

How Job Status Affects Moral Development and Ethical Leadership

Senior Project

In partial fulfillment of the requirements for

The Esther G. Maynor Honors College

University of North Carolina at Pembroke

By

Sean Thomas

Business Management

5/5/2023

Sean Thomas

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[Type your name here and sign above] Date

Honors College Scholar

\_\_\_Dr. SiAhn Mehng\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_5/5/2023\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Type your mentor’s name] Date

Faculty Mentor

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Joshua Kalin Busman, Ph.D. Date

Senior Project Coordinator

 Acknowledgments

I would like to acknowledge the guidance and help of my mentor Dr. SiAhn Mehng and my advisor Ms. Yuanyuan Lin. Dr. Mehng suggested the idea for this project when I was in her Organizational Leadership class and I have learned a lot from it. I would also like to thank PURC for funding the research and data collection of this project as well as travel costs. This allowed me to present at the MBAA conference, which was held in the Palmer House in Chicago. I would also like to thank Dr. Busman for his guidance on the senior project.

 Abstract

This research project explores the relationship between ethical leadership and employees’ job behaviors. Job status (i.e., leader vs. follower) is the modifier of this relationship. Ethical leadership is crucial for creating an effective organizational culture. A positive organizational culture based on ethical leadership positively affects employees’ job behaviors, such as low turnover intention, high job satisfaction, low stress, high engagement, and ethical behaviors. It is beneficial to find out how job status strengthens or weakens this relationship. Individuals with different job statuses may have different perspectives on implementing ethical principles. The result of this research study could lead to more effective leadership and productivity from employees. **Semester-Long Undergraduate Research Fellowship Grant**

 **How Job Status Affects Moral Development and Ethical Leadership**

**Sean Thomas (Thomas School of Business, Honor College Student)**

 **Abstract**

This research project explores the relationship between ethical leadership and employees’ job behaviors. Job status (i.e., leader vs. follower) is the modifier of this relationship. Ethical leadership is crucial for creating an effective organizational culture. A positive organizational culture based on ethical leadership positively affects employees’ job behaviors, such as low turnover intention, high job satisfaction, low stress, high engagement, and ethical behaviors. It is beneficial to find out how job status strengthens or weakens this relationship. Individuals with different job statuses may have different perspectives on implementing ethical principles. The result of this research study could lead to more effective leadership and productivity from employees.

**Literature Review**

Sims and Kroeck (1994) studied the influence of ethical fit on turnover intention and employee attitudes. Their study hypothesized that employees choose organizations with a similar ethical fit and organizational climate. However, previous studies have not been able to draw on any systematic research into the perspectives of leaders and followers. This research will address how job status affects the relationship between ethical leadership and employee job behavior as a moderator. Pennino (2002) studied how managers approach decision-making and how moral development influences managers’ thought processes. Their study found that there is a correlation between directive managers and lower principled reasoning scores. Pennino suggests that directive managers have lower principled reasoning scores because they focus on achieving short-term tasks. This research project could help expand the findings of these studies by unearthing how job status impacts ethical leadership and employee job behaviors.

**Study Contribution**

***Management Literature.*** This project contributes valuable information about how job status influences ethical leadership and employee job behaviors. It also contributes to the management literature by filling up the gap from previous research studies. For example, most studies and experiments discuss ethical leadership and job behaviors. This project will highlight the impact of job status (leader vs. follower) on the relationship between ethical leadership and job behavior. Based on the study results, a new training program can be developed to address the issue with job status. Specifically, managers should be cognizant of how job status impacts followers when they approach a situation. Employees need to be aware of how job status affects their ethics and job behavior, especially in situations where managers and other leaders are exhibiting unethical behavior. Understanding different perspectives when implementing ethical principles will lead to less confusion and conflict. This is particularly important for new managers or managers attempting to change a culture.

***Contribution to University of North Carolina at Pembroke (UNCP) and the Community.*** This project aids UNCP and the community by providing invaluable information about job status influences ethics and leadership to students, faculty, and the entrepreneurial hub, which works with local businesses. Students in entry-level jobs or who have not worked yet can use the findings of this experiment to understand more about leadership and ethics. More than half of the funding is going to face-to-face students for compensation for participating in the study. This is investing in the students of UNCP while giving them knowledge about job status and its impact on ethical leadership and job behaviors. While this experiment focuses on job status in a business setting, these results could also be applied to a classroom setting. Professors could use the results since the leader vs. follower relationship in the business world has similarities between professors and their students.

