



# Investigating the Effects of Positive Psychological Capital on Ethical Behavior in the Private Sector in Ghana

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## **Authors' contributions**

*This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.*

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## **ABSTRACT**

**Aims:** The purpose of the study was to investigate the effects of positive psychological capital on ethical behavior in some selected private organizations in Ghana. Managers in five Regions in Northern Ghana were selected to examine the causality of the variables under study.

**Study Design:** The study used questionnaires in which only managers were made to answer within a period of 4 months.

**Place and Duration of Study:** Managers in five Regions in Northern Ghana (Northern, Savannah, North East, Upper East and Upper West Regions) were selected to examine the causality of the variables under study between March 2020 and July 2021.

**Methodology:** The sample method used was stratified and systematic random sampling technique which aims at collecting data in a regular or ordered manner. The study also used factor analysis and structural equation model to conduct the analysis. The study analyzed 385 questionnaires comprising 158 for Northern region, Upper East 78, Upper West 65, Savannah 52 and North East 32.

**Results:** The results shows that the fit of the structural model for the relationship is good with  $\chi^2 = 411.368$  (df = 245),  $\chi^2/df = 1.679$ , CFI = 0.983, GFI = 0.916, TLI = 0.981 and RMSEA = 0.042. The results of the structural path estimates revealed that the standardised estimate of -0.369 between

PPC and EB was statistically significant (P-Value=0.002) and a negative relationship was predicted. Furthermore, the C.R. value was -3.138 greater than  $\pm 1.69$  indicating that the probability of obtaining a critical ratio as large as 3.138 in absolute value is less than 0.05. This implies that the regression weight for PPC in the prediction of ethical behavior is significantly different from zero at 0.001 level. Overall, the result confirmed that the relationship between Positive Psychological and Ethical Behavior is supported by previous studies.

**Keywords:** *Positive psychological capital; ethical behavior; structural equation model; confirmatory factor analysis (CFA); exploratory factor analysis (EFA).*

## 1. INTRODUCTION

Organizational ethics refers to a set of values that identify an organization from those working in the organization as well as from the perception of those who have dealings with it [1]. Such a set of values can be considered in a broad sense as the set of values structuring the organization and its practices, be they final values or instrumental, positive or negative. Ethics further describes those values that express the mission, vision and the organizational commitments that are linked to the moral and corporate identity of managers and employees.

Ethics is a kind of training that applies to everybody in the organization, paying little heed to position, level of liability, and scope of obligations [2]. Ethical conduct and endeavors relate with activities, which are described as "trustworthiness, respectability, ethical quality and good management practices" [2]. Moreover, there are factors, which hinder ethical conduct like expanding rivalry; return on investment; political corruption; qualities and ethics not considered significant by more youthful ages; the anticipation of quick money and benefits; and dismissal for social obligation, trustworthiness, and uprightness [3,2].

Indeed, studies have shown that, there has been an increased focus on work place ethics because of the current known modern ethical failures in organizations. For example, Reuters [4] has stated that, a French-based Airbus agreed to pay a record of \$4 billion in fines for alleged bribery and corruption, spanning at least 15 years. Also, Swiss-based pharmaceutical company (Novartis) pays a staggering \$1.3 billion in a settlement for kickbacks, bribery and price-fixing [5] and last but not the least, former Goldman Sachs Executive in London helped a Turkish energy company to pay at least \$2.5 million to a Ghana-based intermediary, most of which were used to bribe Ghanaian government officials in 2015 to secure approval of an electrical power plant project [6].

In fact, these world class scandals described what can occur as the impact of unscrupulous culture brought about by top management in organizational setting. It is therefore fundamental for managers to set up a moral environment in which employees are encouraged to act in an ethical manner. Also, organizations are relied upon to keep an essential separation from the cataclysms recorded above which raises a few worries about the significance of business morals in the organization. It has along these lines become certain that the formation of a solid corporate moral environment is urgent to forestall exploitative acts. Past research has investigated the role of different impacts of ethical conduct on organizations [7,8,9].

On the other hand, positive psychological capital (PPC) is a variable that is notable and been viewed as an exceptional component for managers in organization to move over the conventional types of human capital as they continued looking for better success [10]. Luthans and Youssef [11] have contended that, when researchers throughout the years have demonstrated the significance of factors like human resources and social capital, PPC supposedly is made out of different constructs that gives managers the chance to create inner limits and qualities that will lead to individual achievement [11]. Subsequently, PPC highlights on the individual internal psychological processes, which is regarded by Luthans et al., [12] as "who you are competently turning out to be" and "what your identity is" as against "what you know" or "who you know". Appropriately, the constructs of PPC (that is, hope, efficacy, resilience, optimism) are referred to by numerous researchers as the HERO within [13].

However, empirical research on the relationship between positive psychological capital and ethical behavior in the private sector in Ghana is scarce. In order to close this gap in the literature, the present study aims at investigating the effects of positive psychological capital on ethical

behavior among managers in the five Northern Regions in Ghana. Though, similar studies have been conducted by researchers in other countries to investigate the relationship between these two variables which found a positive significant relationship between them [14] (Abbas & Raja, 2015; Bouckennooghe, 2015).

