
The Moderating Role of Organizational Culture on the Relationship between Ethical Managerial Practices and Organizational Resilience in Tertiary Health Institutions in Bayelsa State, Nigeria

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Abstract

This study examined the moderating role of organizational culture on the relationship between ethical managerial practices and organizational resilience in tertiary health institutions in Bayelsa State. The study used a cross sectional research design involving directors and heads of departments of the Federal Medical Centre, Yenagoa and Niger Delta University Teaching Hospital, Kolobiri. The primary source of data collection was through the structured questionnaire. The sampling elements in the population consist of 113 directors and heads of department of both hospitals. The entire population elements are included in the study therefore no sample size was determined. After data cleaning, only data of 83 respondents were finally used for data analysis. Descriptive statistics and Spearman's Rank Order Correlation was used for data analysis and hypothesis testing. The study findings confirmed that organizational culture has a moderating role on the relationship between ethical managerial practices and organizational resilience in tertiary health institutions in Bayelsa State. The study recommended that management of tertiary institutions should Management should pay attention to strict adherence to ethical principles for a sound ethical culture. Management should ensure the installation of an active internet and communication technology facility for an up-to-date resilience building.

Key Words: *Ethical Managerial practices, Organizational Resilience, Organizational Culture*

Introduction

There is no doubt that today's business environment is dynamic and constantly changing. Organizations are saddled with the responsibility of coping with these changes and ensuring that they survive and make profit. The concept of resilience was birthed because of the need for organizations to be aware of these disruptions and take precautionary measures to avert its adverse effects. Mallak (1998) affirms this, by stating that organizations design and implement effective actions to advance themselves, thereby increasing the probability of their own survival. Surville et al, (2008) defined organizational resilience as an organization "...ability to survive and potentially even thrive in times of crisis" it requires organizations to adapt and be highly reliable (Weick & Sutcliffe, 2007) and enable them to manage disruptive challenges (Durodie 2003). This implies that, organizations need to anticipate and continuously respond to disruptions that could erode their entire survival. According to Koontz and Weihrich (1999) organizations do not exist in a vacuum rather it is mutually

dependent on its external environment”, it is a subsystem of the super system, which is the society (universe). This implies that certain environmental and internal factors such as global economic crisis, natural disaster (climate changes, flood, hurricane, and earthquake), political revolution, government policies and regulations, socio-cultural factors availability of raw materials, employee turnover, change in customer taste, insurgents’ activities can impinge on the operations of an organization.

These disruptions traverse national boundaries and come with diverse consequences on business organizations prompting some scholars to argue that “this is the most amazing period of transformational change (Hamel & Valikangas, 2003; Hoopes and Kelly, 2004; Maddi and Khoshaba, 2005). Organizations have to absorb environmental disturbances of all kinds in the process of achieving goals or objectives by anticipating them and adjusting to the trend that can impinge on their survival, which is a measure of resilience. This is why Mitroff (2005) emphasized that the constant changes in the business environmental conditions have stressed the urgency for organizations to strive to meet their corporate goal of performing at their best in all circumstances. This, according to him, may lead many managers of organizations who are obliged to deliver shareholder value and maintain their jobs resort to unethical practices.

In the same vein, Foote and Ruona (2008) admitted that in our present -day period of unpredictable terrain, managers are facing difficulties in the area of ethical business practices in decisive situations. Evidences of this behavior abound, such as the recent fuel emissions violation scandal of Volkswagen. It was discovered that the manufacturer had deliberately worked out turbocharged direct injection (TDI) diesel engines to trigger a specific energy control only at the period of laboratory energy testing to satisfy U.S. standards during regulatory testing meanwhile it was meant to produce as much as 40 times higher nitrogen output in real-world driving. This unethical practice led to the public apology of the CEO, his resignation, and a 37% loss of their stock within 2 the weeks of the scandal.

McManus, Seville, Vargo and Brunsdon (2008) have defined resilience as the special activity of the total situational awareness, controlling of important causes of exposure to threats and the flexibility of an organization to change when necessary in a complex, dynamic and interdependent environment. According to them, for an organization to be resilient, it needs to be abreast with the totality of the environment on which it operates. Manage those key aspects that are liable to badly affect the organization should any part gets damaged in the event of a disaster and its culture must make room for free flow decision-making from top management to staff in an urgent and accurate way during business Operations as well as in crisis situations. Bouncing back is of great necessity to ensure all important services rendered to other businesses, stakeholders, government and the communities continue in the event of uncertainties.

Foote and Ruona (2008) have pointed out that in our present-day period of unpredictable milieu, managers are facing difficulties in the area of ethical business practices in decisive situations. Natural/human induced disasters have always been an inevitable cause of morbidity and mortality all around the world and dares practitioners of emergency care. Sharp business practices by managers can be disastrous and can cost an organization dearly, the consequences of which can be: high attrition and mortality rate, low customer patronage, socio- psychological trauma, decrepit infrastructure, etc. Bonanno (2005) and Mills et al. (2015).

