

THE IMPACT OF BUSINESS ETHICS ON G COMPETITIVE ADVANTAGE (A FIELD STUDY ON THE JORDANIAN PHARMACEUTICAL COMPANIES)

¹Farah Niaz Abdessalam Dalain, ²Emad Ali Kasasbeh, ²Adel Akram Salloum

¹Zarqa University - Jordan

²Mutah University, Jordan

Contact: Emad_kasasbh@yahoo.com

ABSTRACT: *This study aimed to identify the impact of business ethics on competitive advantage through a survey of respondents under the job titles: (general manager, vice manager, manager, and head of the department) in Jordanian pharmaceutical companies. The results showed that there is a statistically significant impact of work ethics (transparency, organizational justice, respect, and good treatment) on achieving competitive advantage in pharmaceutical companies. The results revealed that companies, based on work ethics, are concerned about avoiding any relationships that may adversely affect (transparency, organizational justice, respect, and good treatment). Companies also resist the side effects when performing work and being committed to neutrality. They are also concerned about honesty and integrity as well as considering the balance of interests and neutrality for the benefit of the company.*

Keywords: Business Ethics, Competitive Advantage

INTRODUCTION:

In the light of the development of communities as well as the increased administrative changes and crises that are mostly immoral in nature in a number of companies, there has been an urgent need to make ethics an element for growth and audit in selecting employees in the different organizations. It is evident that separating work from ethics is not possible or unfavorable, since ethics are not optional, and that the decisions and behaviors of work are moral acts that affect the life and well-being of others [1, 2].

The domains of moral behavior and the necessity of working based on work ethics are not related to certain communities, since they have become a vital topic that is faced by work organizations in the developed and developing countries as well. The concept of ethics was related to several other topics, organizational tasks, as well as human resources and energies, such as management, work staff, work, leadership, and managers; this concept guides and enhances good behavior. This concept has become one of the important issues for holding a job in the company, where it is confirmed by the management of companies since it is viewed as the individual's self-surveillance as the individual can distinguish between the right and wrong things in his behavior during work [3, 4].

The concept of ethics is centered around a number of rules, principles, behavioral judgments as well as moral standards and values that govern the acts of individuals or groups while performing work in the work environment. Those traits include honesty, integrity, dependency, and liability as well as other domains of good behavior as opposed to bad behavior. Ethics can be also defined as a number of moral values and principles that represent the behavior of organizations and assign their decisions [11]. They represent a reflection of the values that are held by individuals as criteria that govern their behaviors; therefore, they refer to using ethics as a work strategy for improving the reputation and performance of the organization. This, indeed, refers to the moral effects of work decisions and their impact on the individuals' behaviors and thus constituting a number of principles that determine the administrative behaviors. Also, ethics refers to the moral behavior of management,

employers, and employees in an attempt to achieve the organization's objectives.

The importance of work ethics is manifested in being an important part in the growth of organizations in the light of the increased scandals and violations as well as the extended cycle of financial and administrative corruption, including bribes, embezzlement, and taking advantage of the power that is witnessed by organizations. In this vein, it has become important to establish work criteria and ethics to determine the relationships between employees, employers, and organizations, in addition to revising the concepts related to the objectives of organizations. The increased importance of work ethics reflects the necessity of applying the moral liability of organizations. Organizations aim to gain more profits by setting competitive prices according to the current laws, in addition to applying ethical liability in relation to the environment as well as the criteria of safety and health in the work environment.

According to Thomson, understanding the value of ethics results in the prevailing of ethical rules and setting official blogs to identify the moral requirements as well as assigning supervisors who consider ethical domains and enhance employees to behave based on ethical standards. However, there is a contradiction between the theoretical domain and the practical domain of ethics; that is, there is a difference between work and ethical domains. In this vein, we can see that there are some employers who care about practicing their activities according to the ethical standards, considering that as a strategic choice, while others make opportunistic decisions, especially in the situations, where we can't distinguish between the ethical behavior and the opportunistic one.

The work's values and ethics are considered the major guidance and generator of human behavior; they are important pillars for a good community. The importance and necessity of moral values are confirmed by the emergence of new attitudes in the domain of management that call for the necessity of enhancing all the desired and positive values, in addition to creating a balance between the physical culture represented by all the manifestations of civilized, technological and electronic development that witnessed more advance in all the domains of physical life and between the non-physical life represented by ethical values.

Organizations seek superiority over competitors by the right to use the standards of ethical competition as well as adopting ethical issues and commitments as a foundation of competitive advantage. Based on the above-mentioned, we can cite the following question:

Is there an impact of work ethics (transparency, organizational justice, respect, and good treatment) on the competitive advantage of pharmaceutical companies?

The study objectives:

The study aimed at identifying work ethics and their impact on the competitive advantage of the Jordanian pharmaceutical companies by investigating the opinions of the study respondents in pharmaceutical companies and achieving the following sub-objectives:

- 1- Identifying the nature of the work environment prevalent in the Jordanian pharmaceutical companies.
- 2- Identifying the extent of the availability of the manifestations of competitive advantage among the employees in the Jordanian pharmaceutical companies.
- 3- Determining the relationship between the prevalent work ethics and the manifestations of competitive advantage.