### 1.1 Research Objective

The aim of this study is to determine whether positive psychological capital has any effect on ethical behavior in the Private Sector in Ghana.

### 1.2 Research Question

The study intends to find out whether positive psychological capital has any effect on ethical behavior in Ghana?

### 1.3 Literature Review

Ethical behavior can overall be described as behavior that is seen as expressly planning what people can and should not do [15]. Thus, ethical conduct is alluded to as rules, behavior, codes, that provide guidance to morally correct behavior and truth in explicit conditions [16]. The description centers around the functions moral organizations can perform in developing managers' moral behavior. Regardless, the functions of the organization are indicated in the definition to the extent that it is the general organization climate that routinely gives the setting where managers' decisions occur at work. Therefore, managers as ethical leaders determined the impact of employees' behavior in ethical way through their status and powers. [7,9].

Many studies indicate that, there is an association between morals and the worldwide financial crisis [17,15,18]. It is extremely evident that the formation of a solid ethical organizational climate is crucial to forestall dishonest acts which are fundamental for organizations to set up an ethical climate as shared consideration among individuals that ought to incorporate the presence of codes of conduct, opportunity, clear procedures and policies [19].

Undoubtedly, it is significant that, ethical organization can evidently influence the conduct of horrendous employees in organization. The efficiency and effectiveness in planning and monitoring of workers activities that are pointed towards removing bad practices in organization are significant for the success of an organization [17].

However, difficulties of numerous unethical attitudes of managers at the top in organizations with respect to bad behaviors including corruption and bribery have motivated researchers to study managers EB concerning their ethical decision and action plans [20]. To support this statement, a common model is given in organizations where a few managers engaged with scandalous practices as seen in Enron and Satyam PCs in India and the Air Bus scandals are known exploitative organizational stress that put a mark on the effectiveness and efficiencies of managers in unethical organizations in recent times.

### 1.4 Positive Psychological Capital (PPC)

Goertzen and Whitaker [21] have indicated that, PPC provides a structure to perceive human assets that can be useful in accomplishing human undeveloped abilities. Also, researches in psychology indicate that, positive organizational conduct may provide alternatives to help managers not exclusively to strive, but to successfully and productively flourish during and after a time of trouble in the organization. In line with this view, Youssef-Morgan and Petersen [10] affirmed that, PPC is coming as a potential choice to urge managers to comprehend the best human accomplishment at the working environment.

Nonetheless, it should be noticed that, PPC constructs (self-efficacy, hope, optimism, resilience) are not psychological "characteristics" such as knowledge or character qualities that are fixed and cannot be changed, nor are they "state-like" such as feelings that neither change within a timeframe in a given circumstance. In support of this view, Cavus and Gokcen [22] contended that PPC constructs are state-like limits that are somewhat malleable. To additional help Cavus and Gokan's case, a few researches uncovered that PPC constructs are malleable to human intercession by practitioners of human resources [12,23,10].

In fact, the malleability of PPC constructs shows that, managers can develop and improve PPC through workshop, training, observation and seminar. PPC Intervention programs aims to develop the psychological capital of managers through specialized workshops. In these interventions training session, managers will enhance the elements of Self-Efficacy, Optimism, Hope and Resilience which will determine their performance.

## 1.5 Self-Efficacy

Self-efficacy is characterized by Luthans and Youssef [12] as "a person's conviction or certainty about his/her own capacities to self-inspire and activate the intellectual assets, and chalk-out the blueprints expected to effectively execute a specific undertaking". Sehhat et al., (2015) accepted that, managers with higher self-efficacy are anticipated to prevail on hard difficulties and challenges, abiding in firm conviction and endeavors that their capacities and abilities will help them to flourish. Managers who are blessed with efficacy are found to have the craving for the performance of difficult task, in view of their conviction that the challenge would be overcome, which leads to self-improvement and empowerment.

## 1.6 Optimism

Optimism has been characterized by Luthans and Youssef [12] as a positive informative style that ascribes positive occasions to internal, lasting, and unavoidable causes and negative occasions to external, transitory and circumstance explicit ones. The meaning of optimism communicates managers' conviction of encountering more positive things than negative ones in the future. Hence, it is also significant for managers to be worried with how individual clarifies the causes and impacts of previous positive and negative events in anticipations about the future.

However, according to Malouff and Schutte (2017) optimism alone is not sufficient to address disappointment, sadness, and different issues in the organization. But, Kolokotroni et al., [24] disagreed and asserted that, the managers' optimism is emphatically identified with their trust in their capacities and capabilities, on the grounds that as their optimism develops the confidence about future occasions also rises.

## 1.7 Hope

Hope has regularly been viewed as enthusiastic interaction which is characterized by Luthans et al., [12] as a persuasive state dependent on common relationship of factors like agency, pathways and goals which further empowers a person to picture an alternate arrangement of solution for any risky circumstance to make progress. Despite this intriguing meaning of expectation, the construct cannot prevail without pathways and resolution and these two things

should have been there to meet organizational objectives and targets (Cheavens et al., 2019; Bury et al., 2016). On the side of this, Bartz et al., [25] contended that, pathways and self-control necessities can help each other to push a manager to look for new other options while resources and innovations are utilized to improve new pathways.