The study recognizes the works of several scholars on issues pertaining to resilience. Authors like McManus (2007) worked on Resilience management: a conceptual structure of looking at the importance of organizations, they found out common issues that causes hindrances to increased resilience and came up with 2 generic resilience management strategies for organizations that hope to attain sound resilience. These are adaptability and situational awareness McAslan (2010) researched on Organizational resilience: Understanding the concept and its application and indicated the contribution of business continuity planning to build more robust organizational structures. Valastro (2011) worked on Organizational Resilience: Position Paper for critical infrastructure and identified the need to develop and promote a shared knowledge about organizational resilience. McManus, Seville, Brunson and Vargo (2008) researched on facilitated process for improving resilience and indicated in their findings some of the key indicators of resilience which, according to them, include the awareness of stakeholders' roles and responsibilities.

Although these studies and more have been conducted on organizational resilience, there is no unified empirical work done on Ethical managerial practices and organizational resilience. This gap in literature has led to the investigation on the link connecting Ethical managerial practices and organizational resilience in tertiary health institutions in Bayelsa State of Nigeria. The study specific objective of the study was:

- i. To examine the moderating role of organizational culture on the relationship between ethical managerial practices and organizational resilience in tertiary institutions in Bayelsa State.

Literature Review

Concept of Ethics

Ethics is an area of philosophy that presents age old truths, arguments, and critical analysis of the nature and the origin of the field of right and wrong, good and bad, and justice and injustice (Thorns, 2008). States, "In causal and unreflective usage, the terms 'ethics' and 'Morality' tend to be interchangeable as though they were synonymous terms" (p. 240). Moreover, ethics is derived from the Greek word *ethos* that means customs, conduct, or character (Beck & Orr, 1970; Northouse, 2005; Thiroux, 2004). Similarly, 'morals', a synonym of ethics, which origins come from the Latin term *moratis* - means character, manners, or customs (Beck & Orr, 1970).

Scholars suggest that ethics is the study of morality in terms of what is good, bad, right, and wrong and is an explicit philosophical reflection on moral beliefs and practices (Hinman, 2002; Thiroux, 2004). What is 'good' and what is 'right' have delineating characteristics that differentiate the various classical ethical theories. For example, "what is 'good' is thought to be noble and valuable; in contrast, what is 'right' is characterized as obligatory and related to personal duty" (Ross, 1939:10). The study of ethics can further be explained as being concerned with the morality and practice of the foundation of human behaviors (Lehmann, 1963) as it relates to "human conduct, voluntary or involuntary action, and having a choice" (Beck and Orr, 1970).

The translation of ethics principles and their practical application has become an important topic of study in business schools and organizations. The expectation society has placed on businesses and their leaders to perform ethically and socially responsible has prompted business schools to place a greater emphasis on ethics courses in the curriculum to instill the importance of ethics in the development of future business leaders (Sims, 2002). The integration of ethics courses into the curriculum is to develop students' "... intellectual

capacities for ethical discernment, analysis, judgment, and reflection" (Sims, 2002:17). Business ethics, a systematic study of business from an ethical perspective, pertains to the 'should and should not's' and proposes there are standards above and beyond regulations (Thorns, 2008). There is a controversy on whether teaching ethics in business school are effective. Williams and Dewitt (2005) disregard the idea that business schools cannot teach ethics because of the inherent self-interest aspect of a capitalist society.

Further, critics suggest that students at that point in their scholarly lives have already formed moral perspectives. Other scholars perceive that students should be exposed to ethics theories and concepts to develop analytical skills for resolving personal, professional dilemmas, and moral issues facing the larger society (Nash, 2002; Sims, 2002). Nish (2002:8) regards the study of ethics to promote students to become "ethical analysts" and encourage students to recognize "ethical complexities, wrestle with opposing views, discover flaws in their own ethical biases, and reach thoughtful, informed, and logical defensible conclusions .

Ethical Managerial practices

The changes and uncertainties in the environment make it imperative for managers to rise to the challenge of revisiting their approach to business ethically. Today's business climate emphasizes both doing well and being outstanding. Organizations can carry out a cost-benefit analysis to discover possible activities that will ensure making profits while meeting the organization's need for corporate social responsibility (Ethics and corporate responsibility, 2009). It is an ethical managerial practice for manager s to strictly adhere to the ethical codes of the organization in actualizing its vision and mission; select the right people and retain them, build on their strength and empathize with them. Ethical managers focus more on doing right things that will lead to the success of the organization before their personal interest.

Ogundele et al. (2013) listed some unethical practices by managers and employees alike and their consequences to the organization as: control or influencing someone, misinterpreting of records, misappropriation of assets, neglection of effects of transactions from records, recording of transactions without documents, intentional influencing of accounting principles, using company time for personal ends and other electronic related fraud.

