With independent goals, achievements are considered unrelated. Theorizing and research have focused in identifying the dynamics and outcomes of goal interdependence, but, as Deutsch (1973) has indicated, antecedents of goal interdependence are an important theoretical issue and practical problem. He argued that, as people are moral and social as well as material, there are important values and structural antecedents to goal interdependence as well as incentives.

The review of literature in this section concludes that team work is related to variety of work values but it is likely that certain values will be more salient in team contexts and during the execution of team tasks than others. During review, team’s internal dynamics are also found to be important for team effectiveness and in the past decade, cognitive perspective of team effectiveness has also given some valuable findings.

The next section provides a review of those studies which have confirmed the influence of personal ethics on the various variables of organizational effectiveness.
3.5. LITERATURE ON ORGANIZATIONAL EFFECTIVENESS

India is likely to play a strong role in the world economy in the coming decades. It has the fifth largest economy in the world. World Bank Growth estimates predict that India’s economy will become the fourth largest by the year 2020 as measured by purchasing-power parity (after China, the U.S., and Japan). Those doing business in India are faced with the need to understand the similarities that hold this diverse country together and also the differences that underlie the country’s hundreds of indigenous languages and various ways of life.

Bhargave (1993) pointed out that organizational behavior research done in India has placed a heavy dependence on the West regarding definitions of problems and use of methods. This Western framework may mask or overlook the true nature of work behavior and psychology in Indian culture. For example, Suar (1992) studied work values in a sample of Indian managers and employees using the Work Values Inventory, an instrument developed on Western workers. The questionnaire was administered without modifications for the cultural context in India. Thus work values that are unique to Indian culture were not identified or addressed.

i. In a meta-analysis of organizational development efforts in India, Srinivas (1995) concluded that long-term results were not sustainable because the cultural context was often ignored. Efforts have begun to develop indigenous theories of leadership and organizational behavior.

ii. Second, many managers internalize both Indian and Western values (Sinha, 1990). Virmani (1997) calls this, ‘a strange dualism in Indian management practices.’ Although managers have been reared from childhood in an Indian cultural context, many have been trained using Western management techniques. This may complicate efforts to understand the relationship between Indian cultural values and work behavior.

iii. Third, Sinha and Kanungo (1997) explored the Indian tendencies toward context sensitivity and balancing in organizational behavior. These authors suggest that behavior can change with the situation and that extreme views are discouraged. Thus, behavior may appear inconsistent across situations and lack variability within situations. Both factors make prediction of behavior difficult when using quantitative methods for research.
Chapter 3: Review of Literature

As such, what constitutes fairness in social settings has attracted the attention of scholars from a variety of fields like psychology, economics, organizational behavior, marketing, and so forth. This investigation of fields has also brought with it that in addition to a focus on distributive fairness (i.e.; “did I receive a fair outcome or not?”), decision-making research has started to focus on the fairness of the procedures used to allocate these outcomes (De Cremer and Van Vugt, 2002).

Recently, organizations have started to show more concerns with the fairness and ethics of treatment employees and managers receive from the organization (Tyler and Blader, 2000). Also, research in negotiations examines how people use fairness as a strategic means to maintain or enhance their social reputation (Millinski et al, 2002). They studied the important role of fairness in the process of constraining greed and pursuing efficiency in public good dilemmas. They argue that previous social dilemma research has solely focused on the correlation between estimated fair and actual cooperation rates, whereas, according to their perspective, it is also necessary to examine the relationship between how fair the distribution of a resource is perceived and cooperation rates. In two experiments, they indeed show that perceptions about fairness influence cooperation and the extent to which decisions are based on greed, efficiency or fairness.

Pillutla and Murninghan (2007) assess the impact of fairness in negotiations and bargaining. After a brief introduction on how fairness can be defined, they present a comprehensive review of studies on the importance of fairness. On the basis of this review, they concluded that many of the behaviors that have been labeled as fair can be conceived as self-interested behavior. They argue that perceived fairness needs to be differentiated from actual fairness. And in doing so, they even arrive at the rather provocative conclusion that fairness has only limited explanatory power in bargaining.
Van Vugt, and De Cremer (2002) take a somewhat different stand. In their article, they make use of the special utility model, and argue that bargaining behavior is best understood by assuming that bargainers are both motivated by self- interest and fairness concerns. In their view of ultimatums bargaining, they not only discuss what is known about possible effects of the bargaining context, the bargainers involved, and the game characteristics on the weight people assign to these motives, they also identify blind spots that call for additional research.

