

Role of Organizational Ethics on Job Satisfaction: Case of Insurance Sector of Pakistan

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ABSTRACT

In this study, link between job satisfaction and top management's support for ethical behavior, ethical climate and association between career success and ethical behavior has been probed. For this reason, perceptions of managers of non life insurance sector have been found out to examine the link between organizational ethics and job satisfaction. Overall, the results depicted that top management's support for ethical behavior has no link with job satisfaction which is consistent with the findings of (Visweswaran et al., 1998). Furthermore, the findings imply that benevolent and principled climate can have positive and everlasting effect on job satisfaction.

KEYWORDS: job satisfaction, insurance companies, ethical climate, organizational ethics, top management's support for ethical behavior, association between ethical behavior and career success

1. INTRODUCTION

Organizational ethics can have considerable impact on an enterprise's performance. A significant number of organizations are engaging in ethical practices to ensure that a just environment prevails. Ethical codes tend to work more effectively when incorporated within the organization and are readily acceptable by the employees (Stevens, 1999). Companies are expected to devise code of conduct which will not only enable them to achieve an ethical climate but also creates a win-win situation for all the stakeholders. Those days are long gone when any unethical behavior was tolerated and issues were brushed under the carpet. But the million dollar question is that how the companies can ensure implementation of their code of conduct in a rightful manner. Organizational ethics, indeed, can put heavy weight on the shoulder of top managers; it is expected that these managers should make ethics a priority. A fake ethical program might only serve window dressing purposes but can potentially cause more damage than benefit. Employees are directly affected by the organizational climate that prevails within an organization (Visweswaran and Deshpande, 1996). Various studies have also proved that dissatisfied employees have the tendency to leave the organization for good. Ethical situations in business are becoming increasingly more complex, involving issues such as societal expectations, fair competition, legal protection and rights, and social responsibilities (Koh and Boo, 2001). So it is imperative for the top brass of the company to ensure that their company follows the ethical code of conduct to conform to the societal expectations. In the past researchers have tried to determine the factors that affect the ethical behavior. Among these determinants, personal attributes, employment background, values and education referent group caught attention of researchers and were the ones subjected to frequent study.

The objective of this research was to determine the effect of organizational ethics on job satisfaction amongst managers of Insurance companies in Pakistan. Insurance industry, besides being, relatively small as compared to other sectors in Pakistan, is also considered as one of the neglected sectors of Pakistan. This study helps unravel the factors that are potentially affecting the job satisfaction of employees of insurance companies in Pakistan and could also pave way for future research. This study concentrated on the following questions:

1. Does ethical climate affect the employee's job satisfaction in insurance companies of Pakistan?
2. Does top management's support influence the ethical behavior of its employees?
3. Does association between ethical behavior and career success affect job satisfaction?

2. LITERATURE REVIEW

Job Satisfaction

Job Satisfaction has been defined and interpreted in different aspects by various researchers. The term job satisfaction caught the eyes of researchers since the advent of 20th century. Earliest work recorded in this regard was

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by (Taylor, 1911) whose work laid the cornerstone for future studies. The Hawthorne studies were the first research carrying practical evidence of job satisfaction. Hawthorne studies were inspired by Taylor. As events unfolded, there was a shift in Hawthorne studies from scientific management to behavioral management. According to Doctor Robert Hoppock, a pioneer in the field of vocational guidance, job satisfaction was “any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job” (Hoppock, 1935). Hence, it was established in the early phase of job satisfaction research that multiple exogenous and endogenous factors play pivotal role in job satisfaction. However, the most noted definition is the one penned by (Locke, 1976) according to him “job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences.” (Vroom, 1982) defined job satisfaction as workers' emotional orientation toward their current job roles. Weiss (2002) defined it as “a positive (or negative) evaluative judgment one makes about one's job or job situation”. More recently, (Daneshfard, Rahimi, & Damirchi, 2011) described job satisfaction as “how content an individual is with his or her job”. (Haroon, Zaman, & Rehman, 2012) defined Job satisfaction as “an enjoyable emotional state resulting from the judgment of one's job; a sentimental response to one's job; and an approach towards one's job”. Weiss (2002) defined job satisfaction as “a positive (or negative) evaluative judgment one makes about one's job or job situation”. Job satisfaction has been the subject of research over the past few decades. It is also one of the most intricate subject matter that supervisors are facing when it comes to managing their sub-ordinates. Employee's perception about the nature of work can be pivotal for job satisfaction. Job Satisfaction can be composed of various factors. The ones that are a part of Minnesota Satisfaction Questionnaire are Co-workers, Achievement, Activity, Advancement, Authority, Company Policies, Compensation, Moral Values, Creativity, Independence, Security, Social Service, Social status, Recognition, Responsibility, Supervision – Human Relations, Supervision – Technical, Variety and Working condition (Aziri, 2011). A research conducted to determine the relationship between job satisfaction and organizational culture clearly manifested the presence of relationship between these aforementioned variables (Semapane, Reiger, & Roodt, 2002). Job satisfaction of individuals having jobs with career prospects is higher and their returns are also significantly higher (Theodossiu and Zangeladis, 2009). Besides organization culture, Job Satisfaction is also considered a factor of labor productivity besides impacting turnout and stability (Renu and Natarajan, 2011).