## 1.8 Resilience

Resiliency is characterized by Luthans et al., [12] as the capacity of a person to bounce back from affliction of most testing occasions, for example, extreme change in occupational duties, struggle, disappointment, or positive occasions, success, and expanded duty. Resilience without a doubt is to take an individual back to a situation to empower him/her to flourish, however it can just prevail within the sight of difficulty resulting in development and showed variation. Researchers have concurred and shown that resilience addresses the managers' capacity to recapture themselves from rout despite the fact that there is the assurance to create above anticipated performance to obtain higher standards [12] (Oja et al., 2019).

### 1.8.1 The effects of positive psychological capital on ethical behavior

Hoedoafia et al., [26] have shown that the private establishment has commonly been described as the driving force for the economic development in Ghana and this put enormous weights on that sector. The Government is expected to establish the enabling climate to induce the required development. However, the private sector establishment cannot be the driving force of development when the economy is troubled. The World Bank's doing business report (2017) showed some of the positive psychological capital and ethical behavior challenges in some of the organizations hindering the growth and development of businesses in Ghana to include lack of transparency, weighty administrative processes, poor management systems, a weak productivity, bureaucracy, insolvency problems, bribery and corruption issues.

For example, Hoedoafia et al., [26] indicated that some private sector organizations have folded because of peculiar obstacles including non-adherence to business rules, lack of adequate knowledge to access funds to organize training and development programmes which leads to high rate of job dissatisfaction and employee

downsizing. Again, poor economic performance in the private sector is emanating from poor management which makes it difficult for the private sector to recruit the needed manpower thereby increasing the unemployment rate in sub-Saharan Africa (Yeboah-Boateng & Essandoh 2014). Furthermore, studies on management problems showed the presence of favoritism, nepotism, discrimination and tribalism which questions the basis for the existence of positive psychological capital and ethical behavior in the organizations (Amoah & Amoah, 2018)

These organizations in the private sector in Ghana should not track the way of disappointment. They should be helped to flourish since the absence of managers' knowledge in PPC and ethical standards are hindering the efficiencies and effectiveness of the private organizations in the country. It is against this background that this research is conducted to determine whether PPC has any effect on EB in the Ghanaian private sector. This study will further assist managers and policy makers to better understand the issues affecting managers so that they can adopt ethical practices that will help increase employees' confidence and commitment for effective organizational performance.

### 1.9 Theoretical Framework

Ethical decision-making theory (EDMT) postulate that ethical behavior in organization decides the good or bad of individuals conduct and trust which shapes their interactions and decision-making processes (Remišová, et al., 2019). According to Newman et al., (2017) ethical behavior indicates the organizations practices, policies and techniques on ethical issues and its impact on workers' demeanor that serve as direction for a manager's behavior. In this regard, it is essential that organizations set ethical values for its managers alongside giving an empowering environment that energizes moral conduct, proficient authority, trust, responsibility and make employees feel important [27].

Notwithstanding this, research indicates that challenges confronting organizations are encased with untrustworthy qualities between managers and the organizations which is an incredible issue that should be considered for developing and enhancing managers conduct (Remišová et al., 2019; Sabiu, et al., 2016).

According to Hijal-Moghrabi et al., [27] PPC (that is, hope, self-efficacy, optimism and resilience) is also regarded as a higher-order core variable that has a shared attribute of positive argentic (intentional) that aims towards success and achievement regardless of what changes and difficulties emerges. In line with Psychological Capital Theory (PCT), PPC resource development has been viewed as something that can positively be evaluated and identified with some key workplace outcomes, including managers satisfaction, absenteeism and performance (Sabiu et al., 2016)[11].

Studies have shown that PPC have a positive relationship with ethical behavior (Soni & Rastogi, 2019) [10] (Chen, 2015). Similarly, empirical studies have shown that positive states such as positive emotions and state-like constructs of PPC have a positive effect on organizational behaviors and outcomes [27,13] Sabiu et al. 2016). Rahman, et al. (2018) led an exploration to survey the impact of positive psychological capital on the moral conduct of sales force in telecom sector in Pakistan. The study gathered information through questionnaires-based survey from 192 sales staff of telecom sector. The results of the investigation showed that every one of the sub elements of positive psychological capital have positive and huge impacts on the moral practices of sales force in telecom sector in Pakistan. Therefore, this study has developed a theoretical model to assess the effects between variables in the private sector establishment in Ghana. Thus, the following is hypotheses as;

H1: There is a significant effect of positive psychological capital on ethical behavior

In fact, the conceptual model as seen in Fig. "1" shows that PPC has four constructs which are self-efficacy, hope, resilience and optimism. However, each of these four constructs has a strong relationship with PPC. The model also shows that PPC has a relationship with EB in the organizational setting.

## 2. METHODS

### 2.1 Measures

This study adapted PPC questionnaire from Lee et al., [28]. The PPCQ consist of four subscales with equal weight: hope, self-efficacy, resilience and optimism. Each of these subscales comprises of six items with options on a five

Likert scale ranging from 1 ('strongly disagree') to 5 ('strongly agree'). This study also adapted the EB scale by Daniel [29] which comprises of 12 items. The five-point Likert scale was used to measure this scale and it ranges from 1(Never) to 5(Always).

