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# FACTORS EFFECTING ON PROMOTING ORGANIZATIONAL VIRTUOUSNESS IN IRAN STATE AGENCIES

# Mehrdad Hamrahi, \*Reza Najafbagy, Morteza Musakhani, Karamallah Daneshfard and Ali Delavar

Department of Management, Science and Research Branch, Islamic Azad University, Tehran, Iran \*Author for Correspondence

### **ABSTRACT**

Despite efforts to create virtue based organizations in the public sector, amoral are widely seen in government agencies. Falling of behavior standards in public sector, researchers study on an appropriate theoretical basis for the promotion of organizational virtuousness. For this purpose, by thematic analysis of researchers' articles commenting on organizational virtuousness in recent decade, variables were formed. These variables form the theoretical framework of the existing relations between them through regression analysis, then research team identify the factors that led to the promotion of organizational virtuousness. Selecting government employees in Fars province who are 125504 people in 68 organizations as statistical population and 384 people based on random classification method as a statistical sample, research hypotheses were put to the test. Finally, the research results encouraged administrators of the government's attention to the factors that promote organizational virtuousness to take an important step toward preventing moral standards' collapse in public sector. Contrary to the opinion of many experts who worry about environmental issues and their negative impact on virtuous in public sector, researchers believe on the basis of their findings that the most important reason for fading morality and forgetting virtue concept in government agencies shall be searched within the organizations and their daily activities.

**Keywords:** Organizational Virtuousness, Promoting Organizational Virtuousness and Thematic Analysis

# **INTRODUCTION**

Today, there are efforts to create an ethical environment in the organizations, virtue concept was faded in government agencies or strictly be lost or forgotten. This means that the activities toward establishment of organizational virtuousness were not effective. In current situation, not conforming to some ethical standards in the public sector has created much concern. Falling behavior standards in public sector prompted researchers to search theories in this way to be able to provide appropriate executive. Moral ills such as corruption, lack of trust, embezzlement of public funds to achieve personal goals and bribery are repeatedly seen in public sectors in third world countries, especially Iran. Public and government agencies in Fars are no exception. Irregularities in Football board election, bribery in the Shiraz municipality, collecting property illegitimate by several members of the city council, which led to their expulsion from the Council, are the indications of lack of commitment to the virtues in government agencies in the fars province in recent years. However, only in recent years, several national and regional conferences were held on topics related to ethics and the need for virtue in public sector organizations, so subsequent costs are imposed on the sector.

So today identifying the concept of organizational virtuousness has become more and more important. Virtue refers to innate moral competence (Hessel, 2013) that leads to the social betterment through human impacts. In describing this definition, it should be noted to three major aspects including human impact, innate moral competence and social betterment. The first thing is that virtue is concerned with human beings, i.e. with self-controlling (Ryff and Singer, 2008), growth characteristics of human morality (Baumeister and Exline, 2000), human obligation (Rego *et al.*, 2011), resiliency (Ugwu, 2012), targeted human being and principles of human development (Emmons, 2003). Any act or action is meaningless without human operator intervention. The second issue involves the merits of virtue ethics. Moral refers to good and evil (Peterson, 2003). The third point is that virtue leads to the improvement of social

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morality which is beyond personal interests. This means that virtue leads to the development of social values. The virtue means the benefit of others without being motivated by reward (Cawley *et al.*, 2000). That is the reward of virtue in its own orbit and does not external benefits (Cameron *et al.*, 2003) so virtue-based organization has the functions above functions of social responsibility, such as the use of renewable raw materials (Bollier, 2000). Of course this does not mean that virtue is placed contrary to social responsibility or morality. This concept refers to what is expected of public and community norms (Peterson and Seligman, 2004).

In various scholars point of view, virtue has many individual and organizational benefits. For example, virtue is linked to concepts such as growth and development characteristics of the moral virtues of human beings, and human strengths and capabilities with the meaningful and transcendent goal of humanity (Ryff and Singer, 2008; Baumeister and Exline, 2000), it helps staff to grow more and faster toward perfection (Overholser, 2009), including emotions, feelings, behavior and human psychology and forces staff in meeting the challenges (Seligman, 2000), and also refers to the desires and aspirations of the people (Bright, 2006).