Job Satisfaction and Insurance Companies:

Role of hierarchy and stress on employees satisfaction in insurance company of Chandigarh, India was studied by (Renu and Natarajan, 2011). The researchers stressed on the point that people play pivotal role in making or breaking an organization. Therefore, satisfaction of employees is of great essence and is directly related with the growth of an industry. Despite, motivation and job satisfaction being two distinct terms, they are linked. Role is a reflection of person's status in the system. Role ambiguity comes into play when roles are not defined properly or are inadequate. Presence of role conflict and role ambiguity will result in job dissatisfaction. Furthermore, organizational commitment will dwindle as a result of this. The results indicated that role stress has no significant correlation with job satisfaction which might be due to the fact that employees under stress tend to work harder resulting in job satisfaction. Moreover, the correlation between job satisfaction and role of hierarchy was moderate and positive.

Examination of extent of job satisfaction on private and public sector employees of Indian Punjab depicted that private and public sector employees are satisfied by entirely different set of variables. Employees in public sector opined that they are not given enough training opportunities. Furthermore, it was determined that as far as income is concerned, private sector employees are more satisfied with their jobs than the public sector employees (Kaur, 2012).

Anita (2012) researched the impact of job satisfaction on one of the booming sector of India, Insurance. To determine the results, an exploratory and descriptive research was conducted on top ten insurance companies of Lucknow. The questionnaires were administered to 150 respondents. Majority of the respondents were from sales department. Results indicated that work culture is the most significant factor in insurance sector that impacts employee's job satisfaction level. Pay for performance and growth and recognition also emerged as other factors that have high level impact on job satisfaction of insurance employees.

According to (Wang, Lee, and Ho, 2012), Insurance sector in Taiwan is saturated with dozens of companies. In current situation it is an uphill task for the companies to retain existing employees. The researcher stressed that greater the extent of stay of an employee in a company, greater will be his job satisfaction. The results depicted that job satisfaction enhances the operating performance of insurance companies which deals specifically with property. A negative relationship was observed between turnover intention and operating performance. Poor reliability could have possibly marred the result.

Ethical Climate:

Victor and Cullen (1987) defined ethical climate as the “shared perceptions of what is ethically correct behavior and how ethical issues should be handled within an organization “. A two dimensional theoretical typology was developed comprising ethical criterion and locus of analysis. The foundation of this multidimensional construct was laid by sociological and psychological theories. Furthermore, they classified ethical climate into three major categories: Benevolence, egoism and principles and linked these categories with Kohlberg’s model of cognitive moral development. Egoistic ethical climate refers to the climate that prevails in an organization with employees being self-centered and working for self-interest. Benevolent ethical climate refers to the altruistic and cooperative environment that exists within an organization. Employees conforming to rules and regulations that are formulated by the top management give rise to principled climate.

Besides, role of leaders and organization structure; other factors like communication and empowerment can also impact ethical climates (Parboteeah, Chen, Lin, Chen, Lee, & Chung, 2010). Furthermore, ethical values can also shape the ethical climate of organizations. (Stevens, 1999)focused on effective communication of ethical values to employees and identification of particular sources of communication effectiveness. Even before the abysmal behavior in the organization and corporate scandals came to lime light, business ethics were being bluntly criticized by media and public in 70’s. Therefore it was established that formulation of ethical codes and ethical organization is not a solution itself but a minuscule step in problem solving panacea. Communication of ethical issues is becoming a cause of concern for the number of organizations. The methodology comprises two different hotels situated in two Midwestern cities involving total 215 employees. The article supports concept of participative learning and also significance of training and orientation programs was highlighted .Ethical codes tend to work more effectively when incorporated within the organization and are readily acceptable by the employees.

Job Satisfaction and Top management’s support for ethical behavior:

Visweswaran et al (1998) tried to ascertain the relationship between all dimensions of job satisfaction with top management’s support for ethical behavior. Job satisfaction was measured in terms of pay, promotion, co-workers, supervision, work and overall combination of all these facets. The results depicted that perceived top management’s support for ethical behavior has no significant impact on job satisfaction. Pakistan shares its eastern borders with India and both these countries have almost similar cultures. Therefore it can be deduced that results in India might yield same results in Pakistan. However, contrary to that (Koh and Boo, 2001) found a significant relationship of top management’s support for ethical behavior with job satisfaction. This study was primarily linked towards managers of Singapore. Their findings were not consistent with the Indian one. Main rationale behind this could be the cultural differences. Kim and Brymer (2011) postulated that ethical leadership of top brass of the company has significant relationship of job satisfaction on middle level managers. To test this 30 hotels were selected and were given questionnaires that were filled by 324 middle managers. Kim and Brymer (2011) were also of the view that due to economic slump the banking and finance industry are not the only ones to have been hit hard, hospitality sector requires more attention as these difficult times require middle level managers to excel in their field which can’t be done without the presence of ethical leadership . However they opined that feedback from hourly staff could have further consolidated the result. Other hospitality sectors like restaurants and casinos should also be explored vis-a-vis ethical leadership. (Brown, Treviño, & Harrison, 2005) also concluded that job satisfaction of employees has strong positive relationship with ethical leadership of the top management. (Vitell and Davis, 1990)conducted an empirical research to ascertain the relationship between job satisfaction and ethics. MIS professionals were specifically targeted in this research because they were thought to be facing more moral problems as compared to employees of other functional areas of business. Job satisfaction was measured using five separate dimensions consisting of pay satisfaction, promotion satisfaction, co-worker satisfaction, supervisor satisfaction and work satisfaction. The results, interestingly, showed that with the exception of pay satisfaction top management’s support for ethical behavior has significant positive impact on all facets of job satisfaction. Also, no significant relationship was established between social responsibility and job satisfaction. (Mumtaz, Ahmed, Shad, & Ghouri, 2011)found a significant positive relationship between top management’s ethical behavior and job satisfaction of sub-ordinates in banking sector of Pakistan. They opined that dissatisfaction, leading to high turnover of employees, tends to decrease productivity, efficiency and effectiveness of banks. Another research conducted in Pakistan by (Ahmed, Shad, Mumtaz, & Tanveer, 2012)recognized the previous research as they also successfully determined that top management’s support for ethical behavior has significant positive relationship with job satisfaction of bank employees. Therefore, in the light of aforementioned results and similarities between insurance sector and banking sector in Pakistan; a hypothesis was developed.

H₁: Top management support for ethical behavior has significant effect on job satisfaction

Job satisfaction and Ethical Climate:

Ethical climate of an organization can have considerable impact on job satisfaction of employees. (Ulricha, O'Donnell, Taylor, Farrar, Danise, & Grady, 2007) probed into relationship between ethical climate, ethical stress and job satisfaction. Prior to this study, there was no research done that established link corresponding to these factors. Employees' intentions to leave the organization were reversed in case of positive ethical climate and job satisfaction. The ethical climate was also found to be acting as a mediator in relationship between ethical stress and job satisfaction. (Schwepker, 1999) was of the view that due to difference in opinions, positions, workgroups and employment histories; every organization might have different organizational climate. It is an irrefutable fact that both ethical and unethical climate exist in every organizations (Koh and Boo, 2001). A positive relationship between salespeople's perception of their organization's ethical climate and their job satisfaction was determined. Furthermore, commitment prevents people from leaving the organization. (Daneshfard *et al.*, 2011) surveyed the role of ethical climate on job satisfaction in small and medium enterprises. Small and medium enterprises act as a corner stone for the economy of Iran. 10 to 49 employees working in an enterprise can be considered as SME in Iran. Job satisfaction can be understood in terms of its relationships with other key factors, such as general well-being, stress at work, control at work, home-work interface, and working conditions. Nine theoretical ethical climate types which consisted of self-interest; company profit; efficiency; friendship; team interest; social responsibility; personal morality; company rules and procedures; laws and professional codes were used for the measurement of ethical climate of an organization. The results confirmed that ethical climate and all of its facets are significantly correlated with job satisfaction. One of the dimension, 'Personal Morality' was strongly positively correlated with job satisfaction. (Zehir, Muceldili, & Zehir, 2012) were of the view that ethical climate moderates the link between Job satisfaction, affective commitment and continuance commitment. One of the noteworthy contributions of this study is that existence of ethical climate in an organization will play a positive role in increasing continuance commitment. In Pakistan's banking sector, Egoistic climate has negative relationship with job satisfaction; on the other hand benevolent climate has positive significant relationship with job satisfaction indicating that when organizations works for the benefit and welfare of its employees, the satisfaction level of employees increases manifold. Contrary to that, prevalence of climate that supports interest of management; yields lower levels of job satisfaction. Principled climate was observed to have no significant relationship with job satisfaction (Ahmed *et al.*, 2012). Research in Singapore depicted that ethical climate has significant relationship with job satisfaction. Principled ethical climate's relationship with job satisfaction was significant. Contrary to that, benevolent ethical climate had no significant relationship with job satisfaction (Koh and Boo, 2001). Therefore, keeping in view these results, hypotheses were proposed:

- H₂:** Egoistic climate in the organization has significant effect on job satisfaction
H₃: Principled climate in the organization has significant effect on job satisfaction
H₄: Benevolent climate in the organization has significant effect on job satisfaction

Job satisfaction and association between ethical behavior and career success:

(Luthans and Stajkovic, 1999) concluded from their study that behavior of employees can be encouraged through money, feedback and social recognition. Therefore in an organization where employees perceive a close association between ethical behavior and career success, the reinforcement becomes pivotal for job satisfaction. Pay for performance might not at all time accelerate improvement in performance but contrary to that reinforcing for performance will certainly improve performance for sure. Research on MIS personnel indicated that they are more satisfied with their job when they are optimistic about the affiliation between ethics and career success. However, one of the dimension of job satisfaction, pay, was found to be insignificant with ethics and career success (Vitell and Davis, 1990). Managers from Singapore were more satisfied with their job if they perceive a linkage between ethical behavior and career success (Koh and Boo, 2001). Similarly in India, employees were of the view that they will be satisfied with their job if their career prospects were high due to ethical behavior. This result was parallel with cognitive dissonance theory (Viswesvaran and Deshpande, 1996). Thus, a hypothesis was postulated:

- H₅:** The association between ethical behavior and career success in the organization has significant effect on job satisfaction

3. METHODOLOGY

The reliance of this research will be on primary data. Since the primary aim of this research is to investigate the link between organizational ethics and job satisfaction, so primary data will facilitate to determine this link.

Following research instruments were used:

Job Satisfaction:

Division of Job satisfaction into different facets and their measurement has varied from researcher to researcher. The most eminent ones include Job Satisfaction Index (JSI) , Minnesota Satisfaction Questionnaire (MSQ) , Job Satisfaction Survey (JSS) and INDSALES.(Zehir et al.,2012) .

(Smith et al.,1969)recognized Job Satisfaction as a combination of multiple factors thus they divided Job Satisfaction into six dimensions; pay, promotion, co-workers, supervision , work and Overall Job Satisfaction. Integration of first four facets gives value for composite Job Satisfaction.

Managerial Job Satisfaction Questionnaire (MJSQ)

MJSQ, developed by (Cellucci and DeVries , 1978) consists of a 20-item instrument with the five facets identified by Hulin et al., (1969) consisting of 4-items each. It has been used and assessed by various researchers from different parts of the world ever since its formulation. The original MJSQ consisted of 7-point Likert scale. Over the years, it has been modified and reduced to a 4-point Likert scale. The 7-point Likert scale MJSQ was used by (Cellucci and DeVries , 1978) and (Vitell and Davis, 1990). On the other hand, (Joseph and Deshpande ,1996), (Viswesvaran et al.,1998) , (Koh and Boo 2002) and (Ahmed et al.,2012) have made use of 4-point Likert scale.

Successful usage of MJSQ in Asian countries like Singapore and India favor its adoption and acceptance in Pakistan as well. For this study, composite Job satisfaction was used.

Top management’s support for behavior:

A 3- item instrument developed by (Hunt et al.,1984) was used . An additional item was added by (Koh and Boo ,2002) for its measurement. Therefore, a total 4-item instrument was used.

Association between ethical behavior and career success in Organization:

A 6-item ethical optimism scale developed by (Hunt et al.,1984) was used. An additional item developed by (Koh and Boo, 2006) was added to give a total 7-item instrument.

Ethical climate in an organization:

The ethical climate questionnaire developed by (Cullen, Victor, & Bronson, 1993)was adopted and measured on 4-item scale. An additional item was added to each type of climate by (Koh and Boo,2002).Ethical climate was computed on following:

- a)Egoistic
- b)Benevolent
- c)Principled.

Figure 1 depicts the proposed theoretical framework.