### 2.2 Sample Size Determination

The minimum sample size formula in equation (1) was used to calculate the sample size for the study. A confidence level of 95% and a 5% margin of error were used since the study is a cross-sectional survey and the response variable is qualitative (Cochran, 1977).

$$\text{Sample size (n)} = \frac{\left(Z_{1-\frac{\alpha}{2}}\right)^2 P(1 - P)}{E^2} \quad (1)$$

Where;  $Z_{1-\alpha/2}$  is the standard normal variable (at 95% confidence level, it is 1.96) P is the expected proportion in the population possessing attribute of interest based on previous studies or pilot studies. If no approximation of P is known, P = 0.5 is used which will give a sample size sufficiently large to guarantee accurate results (Bluman, 2009). E is the margin of error or precision which is decided to be 5%.

$$\text{Hence, Sample size (n)} = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2} = 384.16$$

Which, when rounded up, is 385 households to sample.

In view of the data in "Table 1": the sample size for each region was determined proportional to the number of medium and large businesses in the region. Selection of organizations in each region (stratum) was broadly driven by systematic random sampling technique. In systematic sampling, every  $k^{\text{th}}$  unit was selected

beginning with a unit which corresponds to a number  $r$  chosen at random from 1 to  $k$ , where  $k$  is an integer, such that  $k = (\text{population size} / \text{sample size})$ , the reciprocal of the sampling fraction. Questionnaires were distributed to managers of the selected organizations within the five regions using cross-sectional design. The researcher distributed about 500 questionnaires to respondents and retrieved 385 making a response rate of 100%. The reason for distributing more questionnaires was to prevent any short fall in the required sample size. In fact, the researcher together with two research assistants went to the respondent's workplace personally to distribute the questionnaires in all the five Regions and after 3 months the researcher and the assistants went back to the respondent's workplaces to collect them back.

### 3. RESULTS AND DISCUSSION

This study used SPSS for descriptive analysis and in order to test the relationships between the two variables, SEM was performed using AMOS 23 program. Muthén and Muthén [30] have suggested that, construct validity should be assessed by running a confirmatory factor analysis (CFA) before testing PPC and EB paths using the FA, CFA and SEM.

PPC is a higher order need of human capital because it focuses on complex behavioral and developmental issues in an organization. PPC is perceived by Soni and Rastogi (2019) as what you can become in terms of positive development in an organization. Hence, PPC and ethical behavior were contended to provide vital guide to productive and efficient working environment to managers in an organization (Chan, 2018; Youssef-Morgan & Petersen, 2019).

**Table 1. Number of registered medium and large enterprises as at 2019in the five regions**

Region	Number of registered enterprises
Northern region (nr)	1147
Upper East Region (UER)	565
Upper West Region (UWR)	472
Savanna Region (SR)	379
North East Region (NER)	237
Total	2800

Source: Registrar General's Department

Researchers have indicated that modern organizations are looking for managers who are focused, committed and will work beyond their defined roles (Gong et al., 2019; Bakker & Leiter, 2017). PPC therefore, aims at fostering gradual behavioral change by encouraging positive work outcomes such as ethical behavior. In this context, it is assumed that PPC develops ethical principles which lead to the collective benefit of the organization over individual benefit. A positive effect of PPC on EB could lead to an ethical corporate culture that will improve the morale of all organizational members, loyalty and employee retention which could increase productivity [10].

### 3.1 Descriptive Analysis

The constructs items in the study were measured using Likert - point scale ranging from 1 (strongly disagree) to 5 (strongly agree). To understand the obtained data better, descriptive analysis was conducted on PPC capital and EB variables. The results were tabulated and subsequently discussed below.

### 3.2 Positive Psychological Capital

In this study PPC was measured using 15 items. The descriptive statistics for the items are shown in Table 2. The standard deviation was below 1.00, this means that all the respondents have agreed on all the statements relating to PPC based on the mean scores which are around four. Items with highest mean scores in this study were PPC7 with mean = 4.2338, SD = 0.89989, followed by PPC2 with mean = 4.1247, SD = .96287 and PPC1 and mean = 4.0701, SD = 1.0014. There was no response below three.

### 3.3 Ethical Behavior

Ethical behavior for this study was measured using 9 items. The Likert-point scale items ranged from 1 (Never) to 5 (Always). The descriptive statistics for the items are shown in Table 2. Almost all the items were rated below three and the standard deviation were all below 1.00, this means that all the respondents have a neutral (Sometimes) position on all the statements relating to EB because all the mean scores are below three. Items with highest mean scores in this study were EB 3 with (mean = 2.4545, SD = 1.15409, this was followed by EB 4 and EB 6 which indicate with mean = 2.4494, SD = 1.16286 and mean = 2.4494, SD = 1.18064. There was no response above three.

### 3.4 Exploratory Factor Analysis (EFA)

In this study the exploratory factor analysis (EFA) was conducted as a way to distinctly examine the studied constructs. Factor analysis was basically not only to group factors but also to remove items with low factor loading; as a result, loadings below 0.50 were removed. The reason behind the removal of low loadings is on the reason that in structural equation modelling both measurement and structural model insists on items with high factor loading [31].