Organizational virtuousness refers to the use, protection, development and continuation of the habits, interests, and activities such as altruism, honesty, forgiveness and trusts both at the individual and organizational level (Burke *et al.*, 2009). In the other concept of organizational virtue, it means that there is a positive orientation in organizational virtuousness and virtue is the main intention of this organization. This in turn leads to increasing well-being and health of employees and subsequently facilitating organizational improvement (Hessel, 2013).

In this regard, the values of the organization, human resource management and leadership (Zamahani *et al.*, 2013) are important ways to visualize organizational virtuousness (Xia and Weizheng, 2013). Organizational virtue leads to improve physical and mental health of employees. Health and positive energy in turn increases the commitment of employees and turnover of their leaving (Grant *et al.*, 2007). Many researchers and scholars in general have emphasized that the concept of organizational virtue has become one of the research topics in the world of management; the important reasons for the revival of virtue ethics are enumerated (Gavin and Mason, 2004; Lilius *et al.*, 2008; Moor and Beadle, 2006; Park and Peterson, 2003; Wright and Goodstein, 2007).

So, during the last decades, government agencies study on various methods to create Ethics charter, rules and standards of behavior, ethics training, ethics management, ethical decision making, culture and atmosphere of morality and ethics in the wake of the development of moral and virtuous central infrastructure, many have suffered the loss of time and cost. Ethics is proposed as a code of ethics charter of organization and rules of professional jobs behavior. With this justification, in this study we focused on Fars government agencies to answer the question that what are the most important factors in promoting organizational virtuousness in Iran government agencies?

# The Importance and Necessity of Research

So far, in researches related to virtue based leadership, virtue is mentioned with different meanings such as personal characteristics, personal feelings, competence, and personal values. But in none of these studies, the concept of organizational virtuousness and virtual leadership is not defined systematically and in the present study we're going to present a systematic definition of the concept of organizational virtuousness. Second, although limited research has been conducted based on the virtues of organization and virtuous leadership, but the study of these concepts have been widely distributed and is in its early stages and have not yet developed the concepts theoretically. For example, there is not yet a coherent theoretical framework for determining the factors affecting the virtuous leadership or explaining the virtues of leadership. Therefore, in this study we identify the factors affecting the promotion of organizational virtuousness to provide fertile ground for future research. The third point in the necessity of this study is that in addition to the lack of theoretical elaboration of the concept of organizational virtuousness, little empirical research has been done in this regard, because it is clear that there is not a valid and reliable measurement tool based on virtue based leadership. The researchers presented a comprehensive model to promote organizational virtuousness.

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## Research Literature and Extracting its Theoretical Framework

We can provide different definitions of virtue-based organizations: virtue-based organizations refer to the organizations that are formed based on virtue and moral competence and its directors and employees are virtual-based humans and organizational communication and interactions are set based on the moral virtues leading to social improvement. Researchers have proposed various dimensions for organizational virtuousness, but the most well-known theory in this regard is Cameroon's theory (2004), which suggests that the five dimensions of organizational virtuousness include:

- 1. Organizational optimism: feeling profound sense of the purpose that leads reactions, employees expect success and good performance in the face of challenges.
- 2. Organizational Trust: Means governing respect and managers' attention to the organization staffs.
- 3. Organizational compassion: means that staff attention each other and sympathy is common among them.
- 4. Organizational integrity: the widespread sense of honesty and integrity in the organization.
- 5. Organizational forgiveness: it means that mistakes are accepted by apologizing sincerely and seen as an opportunity to learn about the high standards of performance (Cameron *et al.*, 2004).

In general, it is believed that in different cultural contexts, virtues have different meanings. To build a conceptual model of research, we study and analyze the international research in the field of organizational virtue and organizational ethics in the last ten years. To identify, analyze and report available patterns in selected articles, thematic analysis method was used to identify words and phrases synonymous with organizational virtuousness. The thematic analysis is beyond counting words and phrases to identify and explain the idea of explicit and implicit focus. 50 papers were selected, but after a careful reading of selected articles, the numbers of articles that explicitly or implicitly express the concept of organizational virtuousness were reduced to 38 articles.

Organizational virtue has been interpreted differently. In the following, the most important themes or indicators of organizational virtue are identified based on similarity and repetition frequency of the selected articles from the perspective of researchers who call this index as the basic concepts.