Tenbrunsel, Smith-Crowe, and Umphress (2000) take a broader perspective by focusing on the role of ethics, respect and justice in a context of organizational decision making. In their article, they introduced a theoretical model to describe an organization’s ethical infrastructure. In their model, they distinguish between formal and informal elements- including communication, surveillance, and sanctioning systems- as well as the organizational climates that support the infrastructure. After this theoretical exercise, they also discuss the more practical implications of their model for the improvement of ethical effectiveness. All in all, these studies demonstrate the importance of examining and defining issues of fairness and ethics from a social dynamic perspective. That is, integrating social interdependence characteristics with social phenomena such as fairness and ethics raises important theoretical and practical questions that have the potential to broaden our understanding of why justice matters in social settings and interactions of all kind.

Brockner et al (1992) reported that perceived distributive fairness and perceived procedural fairness affect survivors’ reaction to the layoff in terms of their work effort. In particular, positive perceptions are significantly associated with increased work effort. Other studies have also reported that perceptions of unfair promotion may affect job attitudes and organizational outcomes adversely (Saal and Moore, 1993).

In the context of selection and hiring, GilliLand (1993) suggested that fairness perceptions affect individual and organizational outcomes such as job-
application and job acceptance decisions, self perceptions such as self esteem and self efficacy, and attitudes and behavior such as motivation, work performance, job satisfaction and organizational citizenship behavior.

In a study, Polyhart and Ryan (1997) confirmed that fair procedures resulted in more favorable perceptions, and this was more pronounced when individuals also perceived fair outcomes. Also, in a study of part-time workers, Tansky et al (1997) found that perceptions of fairness or equity influence employees' attitudes about the organization. On the conceptual front, Lind's (1992) fairness heuristic states that perceptions of fairness in one area influence perceptions of fairness in another area. In the context of this study, it means that employees who perceive their organizations to be ethical are also likely to perceive their organizations as being fair to them. This, in turn, is likely to enhance employee job satisfaction. Hence, organizational ethics and job satisfaction are expected to be positively linked. James A. Joseph supports this view of fairness as “I relate fairness to treating people as I would want to be treated. I think that the Golden Rule ought to be part of any ethic for the future.” (Kidder, 1995).

The Canadian Treasury Board states that “each public servant has a right to be treated with dignity and respect; both by supervisors and by the institution as a whole: each is entitled to feel like a valued member of a large enterprise” (Clark, 1991). Fairness promotes equality of action regardless of specific circumstances, virtually all ethical behavior includes respect for tolerance. Respect for others is not limited to having regard for the feelings of the others but includes tolerance of differing viewpoints. “It is a question of respect for the dignity of each of us... if you have a different idea from mine, it’s not because you’re worse than me. You have a right to think differently” (Kidder, 1995). The idea of dissent without fear of reprisal is the basis for employee grievance policies.

Following from the above, it becomes clear that an important feature that emerges in decision making as soon as others and their interests become
included in the decision making as soon as others and their interests become included in decision itself is the issue of fairness. In fact, issues of fairness and justice often are best understood by accounting their relationship with social context, as referred to in the concept of social justice (which is also acknowledged in the title of the present journal). Therefore, it is our belief that it is increasingly important to understand the shape that fairness takes within social relationships and to what extent it is weighted when making social decisions. For example, recently, organizations have started to show more concerns with the fairness and ethics of treatment employees and managers receive from the organization (Tyler and Blader, 2000).

Millinski et al, (2002) also conducted a research in negotiation to examine how people use fairness as a strategic means to maintain their social reputation. As such, what constitutes fairness in social settings has attracted the attention of scholars from a variety of fields like psychology, economics, organizational behavior, marketing and so forth. This integration of fields has brought with it that in addition to a focus on distributive fairness.