Before performing EFA, it was necessary to check the adequacy of sample and the presence of correlations among the variables. This was done using the Kaiser – Meyer Olkin (KMO) measure of sampling adequacy and Bartlett's test of Sphericity. Based on the above, Table 3 indicated that the data in this study obtained KMO value of 0.868 and Bartlett's test of Sphericity was also statistically significant (0.000). The results of the KMO and Bartlett's test of Sphericity confirms the factorability of the data since the sample was deemed adequate and the variables were significantly correlated.

### 3.5 Results of Exploratory Factor Analysis (EFA)

This study has performed a one-time factor analysis for the two constructs using principal component with varimax rotation. The Kaiser criterion also known as the eigenvalue rule was applied to obtained the number of factors to retain. According to Goretzko et al., (2019) the Kaiser criterion rule indicate that, a fix number of factors can be used to retained factors for analysis aside the use of eigenvalue greater than 1.00.

Based on this rule, 5 factors were extracted with eigenvalues greater than 1.00, which explains 53.458 percent of total variance. Factor loadings for all the items in the 5 factors were fairly good as they ranged from 0.506 to 0.940, which properly loads on each factor without any cross loadings. The communalities of the items were above 3.0, which showed that the items fit well with each other within each individual factor [31].

Really, all the 5 factors were retained and underlying factors identified as follows: (i) Hope (ii) Self- efficacy (iii) Optimism (iv) Resilience (v) Ethical Behavior. Indeed, with these 5 factors, four of them were identified as the constructs of PPC and the other one was EB variables. EB

was considered the most important variable because it obtained the highest eigenvalue of 11.811 and percentage of variance of 19.685. This was followed by Resilience which explained 5.653 and 5.016 percent of eigenvalues with variance of 9.422 and 8.361 respectively. However, resilience had 3.047 of total eigenvalue and 5.09 as percentage of total eigenvalue, while hope and optimism had 1.973 and 1.835 eigenvalues and 3.288 and 3.058 as percentage of variance. The cumulative percentage accounted for 53.458.

### 3.6 Assessment of Reliability

This study uses the reliability of CFA model using Cronbach's alpha values obtained from reliability analysis in SPSS while the CR values were obtained using the formulas suggested by Hair et al. [32]. According to the results presented in Table 5, the reliability of the CFA model in this study was confirmed since all of the constructs

obtained Cronbach's alpha and CR values above 0.70 [32].

To examine the effect of PPC and EB, the construct of PPC was modelled as the exogenous construct while that of ethical behavior was modelled as the endogenous construct. The results shows that the fit of the structural model for the hypothesised relationship is good with  $\chi^2 = 411.368$  (df = 245),  $\chi^2/df = 1.679$ , CFI = 0.983, GFI = 0.916, TLI = 0.981 and RMSEA = 0.042. For this study, the results of the structural path estimates indicated that the standardised estimate of -0.369 between PPC and EB was statistically significant ( $P$  - Value = 0.002). Further, the C.R. value was -3.138 greater than  $\pm 1.69$  indicating that the probability of obtaining a critical ratio as large as 3.138 in absolute value is less than 0.05. This implies that the regression weight for PPC in the prediction of EB is significantly different from zero at 0.001 levels.