Disobedience to the organization's rules by managers who engage in unethical behaviors can portray lawlessness and disloyalty in the organization. It is thus put forward that adhering to ethical business practices and emphasizing on ethical principles will certainly ensure a resilient organization, bring about satisfaction for members and all round prosperity (Ogundele, et al. 2013)

According to Prieur (2013) it is the ethical responsibility for organization managers and leaders to decide using aversion, support and reconstruction measures to shield individuals and properties from disasters while always observing the importance of defending the rights of those affected. He further maintained that the reason why ethical principles is applied by managers to reduce shock and deal with crisis is to make firm the resilience of population in any unforeseen circumstance by attaching a moral importance to the risk mitigation strategies like aversion, supporting and abating of exposures to threats in anticipation of an enduring progression. According to him, the ethical questioning depends on the circumstances at hand (before, during or after the disaster) add equally the area of consideration whether health, rescue, operations etc.

Organizational Resilience

According to Hubert (2011) Organizational resilience is the competence organizations possess to quickly resolve and react to alterations (within and outside) like disaster claims, opportunities or threats and carry-on with normal operations with reduced effect on business flow. According to Cholewa, Mamula and Smith (2009) organizational resilience is the competence of an entity to continue to function or remain in existence while making progress in emergency situations. They admitted no organization exist in isolation; and argued that the ability of an organization to bounce back greatly rely on the strength of the other organizations that it look up to it for support.

Marcos and Macaulay (2008) maintained that with purpose, whenever disaster but resilient organizations and regardless of the cause, they can recover and bounce back from trauma and quickly restore business capabilities. They opined that such organizations endeavor to be ready for any kind of situation while they remain flexible to change. Seville et al. (2008) saw organizational resilience to be "a result of the collective's situation awareness of an organization, control of keystone vulnerabilities and a flexible changing ability in a difficult, changing and mutually joined environment".

In another light, Dalzieli and McManus (2004) maintained that organizational resilience and community resilience are interdependent; explaining chat being resilient can bring about a competitive advantage. However, McManus et al (2008) argued that resilience play an important part in bringing about a quick and timely bounce back for communities. Furthermore, in the absence of essential services provided by organizations to communities, the communities will find it difficult to react quickly or return to their normal states. In the same spirit, Stephenson (2010) explained that these organizations make it possible for communities to operate. To him, organizations alongside community resilience are interdependent such that the readiness of organizations to react quickly to disaster indicates that of the readiness of the neighboring community.

Healthcare Information and Management Society (2013) maintained that Organizational Resilience Management provides tools and advances to help an Health Information Exchange Organization maintain a high level of accessibility, declaring that it puts forward some ways that can be used in pinpointing and estimating risks to the Health Information Organization, and a structure for dealing with those risks, whether by suppression or by reduction. It also promotes an organization's ability to react and regain its stand from stress and do the needful to confirm the organization's continued accomplishments.

Relationship between Ethical managerial practices and Organizational resilience

It is obvious that in many organizations, today, there are generally accepted unethical practices. Such organizations where managers are only profit- driven without adhering to ethical principles have often resulted in situations where they are being called for explanation and then asked to pay the necessary fines that follow, thereby distracting and disrupting the main focus of the organization. Ethical practices by managers cannot be over- emphasized. It builds trust, good reputation and confidence in the organization's stakeholders and shareholders. Marot and Dunn (2010) puts it that ethical managerial practices as included in the behavior of an organization has been shown to possess channels that affect the results organization achieve in the form of ethical decision-making, creativity, quality safety and resilience. In the same vein, Schoeman (2014) admits that ethical managerial practices are important to a lot of important business results and that it differentiates conspicuous organizations from the ordinary.

The ability of managers and leaders of organizations to build a culture where training on prevention of crisis, reduction of vulnerabilities, protection of human rights, honesty and integrity etc. an ethical practice and part of the company's policy will enhance a strong resilient capacity and form a well-established confidence on investors, stakeholders, clients/patients, staff and also the community on which the organization operates.

Richard, Osborn, and Groves (2013) discussed extensively on business ethics and argued that business ethics is the putting into practice a set of moral values accepted by an organization's stakeholders as the codes that should determine behaviors. According to them, looking at the way organizations show ethical behavior, it is obvious that the outcome of failure can be disastrous and can even deprive the organization the freedom to operate irrespective of its legal rights.

Moderating Role of Culture

It is apparent that the culture of an organization which is the shared belief, value, norms and preferences of the organization often determine the conduct of the employees and this can form the opinion of the organization's stakeholders, suppliers and the world at large about the organization.