The study's importance:

Despite the importance of work ethics, they are still lacking interest in most business organizations, particularly in developing countries. The reason for that could be attributed to the belief that work ethics could not be cost-effective and may not be beneficial to the organization. Therefore, this topic was selected in order to shed more light on work ethics, considering them as new concepts within the domain of business administration and linking the competitive advantage of organizations with moral commitment.

Commitment to moral principles and behaviors at the individual level in business organizations is very important for the various community categories, where such a commitment promotes commitment to the principles of right work.

The previous studies:

Others suggested that the perceived institutional ethics are related to the moral judgments and expectation intentions of respondents [5]. They asserted that in order to improve moral rational thinking among sales employees, organizations should focus on moral issues faced by sales employees in their work in a way that ensures dealing with the issues that may encounter the moral issues in the organization.

Elsewhere, some addressed the training content for work ethics and satisfaction of sales employees with co-workers and supervisors since the organization's support for work ethics is too important in personal sales that are enhanced through the moral values prevalent in the organization which, in turn, leads to supervisors and employees satisfaction [4].

Others conducted a study that aimed at understanding the joint meaning of (PWE) and (IWE) in the domain of the research work ethics [7]. The researcher analyzed (109) articles that use the keywords (PWE) and (IWE) in their titles using content analysis. The results revealed that (IWE) provides a unique perspective on the way of improving organizational performance relating to work ethics that are prevalent in the organization.

Authors in [7] conducted a study that aimed at identifying the impact of work ethics on competitive advantage in the

mobile phone communication companies working in Jordan. In order to achieve the study objectives, the researcher developed a questionnaire to collect data and distributed the questionnaires to the employees. The study sample was chosen randomly from the employees in senior and middle management staff as well as supervisors in the mobile phone communication companies working in Jordan. The results revealed that there is a statistically significant impact of work ethics on achieving competitive advantage in the mobile phone communication companies working in Jordan .

Georgescu, [8] conducted a study that evaluated work from the perspective of ethical behavior as well as economic efficiency and investigated the relationship between organizational and ethical values [8]. The results revealed that ethical values can be achieved through organizational culture and that the largest companies are more required to set written ethical rules within a strategic vision as compared to mini-companies. Abdi, *et al*, conducted a study that aimed at investigating the impact of Islamic work ethics on Job performance and organizational commitment [9]. The results revealed that Islamic work ethics have a positive impact on job performance.

The study hypothesis:

HO1: There is no statistically significant impact of work ethics (transparency, organizational justice, respect, and good treatment) on the competitive advantage in pharmaceutical companies.

The study methodology:

The study used the analytical descriptive approach, where the researcher described the characteristics of variables and the various domains of the study problem. In order to reach sufficient and accurate data to conceptualize the targeted phenomenon, data were collected using the study instrument, the questionnaire, which was developed and distributed to the study sample individuals. The collected data were analyzed using suitable statistical methods in order to answer the study questions and test its hypotheses. This study is considered a qualitative one, where it included collecting data and analyzing them to obtain data that can be easily coordinated, calculated, and measured as well as facts that can be changed into numbers and statistics to be plotted on a diagram.

The study population and sample:

The study population consisted of (900) employees under the following job titles: general manager, vice manager, manager, and head of department working in the Jordanian pharmaceutical companies with a total of (29) companies. The study was conducted on (20) companies that voluntarily cooperated in collecting data. According to Morgan, the study population was (1000) respondents, and thus the study sample representing the study population was (280) respondents was collected using simple random sampling [10].

The resources for data collection:

The researcher used two types of resources for data collection, these are the secondary resources, such as books, brochures, and periodicals that address the topic of work ethics and competitive advantage as well as the primary resources by designing and developing a questionnaire. In order to verify the questionnaire's validity and ability to measure the study variables, Cronbach alpha for internal

consistency was calculated and had a value of (87.97%), which is considered as a very good value that is suitable for the research purposes.

The statistical methods:

The researcher used the statistical methods included within (SPSS) in data analysis, where the researchers used means, standard deviations, and (multiple regression) in order to test the hypotheses.

Data analysis and hypotheses test:

Testing the main hypothesis:

HO1: there is no statistically significant impact of work ethics (transparency, organizational justice, respect, and good treatment) on the competitive advantage in pharmaceutical companies.

Table (1)Means and standard deviations (work ethics)

	Variable	Mean	Standard deviation
1	Transparency	4.301	0.807
2	Organizational justice and neutrality	4.077	0.974
3	Respect and good treatment	4.079	0.976
	Average mean	4.152	0.919

Table (2)The results of Multiple Regression analysis for the impact of work ethics on competitive advantage

Variable	Unstandardized Coefficients		Standardized Coefficients	F	Sig.
	B	Std. Error	Beta		
Constant	-0.070	0.095		-0.720	0.474
Work ethics	0.945	0.022	0.896	40.509	0.000

$R = 0.896R^2 = 0.805$

Table (1) shows that the mean was (4.152). by comparing this mean with the mean of the measurement tool used in measuring this variable, it is obvious that it is higher than the point that represents the agreement degree (+4), where the standard deviation was (0.919).

