Ethical Climate, Work Engagement And Job Satisfaction In Manufacturing Sector

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Abstract

Research purpose: The purpose of this study was to determine whether there was a relationship between ethical climate, work engagement and job satisfaction in Manufacturing Sector.

Research approach/design and method: A descriptive research design has been adopted. The population targeted in this study includes employees working in manufacturing sectors in Gwalior division. A sample size of 100 working professionals was selected for the study. Data collection was carried out using a structured, close-ended questionnaire administered online via Google Forms. The data collected were analyzed using the SPSS software. To assess the reliability of the scales used, Cronbach's Alpha was calculated for each construct. Correlation and regression analysis was used to analyse the data. The research found a positive and significant relationship between ethical climate work engagement and job satisfaction.

Main findings: The study established that there was a relationship between ethical climate, work engagement and job satisfaction.

Keywords: Organisation, Ethical Climate, Work Engagement, Job Satisfaction. Behaviour.

Introduction

In the public sector context, ethical climate includes organisational policies, values, procedures and practices related to attitudes and behaviours of employees (cavus & Develi, 2017). Ethical climate is a shared perception of correct behaviour by employees in an organisation; it results from effective organisational policies, practices, leadership and decision-making by organisational communities (Newman et al., 2017).

The performance of an organisation is based on ethical climate, work engagement and the collective moral reasoning of employees (Ebitu & Beredugo, 2015).

In the public sector environment, work engagement relates to what transpires when employees are positively attentive to a task, are enthusiastic about the work they do, apply own discretion and are inspired to achieve high-performance levels (Mmako & Schultz, 2016). Work engagement has positive consequences for the well-being and performance of employees in an ethical climate; hence, work engagement should be stimulated and work overload prevented (Robijn et al., 2020). Job satisfaction is attitudinal and impacts employee perceptions of work and satisfaction levels with regard to their occupations (Chandrasekar, 2011; Meisler, 2014; Tas & Onder, 2010). Job satisfaction is an essential component of employee motivation and encouragement towards improved performance (Ferguson et al., 2011). The effectiveness of a business environment is thus dependent on job satisfaction (Olcum & Titrek, 2015). Employees are likely to increase their performance if they experience job satisfaction (Widodo, 2014).

Review of Literature

Gill, Danish, and Ramzan (2023) explored the role of ethical leadership in fostering employee engagement through the lens of organizational politics and individual personality traits. Their study found that ethical leadership reduces perceived organizational politics, thereby boosting engagement levels. Interestingly, the relationship was moderated by the locus of control, with internally driven employees benefiting the most from ethical work environments (Gill et al., 2023).

Farisi et al. (2024) demonstrated that ethical leadership, coupled with perceived organizational support, significantly predicts employee engagement and organizational citizenship behavior. This suggests that when employees perceive their leaders to be ethical and supportive, they are more likely to be emotionally invested in their work and go beyond their job descriptions.

Bai and Vahedian (2023), in their study on digital workplaces, found that ethical environments and organizational commitment significantly reduce digital-related stress such as nomophobia (the fear of being without a mobile device). This ethical structure not only improves mental health but also enhances employee satisfaction in hybrid or remote work models.

Nurudeen Bello Ahmed (2021) the purpose of this paper is to investigate the effects of unethical behavior on employee commitment and productivity in Nigeria. For the study, a descriptive survey research method was used, with fifty valid questionnaires distributed to employees from five cluster government establishments in Ilorin, Kwara State, Nigeria. Secondary data and documentation were also reviewed and used in the study. Work ethics has shown that employees have demonstrated their fulfillment in practice, but other workers are unable to improve work ethics in terms of causality and thus we must support high employee satisfaction in

order to make an entire contribution to high employee performance. On the other hand, job satisfaction has shown that it improves employee performance. The impact on organizational performance of an interfering variable can be explained with job satisfaction.

Zulkarnain & Pitriyani (2022) this research was conducted at the Labuhanbatu Regency Education Office, with the aim of analyzing the influence of work ethics, progressive discipline, and work involvement on employee job satisfaction. This research uses quantitative methods with several analytical techniques such as classical assumption testing, multiple linear regression analysis and coefficient of determination testing. The results of this research state the work ethics variable has a positive and significant effect on employee job satisfaction. From these results, it can be concluded that work ethics, progressive discipline, and work involvement simultaneously have a positive and significant effect on employee job satisfaction.