Konow (2003) surveys a large literature on normative and positive theories of justice and empirical research into what people deem fair or just behavior. On the basis of the empirical evidence, he proposes a synthesis of several theories of justice, a multi – criterion positive justice theory, where efficiency, equity and needs are “interpreted weighted and applied in a manner that depends in the context”. Equity here is used in the sense that people receive pay-offs in proportion to the inputs they control; circumstances outside of a person’s control such as birth or (brute) luck should not have a bearing on allocations, whereas efforts and choices that influence the contribution of an individual should affect allocations.

Organizational justice (i.e. perceptions of fairness in the workplace) has been proposed as a possible mechanism for managing these negative effects of organizational politics (Andrews and Kacmar, 2001). In particular, the relational model of authority suggests that fair procedures and treatment
communicate trustworthiness of management, and confirm an employee’s standing with the supervisor as a valued member of the group. Furthermore, fairness is perceived as reducing ambiguity in the environment is more likely to view politics as opportunities rather than negative threats. Perceptions of fairness, therefore, should minimize the negative effects of politics because employees feel that their positive relationship with the supervisor indicates that the supervisor is trustworthy, cares about them, and will help them feel in control.

Organizational culture is a topic of considerable interest to organizational researchers, management consultants, and corporate executives alike. For example, organizational culture has been described as a management tool credited with creating a competitive advantage as the reason behind merger and acquisition failure (Donahue, 2001), and for providing the basis for success. An organization’s culture is also thought to be intricately related to its leadership, particularly its upper echelon leaders.

Schneider and Smith (2004) noted there is plenty of theory suggesting that leader have an effect in their organizations, but little empirical study of the linkages between leaders’ individual differences and organizational characteristics and success. In organizations, culture serves a similar function by addressing shared meaning and interpretation of organizational events.

Organizational culture is a collective phenomenon emerging from members’ beliefs and social interactions containing shared values, mutual understandings, and patterns of beliefs, and behavioral expectations that tie individuals in an organization together over time (Schein, 2004). The beliefs that are passed down through the organization and taught to new members are those that have proven effective over time and thus become part of the shared history of the organization. As such, culture is an integrating mechanism that guides organizational behavior. There appears to be a general consensus among organizational researchers that culture manifests
in different layers within an organization along a continuum of accessibility, ranging from easily observable artifacts to shared values to deeply hold ideologies and assumptions that are difficult to access (Trice & Beyer, 1993).

Rousseau (1990) noted that values are perhaps the deepest layer of culture that can be examined and compared empirically. Shared values have been a primary focus of organizational culture research, as they are believed to facilitate efficient interactions between members, enabling integration and survival. A number of models of cultural values have been presented in the organizational literature, each offering a different set of values believed to represent organizational culture. Moreover, organizational culture theorists argue that organizations embody a relatively narrow set of values and suggest that specific values are most helpful in understanding organizational processes (Meglino and Ravlin, 1998).

The Competing Values Model (CVM) of organizational culture by Quinn and Kimberely (1984) provides taxonomy of cultural values that reflect preferred structural characteristics and desired modes of operation. The CVM of culture posits that organizations experience competing tensions along two dimensions: the demands for flexibility versus stability and control, and a focus on internal maintenance versus external competitive positioning. These two dimensions combine to create four sets of values associated with one of four types of organizational culture, specifically clan, Adhocracy, Hierarchy and market cultures. Essentially employees desire consistency between their ethical value system and the ethical climate of their organization.

Hackman and Oldham (1976) stated that teamwork is associated with higher job satisfaction according to job characteristics and participative management theories. The variety of tasks in teams encourages workers to learn and use different skills and rotate between jobs to reduce the boredom of repetitive work. This enables team members to share a sense of collective responsibility for work in their area and to develop the mix of skills necessary for effective teams who share both identification with a common task and mutual beliefs.
Chapter 3: Review of Literature

(Cohen et al, 1996). Teams also facilitate employee participation in goal-setting, thereby enhancing intrinsic motivation for team members. These themes underpin arguments that team working acts to broaden the group of employees receiving training in order to promote employee involvement, commitment and cohesiveness in the workplace (Levine, 1995).