Ernst and Young (2012) admitted that an organization's culture plays an important function in its resilience, maintaining that it makes stronger an organization's skill to change and adjust and influence the environment. They added that people are the main resource of resilience and that the ability to attract and retain the best people is very important to the resilience of an organization. To them, a commonly held belief of CEOs is that organizational resilience is by extension a difficult cultural task and culture is controlled by managers.

According to Barrett (2010), the culture that leaders create largely depends on their behaviors and their relationship with other leaders and their staff in the organization. However, Briggs and Morgan, (2015) maintained that a good positive ethical culture inspires their managers to be worthy of emulation and to learn from the ethical predicaments that unavoidably happens during business operations.

Hamel and Valikangas (2003) asserted that an organization need to practice a particular type of business culture as spelt out by Lengnick-Hall and Beck (2005) in order for it to be resilient, According to them, first, a company should possess "cognitive resilience", meaning the organization should be deeply familiar with the events that takes place around it and wisely address the need for change and come-up with best reactions.

Secondly, companies should possess "behavioral resilience" meaning that they react with free flow of information, design cordial relationships and look for many avenues of data or facts in the case of suspicious sources.

Thirdly, "contextual resilience" which focuses on the inner social links. Interpersonal networks aid companies fight with and react to changes. (Lengnick-Hall and Beck, 2005) around it and wisely address the need for change and come-up with best reactions.

Secondly, companies should possess "behavioral resilience" meaning that they react with free flow of information, design cordial relationships and look for many avenues of data or facts in the case of suspicious sources.

From the foregoing discussion, we hereby hypothesized thus:

H₀₁: organizational culture does not significantly moderate the relationship between ethical managerial practices and organizational resilience in tertiary hospitals in

Bayelsa State.

Methodology

The study used a cross sectional research design involving directors and heads of departments of the Federal Medical Centre, Yenagoa and Niger Delta University Teaching Hospital, Kolobiri. The primary source of data collection was through the structured questionnaire. The sampling elements in the population consist of 113 directors and heads of department of both hospitals. The entire population elements are included in the study therefore no sample size was determined. After data cleaning, only data of 83 respondents were finally used for data analysis. Descriptive statistics and Spearman's Rank Order Correlation was used for data analysis and hypothesis testing with the aid of the SPSS Package version 20. The internal reliability of the instrument is as shown below:

Table 1: Reliability statistics for the instruments

Variables	Number of items	Cronbach's alpha
Ethical managerial practices	4	0.867
Organizational resilience	4	0.789
Organizational culture	4	0.925

Source: Research data, 2017

The following Cronbach's alpha result shows the test of reliability of the scale. Therefore *the* reliability level of the scale is acceptable.

Results and Discussions

Bivariate Analysis

The secondary data analysis was carried out using the zero order partial correlation tool at a 95% confidence interval. The 0.05 significance level is adopted as criterion for the probability of either accepting the null hypotheses at ($p > 0.05$) or rejecting the null hypotheses at ($p < 0.05$).

Table 2- Partial Correlation showing the Moderating Influence of Culture on the Relationship between Ethical Managerial Practices and Organizational Resilience

Control Variables	Eth Mgerial Pract	Org Res	Org Culture
Corr	1.000	.924	.842
Et. Mgr			
Sig 2-tld		000	000
Prc.			
Df	0	81	81
Sig 2-tld			
Corr	.924	1.000	.867
Org.			
Sig 2-tld	000		000
Res.			
Df	83	0	81
Corr	.842	.867	1.000
Org.	81		
Sig 2-tld	000	000	
Cult			
Df	81	81	0
Corr	1.000		

Et.Mgr		
Sig 2-tld		
Prc.		
Df	0	
Org. Cult		
Corr	.723	1.000
Org		
Sig 2-tld	000	
Res.		
Df	80	0

Source: SPSS data output, 2017

Table 2 above shows partial correlation results on the influence of organizational culture on the relationship between ethical managerial practices and organizational resilience. There exist a positive correlation between EMP and OR and it is moderated by organizational culture. With a rho value of 0.723 significant @ $p < 0.000$ and lies within out preferred 0.05 confidence level shows its influence. This indicates a positive relationship between the examined constructs in the study. The significance of this finding implies that the culture of the organization has a vital role on ethical managerial practices and organizational resilience since the correlation is high. Management should thus, pay attention to strict adherence to ethical principles for a culture sound ethical culture. This supports the assertion of Madu (2011) that those at the highest hierarchy in the organization are responsible for its culture.

Conclusion and Recommendation

The study thus concludes that Health Institution whose culture embraces strict adherence of the principles of ethical managerial practices involving both management and staff create an atmosphere where members are committed, loyal and feel a sense of responsibility for the success of the organization.

Based on this the following, recommendations are here proffered:

Management should pay attention to strict adherence to ethical principles for a sound ethical culture. Management should ensure the installation of an active internet and communication technology facility for an up-to-date resilience building.

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