Azhari et al. (2023) examined the influence of Islamic work ethics on public servants and reported that adherence to religiously grounded ethical values increases employee engagement and organizational citizenship behavior. The findings illustrate how cultural and religious values can reinforce ethical conduct and enhance job satisfaction in public sector organizations (Azhari et al., 2023).

Theoretical Framework of the Study

Ethical Climate

Ethical climate refers to acceptable conduct and behaviour and how ethical matters should be managed in an organisation (Teresi et al., 2019). Experts in the field of ethical climate are of the view that the dimensions of ethical climate can be categorized as caring, rules, law and codes, independence and instrumental (Hilot, 2022). In these dimensions of ethical climate, persons would act according to their own personal moral beliefs based upon a set of well-considered principles. Individuals would also be self-guided within these dimensions (Gadi et al., 2022).

Essentially, ethical climate serves as a framework for describing ethical decision-making in organisations and can be defined in terms of common patterns found in the organisation's primary dimensions or its employees' perceptions and attitudes regarding these dimensions (Aldazabal et al., 2017). The ethical climate constructs developed by Victor and Cullen can be depicted by a two-dimensional matrix, which captures both the ethical criteria and locus of analysis involved in decision-making (Victor & Cullen, 1988). The ethical climate, derived from theories of moral philosophy, includes egoism, benevolence and principle. The locus of analysis specifies the focal point or scope of consideration when making ethical decisions, which may be at the individual, local or cosmopolitan levels (Shafer, 2015).

Work engagement

Work engagement emerges and is demonstrated when employees master and show confidence in their job description (Consiglio et al., 2016). Work engagement is defined as 'a positive, fulfilling, work-related state of mind, most commonly characterized by vigour, dedication and absorption' (Xu et al., 2022). Work engagement is perceived as an extremely respected quality found in employees with superior performance in the workplace and is associated with employee well-being as well as teamwork (Robijn et al., 2020).

In the public sector, there are the three variables that contribute to work engagement, namely vigour, dedication and absorption (Rayton & Yalabik, 2014). Vigorous employees are associated with energy, mental resilience, determination and investing consistent effort in a job and are characterized by the high levels of liveliness and mental strength applied to their work (Dunlop & Scheepers, 2023). Dedicated employees are inspired, enthusiastic and highly involved in their work, capabilities and experiences; they are determined, and have a sense of worth, eagerness, self-importance and inspiration (Xu et al., 2022). Absorption refers to a sense of detachment from surroundings, a high degree of concentration on a job, a general lack of conscious awareness of the amount of time spent on the job and difficulty in detaching oneself from work (Patrick & Mukherjee, 2018).

Job satisfaction

Job satisfaction can be defined as an individual's opinion about how well personal expectations at work correspond to set outcomes and attitude to work (Van Antwerpen & Ferreira, 2016). In today's competitive working environment with its demands for operational excellence, organisational performance is crucial for survival (Busatlic & Mujabasic, 2018). In the public sector, job satisfaction can be stimulated when management offers technical assistance and work-related support to employees (Dwumah et al., 2015).

Experts in the field of job satisfaction maintain that organisations are expected to focus on the dimensions of job satisfaction and satisfy their employees in order to cope with the ever-changing and evolving work environment. Satisfaction relates to job performance, and managers have to implement effective human capital strategies to improve and strengthen organisational performance (Raziq & Maulabakhsh, 2015). Public sector employees find contentment in challenging and fascinating jobs (Rajbhandari, 2016). When employees are not satisfied with their remuneration and the work assigned to them, they feel uncertain about factors such as their rights, safe working conditions, cooperative co-workers, respect from their supervisors and involvement in decision-making processes (Raziq & Maulabakhsh, 2015). When supervisors are open-minded, they are able to assist in building employees' confidence, which will lead to job satisfaction, decreased employee turnover levels and increased retention rates. Research indicates that there is a positive relationship between job satisfaction and supervision (Amissah et al., 2016).

Research Design

The study adopts a quantitative research design, which is suitable for examining relationships between variables using statistical analysis. A descriptive and Correlational approach has been employed to understand the nature of the relationship between ethical climate, work engagement, and job satisfaction.

Population and Sampling

The population of this study consists of working professionals employed across manufacturing sectors in Gwalior Divison. The sampling technique is convenience sampling technique. The sample size for this study is 100 respondents.

Data Collection Methods

The study used primary data, which was collected through a structured questionnaire distributed online via Google Forms. The questionnaire was developed based on previously validated scales in literature, with modifications made to suit the Indian work context.