***Entrepreneurial hub and local businesses.***UNCP Thomas School of Business works with the entrepreneurial hub and local businesses. They can use the results of this study to help improve organizational culture and employee satisfaction. This is especially useful since this area is experiencing steady growth and existing businesses are expanding, while there are more entrepreneurs and start-ups than in the past. Findings from this research project could be used as a guide for entrepreneurs or local businesses that have grown faster than projected. It is detrimental for new businesses to rack up unwarranted expenses and acquiring knowledge about ethical leadership and employee job behavior should limit employee turnover, thus saving businesses money. This project could provide more opportunities for UNCP to work with the entrepreneurial hub and the community by providing classes teaching how to build a more effective organizational culture.

**Theoretical Model**

It is hypothesized that ethical leadership has a positive correlation with employees’ job behavior. Ethical leadership is the independent variable, and employee job behaviors are the dependent variable. Job Status (leader vs. follower) moderates the relationship between ethical leadership and employee job behaviors, such that compatible perspectives will strengthen the relationship between ethical leadership and employee job behaviors. The control variables for this research study are the length of employment, gender, age, race, education level, and employee moral development stage. The model pictured below (Figure 1) provides a visual representation of how job status moderates the relationship between ethical leadership and employee job behaviors.

**Figure 1. Theoretical Model**



**Method**

Participants for this experiment will be face-to-face UNCP students. These students will be recruited using email notifications and flyers handed out around campus. Overall, the research design of this study is 2 x 2 (i.e., ethical vs. unethical; leader job status vs. follower job status). Manipulation will be given through a vignette and random assignment of participants. The experiment should recruit at least 140 participants to achieve the statistical power for the analysis (see Table 1).

**Table 1. Research Design**

|  |  |  |
| --- | --- | --- |
|    | leader | follower |
| Ethical  | 35 | 35 |
| unethical  | 35 | 35 |
|  | 35 x 4 = 140 participants  |

***Procedure.*** Once 140 participants have been recruited, participants will be gathered in a lab. Before they come to their signed-up slot, participants should complete a survey questionnaire through email. l. The survey questionnaire will contain questions about job status and its effects on perception and demographic questions (age, gender, race, education level, etc.). Next, subjects will read a manipulated scenario encouraging an unethical decision. An example question would be whether it is acceptable to use the work of someone that has left the organization. Subjects will read or watch manipulated scenarios that will encourage an unethical decision. A tentative example of a scenario is the marketing team for Inex Inc. needs to produce a catchy commercial for the Super Bowl, and it is due in 48 hours. However, there is a file available in the system created by Doug, who is no longer with the organization. Doug’s idea would be useful and easy to complete the task in the given timeline. Would you use Doug’s work, although you would not be able to give him credit, or try to produce your idea before the deadline? Here, subjects will be randomly assigned to be leaders vs. followers of the scenario. After participants finish reading scenarios, they will answer job behavior questions about job satisfaction, turnover intention, stress, and engagement and make decisions based on their interpretation of the scenario. The primary observation will be how job status (leader vs. follower) impacted the participant’s decisions. Ethical behavior will be measured through how the subjects react to unethical suggestions. After participants have finished their responses, they will be given $10. Once all participants have submitted their answers, I will observe how job status (leader vs. follower) impacted the participant’s decisions.

**My Role in the Project**

My role in this project is to lead the experiment and present the findings. I will be responsible for the data collection and related procedures. I am also responsible for writing this proposal. I plan to write out the scenario used for this project as well.

**Budget Details**

This experiment is a 2 x 2 design and is expected to have at least 140 participants (see Table 1). Each student who participates will be compensated $10 for their time and contributions. This brings the total expenses for experiment compensation to $1400. After the experiment is concluded and the findings are recorded, the results should be presented at a conference. Airfare and other travel expenses are expected to be around $1200. This brings the total amount of funds requested to $2600.

**Table 2. Budget Details**

|  |  |  |
| --- | --- | --- |
| **Expense** | **Details** | **Sub Total** |
| Study Participants  | 140 participants  | $10 Each | $1400 |
| Travel Expenses | Airfare, Hotel, Conference Registration fee, etc. | $1200 |
|  Total Expense | $2600 |

**Table 3. Project Timeline**

|  |  |
| --- | --- |
| **Period** | **Details** |
| **January – February 2023** | Citi Training is done, IRB (Institutional Review Board) application |
| **March 2023** | Experiment, data collection |
| **By Mid-April 2023** | Data Analysis |
| **April – early May 2023** | Written report  |

Link to Qualtrics Survey

 <https://uncp.co1.qualtrics.com/homepage/ui>

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