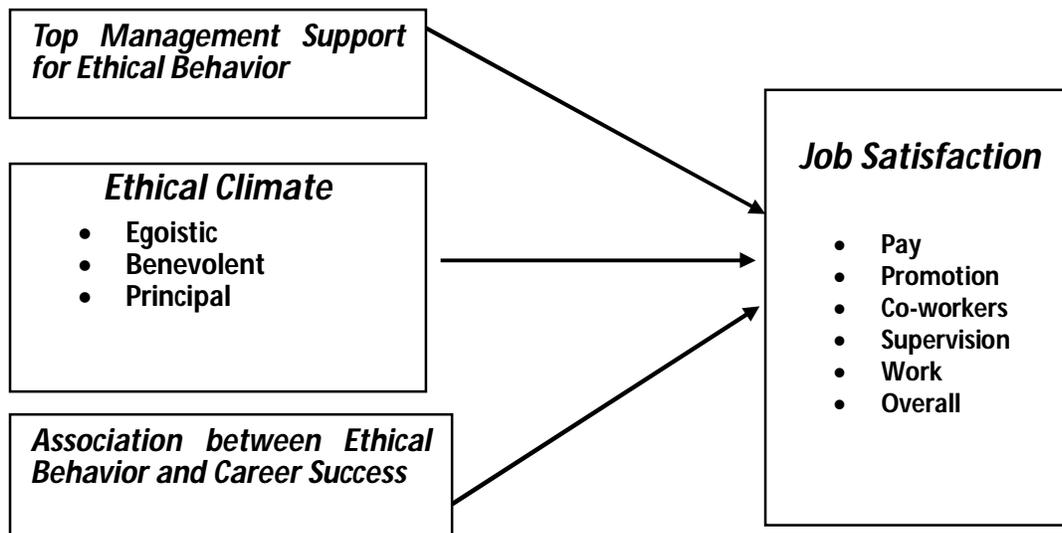


Figure 1.Proposed Theoretical Framework

The questionnaires were administered to the employees of non-life insurance companies. For Karachi, Peshawar, Faisalabad and Multan the questionnaires were sent via post. On the other hand, questionnaires for Lahore were self administered. Head offices of most of the insurance companies are located in Karachi, However, 12 companies have their head office in Lahore and one company has its in Rawalpindi. Since samples from a single city wouldn't have depicted results for the entire sector. Therefore, the research was focused on 4 cities of Pakistan, one, each from Sindh and Khyber Pakhtunkhawa, and three from Punjab. Thus research was confined to Karachi, Lahore, Multan, Faisalabad and Peshawar. So, a total 350 questionnaires were disseminated. Since, there were many insurance companies operating in Karachi and Lahore having broad scope of operations; thus planned sample was 110 for Karachi and 90 for Lahore. Whereas for Peshawar, Multan and Faisalabad; the sample size was 50 each due to lack of workforce available there

SPSS was used to calculate descriptive statistics which included percentage, mean, standard deviation and frequency distribution of the respondents. bi-variate correlation and multiple regression were also done via SPSS. Majority of the respondents, 27.7% to be exact, were aged "45 and above ". Whereas, only 12.2% of the respondents aged between "25 and 29" constituted a minuscule proportion of the sample. Promotion to a managerial position requires a respectable work experience, good academic qualification and proficiency in technical skills Therefore only handful of employees can attain status of a manager in early age. The other age brackets "30-35" ,"36-39" and "40-44" comprised 19.6% , 17.6% and 23% of the total respondents.

Presence of females in corporate sector of Pakistan is negligible. Main rationale behind this is the male dominant culture in financial institutions that hinders women to work with ease of mind and up to their potential. Moreover Pakistani culture is a bit on the conservative side where women are looked down upon if they work. This all was depicted by this sample as the proportion of male was 95 % (298 out of 314). Female were only 5 % of the total samples (16 out of 314).

Approximately 122 respondents did their bachelors which made 39% of the entire sample. 50% of the respondents which were in majority acquired post graduate education. Only 19 (6%) respondents had diplomas pertaining to Insurance sector. It includes ACII etc. Interestingly, only 16 respondents (5%) were educated till secondary level. It depicts that these respondents were old employees of the organizations and even though they were far behind from others as far as education is concerned but still they had the technical knowhow and experience which elevated their status and rank as managers in their organizations.

Married employees comprised 87.8% of the entire sample (276 out of 314) and unmarried employees were 12.2% (38 out of 314) of the sample.

Majority of the respondents were from Karachi 35.03% of the entire sample. Second highest numbers of respondents were from Lahore (26.11%). Smallest numbers of respondents were from Peshawar (12.10%). Proportion of respondents from Faisalabad and Multan were 14.01 % and 12.7% respectively. Cumulative proportion of respondents from provinces was 52.86% from Punjab, 35.03% from Sindh and 12.10% from Khyber-Pakhtunkhawa.

A high percentage of respondents (40.5%) had work experience of "5 to 10 years " in their current organization where they are employed. respondents with work experience "Less than 5 years " was 28.4% of the entire sample. It depicts that turnover intention among employees is high in insurance sector and they frequently part ways with their organization. Experience of "20 years of more " was a bit on the lower side " with only 8.1% falling in this category. Approximately, 10.8% and 12.2% respondents had work experience of "11 to 15 years" and "16 to 20 years" respectively.

29.7% respondents had salary ranged between "31000-50000". Respondents, mainly top brass of the company had salary "80000 and above" and made 14.9% of the total sample. 34.5% and 20.9% respondents had salary ranged between "31000-50000" and "51000-80000" respectively.

Table 1

City	Intended Sample	City	Usable Responses
Karachi	110	Karachi	110 (100%)
Lahore	90	Lahore	82 (91.1%)
Faisalabad	50	Faisalabad	44 (88 %)
Multan	50	Multan	40 (80%)
Peshawar	50	Peshawar	38 (76%)
TOTAL	350	TOTAL	314 (89.7%)

4. Analysis:

The analysis was conducted using Job Satisfaction as a dependent variable, whereas the independent variables were Top management's support for ethical behavior, Ethical Climate (Egoistic climate, Principled Climate and Benevolent Climate).

T-Test Analysis:

T-Test for Gender and marital status confirmed that there was no difference in the opinion regardless of gender and marital status when it comes to Pay Satisfaction, Supervision Satisfaction, Co-worker Satisfaction, Work Satisfaction and Job satisfaction holistically. Moreover, the opinion also didn't differ with gender and marital status when it came to ethical, benevolent and principled climates. They also didn't posit any variation in opinion between ethical behavior and career success.