In the next step in the analysis that is focused on a more macro code, different codes were arranged in themes and coded data associated with each of the themes were identified and collected. For reviewing and further refinement of concepts, it was tried to separate themes, distinct and unique enough and large enough to set different ideas in the literature. This led to a reduced data set of important themes. Through studying and understanding of data, initial list of ideas was prepared. This step requires a basic code from the data. Thus, the coding framework, by inductive approach to thematic analysis, was found so that the initial code (A) is for internal factors and code (B) is for external factors (environment), effective on organizational virtuousness.

Organizational factors include all elements contributing to the promotion of virtuousness within the organizational and environmental factors, including factors outside of the organization to promote virtue. The fourth step in this phase is to draw network themes. This network is based on the specific process, systemize the basic themes (key code and text), organizer themes (themes derived from the combination of content-based tabloid) and universal themes (great themes include the principles governing the text as a whole); these themes are represented by networking site map, drawing and highlighting themes of each of the three levels with relations between them.

For this reason, content networking site as we have shown, the notion that there is no hierarchy among them wiped out and the interdependence and interrelation between the networks is stressed. Figure 1 shows network themes extracted from the literature to show the improvement of organizational virtuousness. Finally, we analyze the data based on mapped network.

According to what has been mentioned above, the theoretical framework of the study is outlined as follows. Internal or external factors and environmental variables based on the thematic analysis results obtained in a manner that reflects the quality of the existing ethics in the organization. Testing these variables impact on promoting organizational virtuousness represents research hypotheses.

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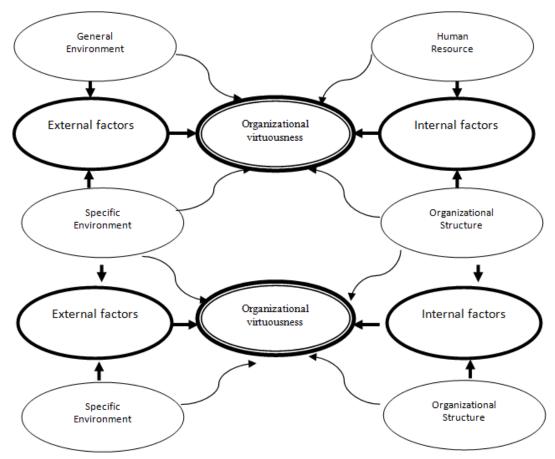


Figure 1: themes Network promoting organizational virtuousness and Theoretical framework

# Research Hypothesis

The main hypothesis: There is meaningful Correlation between internal and external factor and organizational virtuousness.

Alternative hypothesis:

- 1- Human resource factor has a positive relationship with the organizational virtuousness.
- 2- Organizational structure factor has a positive relationship with the organizational virtuousness.
- 3- General environment factor has a positive relationship with the organizational virtuousness.
- 4- Specific environment factor has a positive relationship with the organizational virtuousness.

# MATERIALS AND METHODS

The research population includes all government employees and contract workers in the public administration of Fars province in 2013, which are 125504 people according to the statistics of the number of the 68 organizations surveyed. Using the formulation of sample selection, 384 people were selected based on a stratified random sampling method. In the present study, to collect, describe and analyze the contents of several researchers who have commented on organizational virtuousness, and also to understand the relationships between different perspectives and explain patterns in this respect, thematic analysis was used. After the formation of the initial model and identify important research variables, to assess the relationships between variables, the regression model was used.

# Data Analysis

For data analysis of this study, we first examined the correlation between variables. In this stage, internal and external factors are regarded as independent variables and promoting organizational virtuousness as final dependent variable.

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Table 1: Correlation between the determinants of organizational virtuousness and promoting organizational virtuousness

		Organizational Human		General	Specific	VII tuous ness	
		structure	resource environment		environment		
Organizational structure	Pearson Correlation	1	.737**	.589**	.623**	.764**	
	Sig. (2-tailed)		.000	.000	.000	.000	
	N	384	384	384	384	384	
Human resource	Pearson Correlation	.737**	1	.750**	.725**	.800**	
	Sig. (2-tailed)	.000		.000	.000	.000	
	N	384	384	384	384	384	
General environment	Pearson Correlation	.589**	.750**	1	.630**	.725**	
	Sig. (2-tailed)	.000	.000		.000	.000	
	N	384	384	384	384	384	
Specific environment	Pearson Correlation	.623**	.725**	.630**	1	.740**	
	Sig. (2-tailed)	.000	.000	.000		.000	
	N	384	384	384	384	384	
Organizational virtuousness	Pearson Correlation	.764**	.800**	.725**	.740**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	384	384	384	384	384	