The positive description contrasts with arguments warning of a negative side of team working and similar work practices through greater work intensity (Parker and Slaughter, 1988; Rinehart et al, 1997). In these studies of lean production, team working leads to a deterioration of the quality of working life. Rather the skill enhancing, these critics view it more as a mechanism of increased control, with workers unable to resist the implementation of teams when faced by multinational companies constantly comparing the future viability of workplaces.

Some authors like Barker (1999) and Sewell (1998) have argued that, as a result of heightened peer pressure, workers are more active participants in their own work intensification, developing normative rules to monitor their own behavior in teams. A few studies have highlighted a mix of benefits and costs and potential trade-offs, whereby the introduction of teams may involve the simultaneous improvement and deterioration of different aspects of work (Blyton & Bacon, 1997; Findlay et al, 2000). For example, Edwards and Wright (1998), Geary (1995) and Geary and Dobbins (2001) have identified improvements in workers' jobs as a result of team working, without suggesting that teams always deliver certain types of improvements.

Several authors have noted that improved organizational performance and customer satisfaction have become important motivators for managers when introducing team working. These motives have replaced humanistic concerns to improve the quality of working life (Buchanan, 1994). Management rationales for introducing teams may reject economic aims such as reducing staffing levels and increasing productivity, cultural aims including improving worker motivation and commitment to the company, and social aims such as
enriching worker’s jobs and providing the opportunity to acquire more skills (Mueller, 1994).

Padmanabhan (2005) summarizes the concept of job satisfaction as follows: an individual’s overall job satisfaction is the overall feeling one gets from satisfaction with different aspects of the job. According to Moorman (1993), job satisfaction is combination of cognitive and affective contentment of an employee. Affective satisfaction, which is founded on an overall positive emotional assessment of the employee’s job, focuses on their mood when working whether the job induces a good mood and positive feeling when working. In contrast, cognitive satisfaction is the fulfillment an employee gets from a more logical and rational appraisal such as the job conditions, opportunities or outcomes. Hence, it describes the job and not the feelings.

According to Koh and Boo (2001), the link between organizational ethics and job satisfaction can be explained by the organizational justice theory and cognitive dissonance theory. The concept of organizational justice is central to understanding a wide range of human attitudes and behaviors in organizations. The underlying premise is that the justice perceptions of employees affect their job attitudes and organizational outcomes such as job satisfaction and turnover intention (Hartman et al, 1999). Organizational justice is often dichotomized into two components: (1) distributive justice who addresses the fairness of managerial decisions relative to the distribution of outcomes such as pay and promotion, and (2) procedural justice who focuses on how such managerial decisions are made. Dailey and Kirk (1992) found that employee perceptions of both distributive and procedural justice play a central role in relation to job satisfaction.

Conceptually, Lind’s (1992) fairness heuristic states that perceptions of fairness in one area influence perceptions of fairness in another area. In other words, it means that employees who perceive their organizations being fair to them. This, in turn, is likely to enhance employee job satisfaction. Hence, organizational ethics and job satisfaction expected to be positively linked.
According to the cognitive dissonance theory, first proposed by Festinger in 1942, individuals strive to minimize dissonance in their environment. Assuming that employees generally strive to be individually ethical, dissonance in the form of inconsistencies between their ethical value system and the ethical climate of the organization will result in distress and dissatisfaction in the situation. Furthermore, top management sets the organizational climate for employees. Thus, any discrepancy between employees’ internal standards of ethics and their perceptions of top management will result in a moral conflict and cognitive dissonance.

In a number of studies on organizational situations cited by Koh and Boo (2001), for example, layoffs, job insecurity, unfair promotions, selection and hiring, and part-time employment, fairness, equity and favorable perceptions by the employees are shown to lead a positive job attitudes and outcomes. They also cited several more recent studies which found that the lack of an ethical fit between employees and their organization can result in distress and job dissatisfaction, among other things.

In view of the above, if employees perceive top management support for ethical behavior, a favorable ethical climate, and a strong association between ethical behavior and career success in the organization, they are also likely to have a higher level of job satisfaction. Vitell and Davis (1990) are in the opinion that if the “ethical” correlates of job satisfaction can be identified, then managers may be able to find the best ways to influence the organization’s ethical climate so as to enhance job satisfaction while maintaining an ethical environment.