ANOVA:

The results indicated that there was no difference in opinion for pay satisfaction , promotion satisfaction , co-worker satisfaction , supervisor satisfaction , work satisfaction , overall job satisfaction , egoistic climate , benevolent climate , principled climate and association between ethical behavior and career success when it comes to employee of different age brackets , education level , departments , experience and salary.

Nevertheless, the response was different for employees that hailed from different cities. Employees from Lahore were 0.51848 units more satisfied with their pay as compared to satisfaction level of employees from Multan at significance level of 0.019 ($\alpha = 0.05$) . Likewise, respondents from Faisalabad were 0.71364 units more satisfied with their pay if compared with respondents from Multan at significance level of 0.002($\alpha = 0.05$) . Employees from the city of light's satisfaction with pay, like many other cities from Punjab also appeared to be more than that of Multan 0.61220 ($\alpha = 0.05$).

When it comes to presence of ethical climate, respondents from Lahore seem to have been enjoying benevolent climate with greater extent as compared to respondents from Multan with 0.49022 points ($\alpha = 0.05$) . Likewise , presence of benevolent climate was present to greater degree in Faisalabad , Peshawar and Karachi as compared to Lahore with 0.69733 , 0.83947 and 0.65366 at significance level of 0.001 , 0.000 and 0.000 ($\alpha = 0.05$).

Perception of association between ethical behavior and career success appeared to be greater in Multan if compared with Lahore with mean difference of 0.42547 points at ($\alpha = 0.05$).

Respondents from Adamjee Insurance were more satisfied with their co-workers and supervisors than IGI insurance with mean difference of 0.84664 and 0.99685 points respectively ($\alpha = 0.05$) . Principle climate was 0.86975 units more prevalent in Adamjee Insurance more than IGI insurance ($\alpha = 0.05$).

Collinearity

Collinearity is the situation when there is a strong correlation among independent variables. Value of Tolerance should be greater than 0.2 and that of VIF should be less than 10 to avoid collinearity. The problem is collinearity is that it increases the standard error.(See Table 2)

TABLE II
Collinearity Statistics

Variable	Collinearity statistics	
	Tolerance	VIF
Egoistic Climate	.543	1.842
Benevolent Climate	.735	1.360
Principled Climate	.499	2.004
Association between Ethical behavior and career success	.545	1.836
Top Management's Support for Ethical Behavior	.781	1.281

The values of tolerance for egoistic climate, benevolent climate, principled climate, association between ethical behavior and career success and top management's support for ethical behavior came out to be 0.543,0.735,0.499, 0.545 and 0.781. All these values are less than 0.2 .Similarly, all values of VIF for all independent variables that were egoistic climate, benevolent climate, principled climate, association between ethical behavior and career success and top management's support for ethical behavior came out to be less than 10 . Therefore, there was no issue of collinearity when overall job satisfaction was taken as dependent variable.

3.3 Reliability Analysis:

Reliability Analysis was done for the following:

Job Satisfaction

Overall , job satisfaction was computed by taking averages of all 20 items. Cronbach Alpha of 0.806 indicated no reliability concerns and was above the typical accepted benchmark of 0.70

Top Management's support Behavior

Top management’s support for ethical behavior was computed by taking average of four items. The cronbach alpha of 0.266 showed that instrument was highly unreliable for insurance sector. Nonetheless , after deleting one question “Top management in my organization should have higher ethical standards than they do now “, cronbach’s alpha increased substantially to 0.535 which is reliable (Nunally, 1967). Total three items were remaining after removal of problem causing question. (See Table 3)

TABLE III
Reliability Test

Variable	Cronbach’s Alpha	Number of items
Job Satisfaction	.806	20
Top Management’s support for Ethical Behavior	.266	4
Top Management’s support for Ethical Behavior ¹	.535	3
Egoistic Climate	.595	4
Benevolent Climate	.706	4
Principled Climate	.568	4
Overall Ethical Climate	.785	12
Association between Ethical Behavior and Career Success	.733	7

Egoistic Climate

With total four items, Egoistic climate’s alpha co-efficient was determined and it came out to be 0.595 which is acceptable according to (Nunally, 1967).

Benevolent Climate

Co-efficient alpha for benevolent climate came out to be 0.706 with four items, which indicates that instrument was reliable.

Principled Climate

For the computation of Principled climate , a total of four items were used. The result showed acronbach’s alpha of 0.568 which is reliable according to (Nunally, 1967) .

Overall Ethical Climate

Twelve items were used to determine the reliability of overall ethical climate. The result came out to be as 0.785, which showed no reliability concerns.

Association between ethical behavior and career success

Seven items were used to compute alpha co-efficient for “Association between ethical behavior and career success”. The result showed a reliable value of 0.733.