The mean for the items of competitive advantage was (4.0509). Therefore, we can conclude that there is a statistically significant impact of work ethics(transparency, organizational justice, respect, and good treatment) on the competitive advantage of pharmaceutical companies.

By using Multiple Regression analysis in the table (2), we obtain the results that are concluded based on testing this hypothesis.

Table (2) revealed that the calculated (F-value) for this hypothesis was (40.509) which is more than the tabulated (F-value) of (1.645). Since the decision rule implies rejecting the null hypothesis if the calculated (F-value) was more than the tabulated (F-value), we accept the alternative hypothesis stating " there is a statistically significant impact for work ethics (transparency, organizational justice, respect, and good treatment) on the competitive advantage in pharmaceutical

companies". This is confirmed by the significance value of (zero), which is less than (0.05), knowing that the Beta coefficient was (0.896), which indicates that there is a positive relationship between the independent variable and the dependent variable.

RESULTS:

1- The results showed that there is a statistically significant impact of work ethics (transparency, organizational justice, respect, and good treatment) on achieving competitive advantage in pharmaceutical companies. The results revealed that companies, based on work ethics, are concerned about avoiding any relationships that may adversely affect (transparency, organizational justice, respect, and good treatment). Companies also resist the side effects when performing work and being committed to neutrality. They are also concerned about honesty and integrity as well as considering the balance of interests and neutrality for the benefit of the company. Commitment to work ethics promotes companies' professional ability to improve and masterwork and keep the confidentiality of secrets. Work ethics demonstrate the importance of honesty in performing tasks, in addition to fidelity, integrity, and justice while doing work.

RECOMMENDATIONS:

- 1- Setting work ethics and promoting them, as well as urging the Jordanian pharmaceutical companies to determine and distribute the ethical policies across the company, in addition to training employees and enhancing their ability to encounter the difficult ethical problems.
- 2- The necessity of understanding, investigating, and analyzing the elements constituting ethical principles, considering that as one of the most important components of ensuring the success and sustainability of companies, especially in the light of the diversity and complexity of the risks surrounding their work.
- 3- Developing the curricula of work ethics in the public and private universities that teach the specialty of business administration.

REFERENCES

1. Abdi, M.F., Nor, S.F.D.W.M., & Radzi, N.Z.M. (2014). The impact of Islamic work ethics on job performance and organizational commitment. In Proceedings of 5th Asia-Pacific Business Research Conference, Kuala Lumpur, Malaysia.
2. Chell, E., Spence, L. J., Perrini, F., & Harris, J. D. (2016). Social entrepreneurship and business ethics: Does social equal ethical?. Journal of business ethics, 133(4), 619-625.
3. Durrani, F. (2017). The mediating role of organizational justice in the relationship between Islamic work ethics and employee turnover intention. Pakistan Journal of Commerce and Social Sciences (PJCSS), 11(3), 1050-1068.
4. Georgescu Maria-Ana. (2012). "Business Ethics & Organizational Values In Romanian Enterprises".

- Romania: Emerging Markets Queries in Finance and Business.
5. Haider, s. h., & Lahore, a. (2018). corporate social responsibility, business ethics, and labor laws: a qualitative study on SMEs in Sialkot. *journal of legal, ethical, and regulatory issues*, 21(3).
 6. Harting, T., Harmeling, S., and Venkataraman, S. (2006). “Innovative Stakeholder Relations: When “Ethics Pays” and “When it doesn’t” “, *Business Ethics Quarterly*, Vol. 16, pp. 43-68.
 7. Kasasbeh, Emad Ali. (2014). “The Impact of Business Ethics in the Competitive Advantage in the Cellular Communications Companies Operating in Jordan”, *European Scientific Journal*, Apri, Vol. 10, No. 10. 2(3),227-242.
 8. Morgan, K. (1970). Sample Size Determination Using Krejcie and Morgan Table. *Educational Psychological Measurement*, 30, 607-610.
 9. R. Arzu Kalemci and Ipek Kalemci Tuzun. (2019). “Understanding Protestant and Islamic Work Ethic Studies: A Content Analysis of Articles”, *Journal of Business Ethics*, Vol. 158, (4), pp. 999 – 1008.
 - 10 Valentine· Sean· (2012). Ethics training· ethical context· and sales and marketing professionals' satisfaction with supervisors and coworkers. *Journal of Personal Selling·* vol, 2, no· 3· pp.227-242.
 11. Valentine· Sean· (2007). Perceived organizational ethics and the ethical decisions of sales and marketing personnel. *Journal of Personal Selling·* vol· xxix· no· 4· pp.373-388.