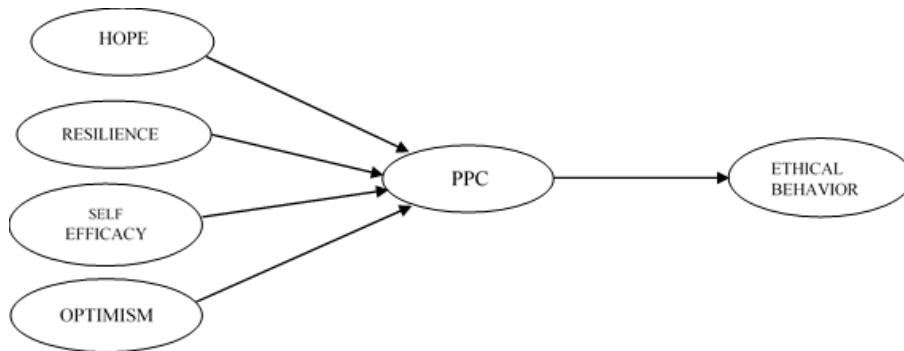


Fig. 1. Conceptual model

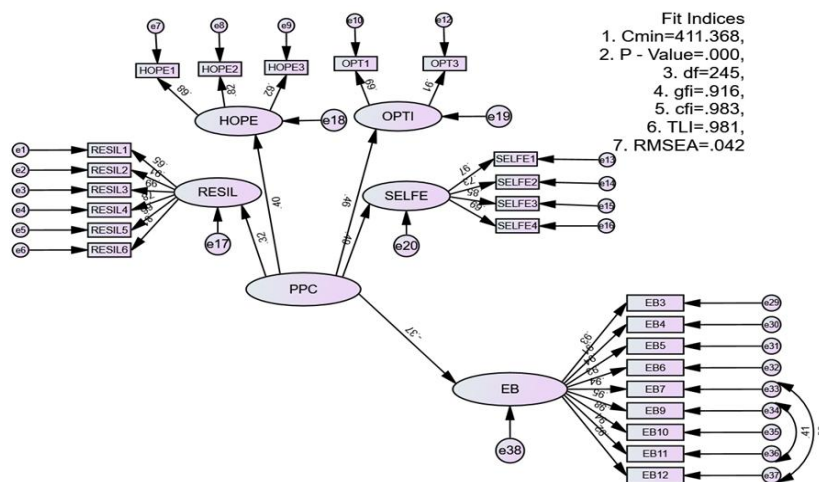


Fig. 2. Structural model

\*\*\* $p < .002$



**Table 2. Descriptive analysis**

	<b>Items</b>	<b>Mean</b>	<b>SD</b>	<b>Skewness</b>	<b>Kurtosis</b>
<b>Positive Psychological Capital</b>					
3	I feel confident contributing to discussions about the organization's Strategy. (optimism)	4.1247	.96287	-1.378	1.885
4	I feel confident helping to set targets / goals in my organization. (hope)	3.6234	1.10207	-.550	-.391
5	I feel confident contacting people outside my organization (e.g. Suppliers, customers) to discuss problems of the organization. (Self-efficacy)	4.117	.81041	-1.092	1.988
6	I feel confident presenting information to a group of colleagues. (Hope)	3.9714	.95836	-.799	.164
7	If I find myself in a load of work, I could think of many ways to get out of it. (optimism)	4.2338	.89989	-1.555	2.921
8	At the present time, I am energetically pursuing my work goals. (resilience)	3.6883	1.15086	-.699	-.321
9	There are lots of ways around my problems. (self-efficacy)	3.9221	.93494	-.920	.785
10	Right now, I see myself as pretty successful at work. (self-efficacy)	3.9948	.86300	-.894	1.008
13	When I have a setback at work, I have trouble recovering from it and moving on. (self-efficacy)	3.926	.9860	-.776	.298
14	I usually manage difficulties one way or another at work. (resilience)	4.1429	.86774	-1.362	2.406
15	I can be on my own at work if I have to. (resilience)	4.0272	.92416	-1.220	1.569
16	I usually take stressful things at work in stride. (hope)	3.7974	1.05844	-.793	.088
18	I feel I can handle many things at a time at this job. (resilience)	3.9532	.97248	-.897	.420
20	If something can go wrong for me workwise, it will. (resilience)	4.779	.94050	-1.232	.1546
24	I approach my work with all the seriousness it deserves which gives me the needed results. (resilience)	4.0234	.96931	-1.202	1.300
<b>Ethical Behavior</b>					
3	Are you able to manage your personal biases in decision making?	2.4545	1.15409	.111	-.534
4	Do you explain the importance of honesty and ethics in the work you do?	2.4494	1.16286	.123	-.577
5	Do you support employees who follow the standard ethical behavior in the organization?	2.4260	1.17940	.169	-.615
6	Do you give orders regardless if they appear unethical?	2.4494	1.18064	.103	-.735
7	Do you discipline employees who violate the organization's ethical behavior?	2.4390	1.14580	.129	-.576
9	Do you act ethically in making decisions in the organization?	2.3740	1.14589	.129	-.678
10	Do you favor family/ friends when recruiting or promoting staff?	2.3714	1.16132	.174	-.662
11	Do you occasionally provide training for employees' development?	2.4104	1.15149	.117	-.628
12	Are issues of right and wrong discussed at staff meetings.	2.4468	1.17389	.133	-.664

**Table 3. KMO and bartlett's test of Sphericity**

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>			<b>0.868</b>
Bartlett's Test of Sphericity	Approx. Chi-Square		18525.893
	df		1770
	Sig.		0.000

**Table 4. Results of exploratory factor analysis and their code names (EFA)**

Latent Variables	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor name	Factor code
EB 3	0.884						
EB 4	0.878						
EB 5	0.899						
EB 6	0.892						
EB 7	0.911					Ethical	
EB 9	0.909					Behavior	
EB 10	0.934						
EB 11	0.911						
EB 12	0.897						
PPC 8		0.808				Resilient	RESIL 1
PPC 14		0.772					RESIL 2
PPC 15		0.943					RESIL 3
PPC 18		0.940					RESIL 4
PPC 23		0.883					RESIL 5
PPC 24							RESIL 6
PPC 5			0.908			Self	SELFE 1
PPC 9			0.789			Efficacy	SELFE 2
PPC 10			0.846				SELFE 3
PPC 13			0.846				SELFE 4
PPC 4				0.627		Hope	HOPE 1
PPC 6				0.676			HOPE 2
PPC 16				0.688			HOPE 3
PPC 3					0.672	Optimism	OPTI 1
PPC 7					0.687		OPTI 2
Initial eigenvalues	11.811	3.047	2.739	1.973	1.835		
% of variance	19.685	5.079	4.565	3.288	3.058		
Cumulative %	19.685	42.547	47.112	50.399	53.458		

**Table 5. Reliability Coefficient of PPC and EB Constructs**

Construct	No. of Items	Cronbach's alpha	CR	AVE
PPC	15	0.818	0.958	0.589
EB	9	0.985	0.962	0.765

**Table 6. The regression weight for PPC – EB Relationship**

Hypothesized path	Standardized Estimate (beta)	S.E.	C. R.	P- value	Results
H1: PPC →EB	-0.369	0.495	-3.138	0.002	Supported