Honeycutt et al. (1995) conducted a research on ethical similarities and differences, and job related constructs among 160 Taiwanese and 91 U.S. sales personnel in the highly competitive automotive industry. Their findings include that ethical perceptions of the industry negatively influenced job satisfaction levels of both Taiwan and U.S. samples. However, these findings may indicate that if ethical standards at the dealership are low and the
employee perceives the overall industry to have higher ethical standards, the salesperson would understandably become disenchanted with his or her job.

These findings seem contradicted by another recent study by Jaramillo et al (2006) where 138 U.S. Salesperson were surveyed to investigate the role of ethical climate on their role stress, job attitudes, and turnover intention and job performance. In their research, the findings indicated that ethical climate resulted in lower role conflict and role ambiguity and higher satisfaction, which, in turn, led to lower turnover intention and increased organizational commitment. Organizational commitment, in this case, was found to be a significant predictor of job performance. These research findings have important implications for both practitioners and academicians, because they demonstrate that creating an ethical climate is not only the right thing to do but also has significant benefits for both the salesperson and the organization.

Sims and Kroeck (1994) studied the influence of ethical fit on employee attitudes and intentions to turnover. 66 employees working in five different departments in a medium sized hospital were surveyed. They used the Minnesota satisfaction Questionnaire to measure intrinsic and extrinsic satisfaction of the employees. Their findings revealed that job satisfaction was not significantly related to the fit between the current ethical work climate and the employees’ expressed preferences. The authors suggested that this could be due to the fact that satisfaction is a measure of job attitudes, while ethical work climates are a measure of the organization i.e. a conceptual difference. They further suggested that an organizational measure of satisfaction should be used instead to determine if organizational satisfaction should be used to instead to determine if organizational satisfaction is influenced by ethical work climate.

Vitell and Davis (1990) examined empirically the relationship between ethics and job satisfaction for 61 management information System (MIS) professionals. Their results indicated that MIS professionals were more satisfied with the various measured dimensions of their job (pay, promotions,
co-workers, supervisors, the work itself) when top management stresses ethical behavior and when they are optimistic about the relationship between ethics and success within their firms. The one exception to this was pay satisfaction which was unrelated to these constructions. One’s social responsibility was also found to be relatively unrelated to job satisfaction. Job satisfaction of employees can be measured in terms of the following dimensions: pay, promotion, co-workers, supervision, work and overall of five different dimensions.

Sean Valentine, Lynn Godkin, Gary M. Fleischman and Roland Kidwell (2007) conducted a study to assess the degree to which perceived corporate ethical values work in concert with group creativity to influence both job satisfaction and turnover intention. Using a self-report questionnaire, information was collected from 781 healthcare and administrative employees working at a multi-campus education-based healthcare organization. Additional survey data was collected from a comparative convenience sample of 127 sales and marketing employees working for a variety of firms operating in the south-central United States. The results indicated that group creativity and corporate ethical values were positively related, and that both variables were associated with increased job satisfaction. Conversely, corporate ethical values and job satisfaction were associated with decreased turnover intention.

Kalavani and Daveninderak (2009) in an empirical study investigated the association between four measures of organizational ethics (namely, top management support for ethical behavior, ethical climate in the organization, the association between ethical behavior and career success, and moral awareness) with job satisfaction. The results obtained from 123 managers in Malaysia confirmed that two measures of organizational ethics showed significant relationship with job satisfaction. The link between organizational ethics and job satisfaction is argued from Koh and Boo’s (2001) organizational justice and cognitive dissonance theories. These findings imply that organizational leaders can favorably influence organizational outcomes by engaging in, supporting and rewarding ethical behavior. Another existing
study by VanSandt, Shepard and Zappe (2006) had shown that there is connection between organization’s ethical climate and moral awareness. Results of the study provide evidence that ethical work climate is a primary predictor of individual moral awareness.