Data Analysis

Reliability Measurement for All Variables

Cronbach's Alpha test had been applied to calculate reliability of all items of Organizational ethics, engagement and Job satisfaction from the questionnaires

Table No. 1. Reliability Measurement for All Variables

S	Variable Name	Cronbach's Alpha	No of Items	Status
1	Ethical Climate	.855	8	Highly Reliable
2	Work Engagement	.833	6	Highly Reliable
3	Job Satisfaction	.833	8	Highly Reliable

It is considered that the reliability value more than 0.7 is good and it can be seen that in almost all the reliability values is quite higher than the standard value.

Table No. 2. Demographic Information

VARIABLE	CATEGORY	FREQUENCY	PERCENT (%)
Age Group	18-30 Years	16	16
	31-40 Years	46	46
	41–50 Years	24	24
	Above 50 Years	14	14
Qualification	Upto Higher Secondary	15	15
	Graduation	28	28
	Post Graduation	36	36
	Above Post Graduation	21	21
Income of the family (Annually)	Beyond Rs 200000	22	22
	Rs 200001-500000	39	39
	Rs 500001-1000000	26	26
	Above 1000000	13	13
Designation Level	Lower Level Employee	48	48
	Middle Level Employee	42	42
	Top Level Employee	10	10
Working Experience	Less than 5 Years	46	46
	5-10 Years	36	36
	More than 10 Years	18	18

Descriptive statistics of demographic variable shows that the Major parts of the respondents having age group 31-40 years is 46%, followed by age group 41-50 years are 24%, followed by age group 18-30 years are 16% and respondents having age group above 50 years is 14%. Qualification is divided into four categories in which majority of respondents are post graduate 36%, followed by graduation 28%, respondents having qualification above post graduation is 21% and least of the respondents 15% having qualification upto higher secondary. Major parts of the respondents having income group below Rs 200001-500000 is 39%, followed by income group Rs 500001-1000000 is 26%, followed by income group Beyond Rs 200000 is 22% and respondents belongs to income group Above 1000000 is 13%. Major part of respondents having designation lower level employee are 48%, followed by respondent having designation level middle level employees are 42% and respondent related to top level employee are 10% indicating that the major part of respondent are lower level employees.

Most of the employees are having working experience Less than 5 Years is 46%, followed by respondent having working experience 5-10 years are 36% and respondent having working experience above 10 years are 18% indicating that the major part of respondent are having working experience Less than 5 Years.

Hypothesis of the Study

H1: There are significant relationships between ethical climate, work engagement and job satisfaction.

Table No. 3. Descriptive Statistics

	Mean	Std. Deviation	N
Ethical Climate	25.9430	5.35099	98
Work engagement	20.8400	5.31997	100
Job satisfaction	19.4067	4.25696	100

Table No. 4. Correlations

		Ethical Climate	Work engagement	Job satisfaction
Ethical Climate	Pearson Correlation	1	.552**	.591**
	Sig. (2-tailed)		.000	.000
	N	98	98	98
Work engagement	Pearson Correlation	.552**	1	.803**
	Sig. (2-tailed)	.000		.000
	N	98	100	100
Job satisfaction	Pearson Correlation	.591**	.803**	1
	Sig. (2-tailed)	.000	.000	
	N	98	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

From the above, we can say that Pearson's coefficient of correlation for ethical climate and work engagement is .552 which is significant ($p < .05$ for a two tailed test) based on 100 complete respondents. We can state that ethical climate and work engagement are positively co-related means that these variables tend to increase together. Pearson's coefficient of correlation for ethical climate and job satisfaction is .591 which state that ethical climate and job satisfaction are positively co-related means that these variables tend to increase together. Pearson's coefficient of correlation for work engagement and job satisfaction is .803 which state that work engagement and job satisfaction are positively co-related means that these variables tend to increase together.

Conclusion

The present study aimed to explore the relationship between ethical climate, work engagement and job satisfaction in Manufacturing Sector. The population targeted in this study includes employees working in

manufacturing sectors in Gwalior division. A sample size of 100 working professionals was selected for the study. The research found a positive and significant relationship between ethical climate, work engagement and job satisfaction. Employees who perceived their organizations to operate ethically were more likely to feel emotionally invested in their work, motivated to perform, and satisfied with their roles. The findings strongly suggest that ethical work environments marked by fairness, transparency, accountability, and respect enhance employees' sense of belonging and trust in their organization. In turn, this boosts their enthusiasm, loyalty, and overall job satisfaction.

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