*Note. p<0.002*

**Table 7. Correlations between PPC and EB**

Variable	PPC	COUR	EB
PPC	1	0.081	-0.369
EB	-0.369	-0.261	1

#### 4. CONCLUSION

This study evaluated the effects of PPC on EB in the private sector which considered the medium and large establishments in Northern Ghana. The results of the study showed a correlation between PPC on EB. This shows that PPC was found to be predicting ethical behavior and thus, supports previous studies by Ur Rehman et al., (2018) and Luthans et al., (2007) that recommended that PPC acts as a cause to EB. The finding is also in line with the study carried out by Sabiu et al., (2016), Golparvar and Azarmonabadi [33] which indicate that a proactive manager has a high scoring on all segments of PPC. However, this study on the reverse showed a negative correlation indicating that the relationship between PPC and EB means that an increase in one variable is associated with a decrease in the other and vice versa.

Thus, the effect of PPC on EB aims at keeping unhealthy levels of competition and personal relationships among organizational members out of the work place, while providing a climate where members feel they are treated fairly and equally (Sabiu et al., 2016). Earlier research by Luthans et al., (2007) further, found that the PPC state of managers has a direct impact on assisting employees and achieving the goals mutually. A significant effect of PPC on EB could lead to attractive attitudinal results such as, organizational responsibility and work satisfaction, [33].

It can also be stated that the development of PPC by managers could have a positive significant effect on EB in organizations and this will support managers with the opportunity of maintaining good relationship, development of resilience and positivity at workplace, (Ur Rehman et al., 2018). This discovery indicates that PPC is a positive attitude which empowers people to accept liberal assumptions for the future prospects.

The theoretical commitments of this study add to the literature of organization behavior. This study further provides support to practitioners and management to present specific training and development programs (seminars, workshops etc.) for managers to promote PPC and ethical practices at working environments. Appropriately, organizations need to apply PPC by vivaciously drawing the attention of managers to responsible behavior and debilitating reckless acts.

#### 5. LIMITATIONS AND FUTURE RESEARCH

The results of this study are not completely generalizable because the sample was chosen from only registered medium and large organizations in Northern Ghana. Thus, the study is not representative of all private organization in Northern Ghana. Again, the sample size was somewhat small due to time constrain and absence of financial support to cover all organizations in the private sector.

Future studies could look at a similar model on different tests, that is, employees or managers in public organizations in Ghana or in other cultural settings. The ethical conduct structures are exceptionally complicated thus; practitioners and researchers should examine the development of ethical behavior to comprehend the standards and kinds of moral conduct that might actually impact managers' activities in their respective organizations.

This study has given new meaning into the expectation of PPC and EB which provides new directions for research on positive psychological capital and ethical behavior. The findings featured the importance that the application of EB provides assurance in supporting managers' PPC. Therefore, a demonstration that managers should provide a conducive environment for EB to thrive. A particularly conducive organization climate fortifies the wellbeing of managers and improves their PPC. This further offers a reasonable preferred position to organizations.

#### DISCLAIMER

The methodologies used for this research are commonly and predominantly use methods in our area of research and country. There is absolutely no conflict of interest between the authors and the respondents because we do not intend to use this study as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by those organizations rather it was funded by personal efforts of the authors.

#### CONSENT

All authors declare that this study was a cross sectional study and therefore does not need the written informed consent of managers or organization to undertake this study.

## ETHICAL APPROVAL

All authors and respondents have agreed that any information obtained in connection with this study that can be identified with any person is purely for academic purposes and will remain confidential. In any reports or publications, no one will be identified and only group data will be presented.

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## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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**APPENDIX**

**Positive Psychological Capital**

Instructions

Below are statements that you may think about yourself right now. Use the following scale to indicate your level of agreement or disagreement with each statement.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Somewhat agree</b>	<b>Agree</b>	<b>Strongly agree</b>	
	1	2	3	4	5	
1	I feel confident analyzing a long-term problem to find a solution	1	2	3	4	5
2	I feel confident in representing my organization in a meeting	1	2	3	4	5
3	I feel confident contributing to discussions about the organization's strategy	1	2	3	3	5
4	I feel confident helping to set targets / goals in my organization	1	2	3	4	5
5	I feel confident contacting people outside my organization (e.g. suppliers, customers) to discuss problems of the organization	1	2	3	4	5
6	I feel confident presenting information to a group of colleagues	1	2	3	4	5
7	If I find myself with a load of work, i could think of many ways to get around it	1	2	3	4	5
8	At the present time, i am energetically pursuing my work goals	1	2	3	4	5
9	There are lots of ways around my Problems	1	2	3	4	5
10	Right now, i see myself as pretty successful at work	1	2	3	4	5
11	I can think of ways to reach my current goals at work	1	2	3	4	5
12	At this time, i am reaching the work goals that i have set for myself	1	2	3	4	5
13	When i have a setback at work, i have trouble recovering from it and moving on	1	2	3	4	5
14	I usually manage difficulties one way or another at work	1	2	3	4	5
15	I can be on my own at work if i have to	1	2	3	4	5
16	I usually take stressful things at work in a stride	1	2	3	4	5
17	I can get through difficult times at work because i have experienced difficulty before	1	2	3	4	5
18	I feel i can handle many things at a time at this job	1	2	3	4	5
19	When things are uncertain for me at work, i usually expect the best	1	2	3	4	5
20	If something can go wrong for me workwise, it will	1	2	3	4	5
21	I always look on the brighter side of things regarding my work	1	2	3	4	5
22	I m optimistic about what will happen to me in the future as it pertains to work	1	2	3	4	5
23	In this organization, things never work out the way. I want it to be	1	2	3	4	5
24	I approach my work with all the seriousness it deserves which gives me the needed results	1	2	3	4	5

## ETHICAL BEHAVIOR

The list below indicates several characteristics of an ethical behavior in an organization. Based on the scale below, please rate the importance of each issue for your organizational effectiveness.