John O. Okpara (2002) investigated the influence of ethical climate types on job satisfaction of IT managers in Nigeria. Data were gathered from 320 IT managers in selected business organizations in Nigeria. Findings indicated that none of the climate types significantly influenced satisfaction with pay. A professional climate significantly influenced satisfaction with promotions, supervisor, and work. It also significantly influenced overall job satisfaction. Those respondents who believed that their organization had caring climate were more satisfied with their supervisors. An instrumental climate had a significant negative influence on overall job satisfaction and satisfaction with promotions, coworkers, and supervisors. Rules, efficiency, and independence climate types did not significantly affect any facets of job satisfaction.

The review of literature in this section emphasizes that the consideration of ethics in current business management practices is especially critical because practitioners are constantly faced with decisions affecting (directly or indirectly) the business function, and each of these encounters renders ethical considerations. In view of the above, a variety of factors are found to be the key variables of organizational effectiveness and lead to positive job attitudes and outcomes.

3.6. THE PRESENT STUDY

Against the backdrop of the preceding understanding of personal ethics and the various variables associated with the ethics, the present study is designed to study the role of personal ethics in personal, team and organizational effectiveness.

Ethics have a surprising positive effect on individual and organizational activities and results. Productivity improves. Group dynamics and communication
improve, and risk is reduced, one reason for this is ethics becomes an additional form of logical reasoning, increasing the flow of information, and adding an additional set of eyes and antennae to give the organization needed feedback regarding how it is doing. Increased reasoning capabilities, coupled with additional information, is a strategic advantage in any business or organization.

Review of literature has stressed the role of ethics in all facets of life i.e. at personal as well as organizational level. For the purpose of this study, the three variables were chosen: Personal Effectiveness, Team Effectiveness and Organizational Effectiveness, as they have been identified as the most important variables related to personal ethics.

3.6.1. Definition of Ethics in the Present Study

For the purpose of present study, Ethics has been defined as “The discipline which deals with human character and conduct, of distinction between right and wrong and moral duty and obligations to the community” (Encyclopedia Britannica, 1985).

3.6.2. Components of the Study

Three component variables identified in the study are:

(a) Personal Effectiveness
(b) Team Effectiveness
(c) Organizational Effectiveness

(a) Definition of Personal Effectiveness

Personal Effectiveness is the constant ‘golden thread’ that run through all aspects of the way in which we work with people. By reviewing the literature, the definition of Personal effectiveness comes to be, “Being the best I can be, for myself and others”.
For the purpose of present study, the variables under personal effectiveness are:

i. Honesty
ii. Loyalty
iii. Trustworthiness
iv. Responsibility

(b) Definition of Team Effectiveness

Team effectiveness refers to the efficient achievement of well defined set of objectives by the joint efforts of the team members. For the purpose of present study, the variables under team effectiveness include:

i. Goal Setting
ii. Cooperation and Collaboration
iii. Task Completion

(c) Definition of Organizational Effectiveness

Organizational effectiveness is defined as the ability of an organization to maximize its performance within a competitive external environment. For the purpose of present study, the variables under organizational effectiveness include:

i. Fairness in Competition
ii. Organizational Culture
iii. Job Satisfaction

Others Factors Defined

Besides these the other factors used in the study are designation, age, sex, socio-economic status and qualification. These factors are used to study the variations in personal ethics.
i. Managerial level: People belonging to supervisory category and above were considered as managers for the purpose of the study.

ii. Age of the respondents: Age is considered in terms of number of completed years.

iii. Socio economic status: Socio-economic status is considered in terms of monthly salary drawn by the employee.

iv. Qualification of the respondents: Qualification of the respondents was divided into two categories:
   - Professionals: With any of the professional degrees in Engineering, costing, Accountancy and Management etc.
   - Non Professionals: Diploma, Graduation, Post-graduation in any disciplines other than professional courses and also non-graduates.

3.6.3. Model for the Present Study

This model has been developed for this study and depicts that personal ethics can influence the personal, team and organizational effectiveness.

The next chapter discusses the methodology used for the purpose of present study in which the sample, the sectors under study, the variables used, the questionnaire, techniques of data collection, method of data analysis and the techniques of statistical treatment of the data have been discussed.