4.6Bivariate Correlation:

A highly significant relationship was observed between all the variables except for top management’s support for ethical behavior and association between ethical behavior and career success. It depicts that top brass of the insurance companies doesn’t advocate ethical behavior and usually shys away in putting the rule violaters to the task. Therefore acting ethically doesn’t appear to be viable option for the employees to help them move up in the ranks. See Table IV

TABLE IV
Correlation matrix of variables

Variable	X1	X2	X3	X4	X5	X6
X1	1					
X2	0.310**	1				
X3	0.134	0.495**	1			
X4	0.349**	0.429**	0.578**	1		
X5	0.355**	0.461**	0.318**	0.304**	1	
X6	0.320**	0.539**	0.594**	0.576**	0.459**	1

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

Legend: X1= Top Management’s support for Ethical Behavior ; X2 = Job Satisfaction ; X3 = Association between Ethical Behavior and Career Success ; X4 = Egoistic Climate ; X5 = Benevolent Climate ; X6 = Principled Climate

¹Improved after deleting one question.

3.4 Multiple Regression Analysis Result:

General rule of thumb is that greater the value of R^2 the better it is. The R^2 of 40.3% of this model indicates that independent variables in this particular model has the capacity to only explain 40.3% of the variance or change in the dependent variable i.e. Job Satisfaction.(See Table V)

TABLE V
Multiple Regression Analysis

Job Satisfaction	Co-efficient	t- value	p-value
Intercept	1.201	6.601	.000
Top Management’s Support for Ethical Behavior	.108	1.466	.145
Benevolent Climate	.225	2.974	.003
Egoistic Climate	.049	.562	.575
Principled Climate	.228	2.478	.014
Association between Ethical Behavior and career Success	.246	2.793	.006
Model	R square = 0.403	F= 19.132	0.000

The model was highly significant at 0.00. Benevolent climate and association between ethical behavior and career success had high significant positive relationship with Job Satisfaction at 0.003 and 0.006 respectively ($\alpha = 0.01$). Moreover, the result depicts that job satisfaction is also effected by Principle Climate if it prevails in an organization, 0.014 ($\alpha = 0.10$).

Principled Climate shapes 22.8% of job satisfaction of insurance employees. On the other hand, benevolent climate was a bit on the lower side as compared to principled climate, with only 22.5% of the change in job satisfaction was being caused by it. Last but not least, association between ethical behavior and career success corresponds to 24.6% change in job satisfaction of non-life insurance employees.

Out of all hypothesis,(Top management’s support for ethical behavior has no effect on job satisfaction) and (Egoistic climate in the organization has no significant effect on job satisfaction)were accepted owing to the insignificant result that appeared during the regression analysis. Nonetheless, all the remaining hypotheses were rejected since the results came out to be significant.

4. DISCUSSION

Egoistic climate prevails in most of the organizations when they work for self-interests. In this type of climate, the organization does everything in its capacity to achieve its goals, interests and objectives (Victor & Cullen, 1987). Here the employees are least bothered about their peer’s work and welfare, and carry on with their own work in order to achieve their targets. Job satisfaction, that results from egoistic climate would instill a sense of superiority and inferiority in the employees and promote a culture of competition. The results, however, didn’t support the role of egoistic climate in determining job satisfaction. This result was contrary to that of banking sector of Pakistan.

A benevolent climate in an organization encourages an amicable environment. The employees of benevolent climate help each other with their daily job tasks (Victor & Cullen, 1987). Competition, envy and intimidation is neither supported nor practiced. It is in such an optimist and friendly atmosphere that the organization seeks its goals. Moreover, the organization also realizes that in order for it to prosper and achieve its goals, it is necessary that it pursues employee-friendly policies and encourage employees to cooperate with each other. The organization goes at great lengths in order to ensure that its employees make the work environment friendly and positive like giving allowances, fringe-benefits, bonuses, raises etc. Employees would be content with their jobs as they fit in perfectly in the environment of their work place. A benevolent climate results in employees who keep their own interests aside for a larger and bigger purpose- a successful organization, and organization also bears in mind that a healthy ethical work place environment would be most suited for the kind of organization that it wants to be. Presence of benevolent climate would lead towards job satisfaction. The findings were consistent with the one achieved in banking sector of Pakistan(Ahmed et al., 2012). The result, however, negated the previous findings of (Koh and Boo, 2001). Difference in culture and work environment might have produced result that was different with the findings obtained in Pakistan.

In a principled climate, the organization ensures that the employees perform their actions in accordance with the rules and regulations laid down by it (Victor & Cullen, 1987). The workplace environment is strict and has no room for those who take their job for granted. Hard workers and strict disciplinarians foster in this type of ethical climate.. Principles and rules of the organization which go against the principles of the employees lead to employees

being disgruntled and discontent with their jobs. An employee who wakes up at 9 but has a reporting time of 8:30 to his job would be a source of discomfort for the organization. Organization has to see that its rules and regulations are not too stringent, ridiculous or against the rationale as it will then risk losing its employees. It could also lead to a high employee turnover or poor job performance. Job satisfaction earned through conformance to a principled ethical climate would be considerably high as both the employees and organization would share similar sets of beliefs and ideologies. The results were consistent with the findings of (Koh and Boo, 2001).