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Table 2: Coefficients between organizational virtuousness and human resource factor

		Unstandardized Coefficients		Standardized Coefficients		Adjusted		Result
M	odel	В	Std. Error	Beta	T	R Šquare	Sig.	
1	(Constant)	10.644	1.589		6.698		.000	
	Human resource	1.005	.039	.800	26.031	.639	.000	Accept H1
	Dependent V	ariable: org	ganizational vir	tuousness				

Table 3: Coefficients between organizational virtuousness and organizational structure factor

Model	Unstandardized Coefficients		Standardized Coefficients	T	Adjusted R Square	Sig.	Result
	В	Std. Error	Beta				
1 (Constant)	17.696	1.487		11.901	.582	.000	Accept H1
Organizational structure	1.688	.073	.764	23.126		.000	

Dependent Variable: organizational virtuousness

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Table 4: Coefficients between organizational virtuousness and general environment factor

Model	Unstandardized Coefficients		Standardized Coefficients	t	Adjusted R Square	Sig.	Result
	В	Std. Error	Beta				
1 (Constant)	16.629	1.720		9.668	.524	.000	Accept H1
general environment	1.289	.063	.725	20.553		.000	

Dependent Variable: organizational virtuousness

Table 5: Coefficients between organizational virtuousness and specific environment factor

Model	Unstandardized Coefficients		Standardized Coefficients	T	Adjusted R Square	Sig.	Result
	В	Std. Error	Beta				
1 (Constant)	16.940	1.632		10.378	.546	.000	Accept H1
specific environment	2.017	.094	.740	21.487		.000	_

Dependent Variable: organizational virtuousness

Pearson correlation test results in table 1 and coefficients test results in Tables 2, 3, 4, 5 indicate that all variables have positive and significant relationship with the promotion of organizational virtuousness. The coefficient of determination indicates that 64 percent of the variations in organizational virtue can be explained by human resources variable. After human resources, organizational structure variable (both of which are internal factors) could explain promotion of organizational virtuousness than other variables. But specific environment variable and general environment variable respectively 54% and 52%, have less role determination of promoting organizational virtuousness.

Therefore, the best predictor variables related to the internal factors of organizational virtuousness. Based on beta coefficient, organizational virtuousness increases to the 80% per a unit increase in the standard deviation of the human resources. Organizational virtuousness increases to the 76% per a unit increase in the standard deviation of the organizational structure also.

### Discussion and Conclusion

As specified in the statistical analysis, inter-organizational factors have the greatest impact on improving organizational virtuousness. Unlike many critics concerned about environmental issues and the negative impact on virtue ethics in the public sector, the present study researchers, based on the findings, believe that the most important reason to forget the ethics in government agencies should be sought within the organization and their daily activities; financial and economic pressures that lead to the lack of realization of anticipated funding, and also the disparity between supply and demand in the labor market prepare the best opportunity not to pay attention to the most important government agencies funding and unfortunately, in the government agencies of the country, the human resources are not as the most important competitive advantage.

This neglect or little attention to human resources in state agencies can cause serious consequences in the near future; No clash with offenders and those who are in violation of ethics in the public sector, becoming ethical practices whom are instruments of ostentation or hypocrisy and lack of senior management commitment to the ethics in government agencies prepared the negative cycle in government agencies that will lead the manpower to lack of commitment to ethics. On the other hand, in order to promote organizational virtuousness, variables such as organizational culture, organizational structure, strategy and technology should be considered and revised.

No doubt Government agencies are responsible for the actions and interactions of environmental factors, such as political, economic, social, environmental, legislative and institutional clients around the

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important contribution of virtuous behavior in organizations; as a suitable is conducive to ethical behavior in an organization, stressful environmental factors also play a crucial role in non-compliance with ethical standards of the organization, it lead to the collective interests of the organization to individual interests or to attempt to advance their goals through political influence.

This in turn emphasizes the fact that directors of central government agencies should pay attention to internal factors such as human resources and organizational structure in their priority programs to promote ethics and organizational virtuousness. For this purpose, the paper calls state executives to focus more on internal factors, such as human resources and organizational structure to take an important step to prevent the collapse of moral standards in the public sector.

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