Please rank yourself on each of these characteristics using the following scale:

(1) Never (2) No (3) Sometimes (4) Yes (5) Always

<b>Principles of ethical behavior</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1 Does your organization have a written ethics policy?					
2 Do you set a good example of ethical behavior in your organization?					
3 Are you able to manage your personal biases in decision making?					
4 Do you explain the importance of honesty and ethics in the work you do?					
5 Do you support employees who follow the standard ethical behavior in the organization?					
6 Do you give orders regardless if they appear unethical?					
7 Do you discipline employees who violate the organization's ethical behavior?					
8 Are you honest when sharing information with employees?					
9 Do you act ethically in making decisions in the organization?					
10 Do you favor family/friends when recruiting or promoting staff ?					
11 Do you occasionally provide training for employees' development?					
12 Are issues of right and wrong discussed at staff meetings?					

## JOB SATISFACTION

Please tick alternatives' 1, 2, 3, 4 and 5 which represent the level of your satisfaction at your workplace based on the factors below:

Strongly disagree = 1, Disagree = 2, Somewhat agree = 3, Agree = 4, Strongly agree = 5.

<b>Factors to satisfy workers</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Somewhat agree</b>	<b>Agree</b>	<b>Strongly agree</b>
1 I am satisfied with the salary I earn with my job					
2 I am satisfied with the performance overtime compensation I earn with my job					
3 I am satisfied with the personnel promotional policies in the organization					
4 I am satisfied with the opportunities available					

	<b>Factors to satisfy workers</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Somewhat agree</b>	<b>Agree</b>	<b>Strongly agree</b>
5	for my promotion I am satisfied with the relationship with my employees at the workplace					
6	I am satisfied with my work schedule within this organization					
7	I am satisfied with my work load in this organization					
8	I am satisfied for the acknowledgement i received from my superiors					
9	I am satisfied with the policies put in place for my health (health insurance etc.)					
10	I am satisfied with the security in the physical environment at the workplace					
11	I am satisfied with the opportunities provided to develop and improve my skills and talents in the organization					
12	I am satisfied with the job training programs and activities in the organization					

**COURAGE**

Below are courageous statements and actions that you as a manager, may think about right now. Use the following scale to indicate your level of agreement or disagreement with each statement.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Somewhat agree</b>	<b>Agree</b>	<b>Strongly agree</b>
	1	2	3	4	5
<b>Courageous statements and actions</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Somewhat agree</b>	<b>Agree</b>	<b>Strongly agree</b>
1	I will admit my mistakes at work even if it will make me look incompetent				
2	I will tell employees when they are not meeting my standards even if they may dislike me for it				
3	I will privately tell employees if I think they are doing their job incorrectly, even if they may get angry at me				



	<b>Courageous statements and actions</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Somewhat agree</b>	<b>Agree</b>	<b>Strongly agree</b>
4	Although some employees may disagree with me, i will stand up to them when they are being unfair					
5	I will give employees my opinion, even if it is unpopular one					
6	Despite looking bad in the end, i will take control of a risky project					
7	I will tell my superior when an employee is doing something incorrectly even if it will affect our friendship.					
8	If an employee asks me a question about my job that I don't know, I will tell him/her that I am unsure					
9	I will suggest to employees better ways of doing things even if some of them are not pleased with that					
10	I will criticize employees when they have done a poor job even if my actions may be seen as impolite					
11	Although it will make me seem like a relief, I will publicly acknowledge someone for doing a good job					
12	I will do what i think is best for the organization even if my employees may make fun of me for it					

### **Demographic Information**

Please provide a brief demographic information about your self

#### **Q1 Age**

- (1) 20 TO LESS 30
- (2) 30 TO LESS THAN 40
- (3) 40 TO LESS THAN 50
- (4) 50 TO LESS THAN 60

#### **Q2. Gender**

- (1) MALE
- (2) FEMALE

#### **Q3. Level of education**

- (1) HND
- (2) GRADUATE
- (3) POST- GRADUATE

**Q4. Region**

- (1) NORTHERN
- (2) SAVANNAH
- (3) NORTH EAST
- (4) UPPER WEST
- (5) UPPER EAST

**Q5. Position**

- (1) UPPER MANAGEMENT
- (2) MIDDLE MANAGEMENT
- (3) LOWER / LINE MANAGEMENT

**Q6 Number of Years in the Organization**

- (1) 1 TO LESS THAN 3 YEARS
- (2) 3 TO LESS THAN 7 YEARS
- (3) 7 YEARS OR MORE

**I thank you very much for helping to fill out this questionnaire**



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