Association between ethical behavior and career success had significant positive relationship with job satisfaction. The result was similar to the one achieved in Singapore (Koh and Boo, 2001) and India (Viswesvaran and Deshpande, 1996). Once an employee perceives that his ethical behavior will invariably lead towards career success then he will be satisfied with his job. Top management's support for ethical behavior had insignificant relationship with job satisfaction. Even though the results contradict many empirical researches (Kim and Brymer, 2011), (Vitell and Davis, 1990), (Koh and Boo, 2001), (Mumtaz *et al.*, 2011) and (Ahmed *et al.*, 2012). Adding to that, similar research on banking sector in Pakistan yielded significant results as far as top management's support for ethical behavior and job satisfaction's link is concerned (Mumtaz *et al.*, 2011) and (Ahmed, Shad, Mumtaz, & Tanveer, 2012). Even though both insurance and banking sector are financial institutions but still insurance sector is the neglected one in terms of government policies and religious beliefs therefore results were not same. Nonetheless, the results were consistent with the (Viswesvaran *et al.*, 1998) study of Indian Managers.

5. Limitations:

The time period during which the questionnaires were administered to the employees coincided with the period that companies tell their employees of the increments that they'll be getting. This might have affected the results as in the case of high increments the employees will be satisfied with their jobs and organization and vice versa. Thus indicating biasness. The findings cannot be generalized for the entire sector as all the insurance companies were not made part of the research. Balochistan was excluded from the research as the province has very few branches owing to limited scope of operation. Questionnaires were sent via e-mail to places that were geographically distant. The absence of researcher in such places may have caused the difficulty in comprehending the questionnaires.

6. Managerial Implication:

Job satisfaction is an important determinant of job attitudes, behaviors, turnover intention, absenteeism and organizational outcome. Greater job satisfaction directs to stronger organizational commitment (Viswesvaran and Deshpande, 1996) and (Sims and Kroeck, 1994). Commitment of insurance companies' employees will increase manifold if the ethical climate allows them to grow as an employee which eventually helps them comprehend the fact that their ethical behavior can ultimately lead to job satisfaction and organizational commitment. Absenteeism and turnover can have a dire impact on an organization. (Koh and Boo, 2001). A dissatisfied employee will show weariness in work and won't devote his mind and soul to work. Moreover, he will not show up for work often. An employee can even go on to make an extreme decision to bid farewell to the organization and seek his fortune somewhere else. Therefore, top brass of the company should try their utmost to create an ethical climate that is for the interest of the employees also keeping in view company's interest. This will in due course create a win-win situation both for the company and for the employee and lead to a substantial de-escalation of absenteeism and turnover rate of employees in the company. Ethical behavior can be enforced through formulation of code of ethics (Cleek and Leonard, 1998). An anonymous top manager said that the code of ethics for most of the insurance companies is vague and flawed. Therefore the need arises to develop a clear and comprehensive code of ethics which clearly defines the do's and don'ts.

In the light of discussion above, it can be observed that organizational ethics can have detrimental effect on organizational outcomes. Therefore the findings of this study can help administration of the company to supervise and be in command of their employees by making it mandatory for employees to attend workshops and seminars for training and education purpose. Last but not least, supervisors themselves should also be part of those training sessions so that they can play more active part in supporting ethical behavior which at the moment is nonexistent in insurance sector.

7. Conclusion:

This study examines the link between organizational ethics and job satisfaction as perceived by managers of non-life insurance sector. To be more specific, link between job satisfaction and association between ethical behavior and career success, top management's support for ethical behavior and ethical climates were ascertained. Managers from 14 different companies from Karachi, Lahore, Peshawar, Multan and Faisalabad were administered questionnaires. The response rate was 89.6%. The results overall depicted that top management's support for ethical

behavior has no link with job satisfaction which is consistent with findings of (Visweswaran et al., 1998). It was established that egoistic climate has no association with job satisfaction but benevolent and principled climate may impart positive and everlasting effect on job satisfaction.

Future research should encompass various other aspects of organizational outcome and organizational ethics. Moreover, impact of different religions and ethnicity on link between job satisfaction and organizational ethics should be considered. It is also advised that a question “Top management in my organization should have higher ethical standards than they do now” of top management’s support for ethical be removed from future research as it has persistently been giving reliability issues. (Koh and Boo, 2001) faced the same issue. Last but not least the impact on job satisfaction prior and after the successful implementation of behavioral and ethical training program in an organization should also be studied. Impact of role stress should also be studied as was done by (Renu and Natarajan , 2011). Future research should also focus on job satisfaction of employees who deal with Life insurance.

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