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(Original Article)

Predicting Decision-Making Strategies of Managers with Regard to Professional Ethics

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Abstract

Background: Decision-making strategies of managers can modify the behavior of an organization's personnel in a direction that is desired by the organization and cause their goals to be realized more quickly. Therefore, it is necessary to investigate decision-making strategies in Islamic Azad University of Mashhad. The present article seeks to predict decision-making strategies of managers with regard to professional ethics.

Method: The present study adopts a descriptive-correlational approach. Statistical population in this study includes managers of faculties of Islamic Azad University, Mashhad, of which 86 managers were selected as the sample, using stratified random sampling method. To gather data, two standard questionnaires: 'decision-making strategy' and 'professional ethics' were used. The data were analyzed using SPSS and Smart PLS software and structural equation model method.

Results: The findings showed that professional ethics is significantly predicted by decision-making strategies of managers. Moreover, the results specifically indicated that there is a significant positive correlation between dimensions of professional ethics (individualistic ethics, task oriented ethics, and legal ethics) and decision-making strategies of managers.

Conclusion: Observing professional ethics is necessary to realize organizational goals of Islamic Azad University of Mashhad. Furthermore, decision-making strategies of organization managers can direct organizational behavior and performance towards more congruence with the organizational goals. Thus, observing professional ethics can lead managers of faculties of Islamic Azad University, Mashhad Branch to enhance their decision-making strategies to realize the goals of the university.

Keywords: Professional ethics, Management, Decision-making strategies

Introduction

Today, ethical issues are developing and focusing on ethics in decision-making or ethics in management sciences is an effective way to implement ethical practices in the society (1). Re-

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searchers agree on the concept of ethics in an organization and its effect on efficiency of organization. Professional ethics refers to ethical responsibility in organizations. Weakness in professional ethics leads to less communication and more losses in organizations (2). As regulator of relationships among humans, ethics is very crucial since, as an internal system, it is able to ensure ethical practices in the personnel and establish an ethical system without any need to external factors. The role of ethics in practices, behaviors, decision-making, selections and communication is important (3).

Professional ethics refers to ethical principles and criteria developed by organizations based on moral models and all members of an organization have to observe these principles that govern their conduct (4). Observing professional ethics reflects personality of an individual in an organization and it desirably reflects the status of the individual in the society or among their colleagues, expands social relationship among people, creates a series of internal ethical practices among the personnel and managers and plays a crucial role in doing administrative and non-administrative activities related to clientele (5). Issues such as intense competition in the market, economic fluctuations, daily crises in international relations, rapid advances in technology in most fields, increasing sensitivity of the human factor in organizations and many other issues has made organization management more difficult than the past to the extent that management has been changed from "a life-time decision" to "a decision for a day" (6). Decision-making strategy is a process that leads to selecting appropriate methods and taking proper measures (7). From the modern viewpoint decision-making is considered among major duties of managers on which realization of organizational goals is dependent. In most traditional organizations the decision-making process is specialized. In other words, top management focuses on the decision-making strategy, middle managers deal with decisions pertaining internal structural arrangement and coordination among units, and junior managers are responsible for making decisions regarding daily operations in units (8). When facing the situation to choose either ethics or personal interest, the economical theory requires that personal interest be prioritized (9). Some researchers concluded that there is a significant relationship between managers' professional ethics and improvement in their decision-making (10). Some of the studies demonstrated that professional ethics has influence on physicians' decision-making (11). Some researchers emphasized on role of pre-deployment ethics training, professional ethics, and religious values on naval physicians' ethical decision-making (12). Professional ethics is a process that leads to selecting various methods and taking proper measures (13). To develop strategies, there are various solutions and methods of which strategists and strategic designers of an organization should adopt the suitable ones to develop organization strategy (14). Like many other concepts, strategy has a long history and different interpretations have been made about it depending on various conditions. Despite this long history and variety of interpretations and despite the fact that this concept has always been bound to time and space, strategy is mainly unrealistically depicted (15). Decision-making strategies are used to maximize the results. They can collect the required data and search for different solutions and find the best one by weighting them. Business setting is an objective phenomenon that can be measured accurately using analytical approaches. Success of strategies entirely depends on accurate planning (16).

Wrong decisions and misuse of resources caused many organizations fail to implement many of their plans. Wrong use of decision-making strategies has led to sometimes longer decision-making processes which cause opportunities to be wasted. Decisions are made for multiple fields; therefore, it is possible that the quality and duration of decision-making become longer. Some decisions are made without being enough scrutinized that result in being changed after a while. Moreover, decisions usually cause financial burden whose neglecting causes delay in implementing the decision or its failure. Regarding what was said above, in this study we seek to answer this question:

"can professional ethics predict decision-making strategies in Islamic Azad University of Mashhad?"

Material and Methods

In terms of purpose, this is an applied study and with regard to type and analysis, it is a descriptive-analytical study. The statistical population includes managers of faculties of Islamic Azad University of Mashhad, of which 86 people were selected as the sample using stratified random sampling method. The tools used in this study include 37-item professional ethics questionnaire which measures components such as utilitarian ethics, individualistic ethics, Task oriented ethics, ethics of justice and legal ethics, and Elaydi decision-making strategy inventory containing 18 items and two components (being logical or emotional). A Likert-type scale is used in this inventory and reliability of the above questionnaires is shown in table 1.

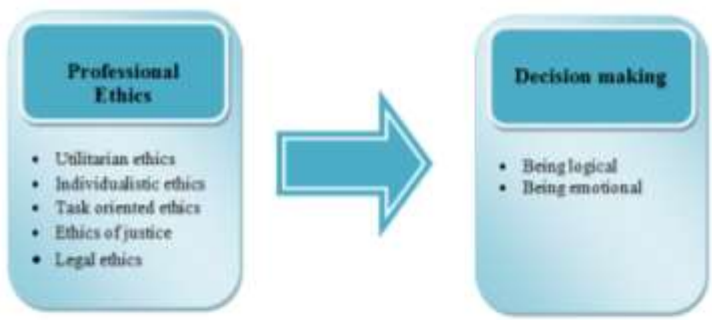

Fig 1. Conceptual model

Table 1: Reliability of questionnaires

	Questionnaire	Cronbach alpha
1	Professional ethics	0.879
2	Decision-making strategies	0.931

Then, to study the relationships among independent, moderator and dependent variables and to determine their effects on each other, SEM model and PLS software were used.

Result

After the data were gathered and reliability and validity of the research tool are calculated, the statistical tests were run. In this study, to test the hypotheses and fit indices SEM method and PLS software were used. If the model is good-fitting, after fitting the model using the significance test we look for a significant relationship between professional ethics and decision-making strategies.

Main research hypothesis:

First, before reviewing the research hypothesis and accepting or rejecting it, we consider the status of model indices.

The results of model fitness for structural equations are shown in figure 2 and table 2. The null hypothesis in this study holds that there is no significant relationship between professional ethics and decision-making strategies and the following hypothesis holds that professional ethics can predict decision-making strategies.

$$\begin{cases} H_{0:}\ b_1 = 0 \\ H_{1:}\ b_1 \neq 0 \end{cases}$$

If regression significance test for the independent variable (professional ethics) is shown to be significant, it can be concluded that the variable 'professional ethics' has a positive relationship with the variable 'decision-making strategies' which can be either direct or opposite depending its being positive or negative.

Accepting or rejecting significance of the coefficient is determined based on the value of the t-statistic. If the estimated t-statistic is bigger than 1.96 or smaller than −1.96 or the absolute value of the t-statistic is bigger than 1.96, it shows effectiveness of the structures with 95 percent confidence.

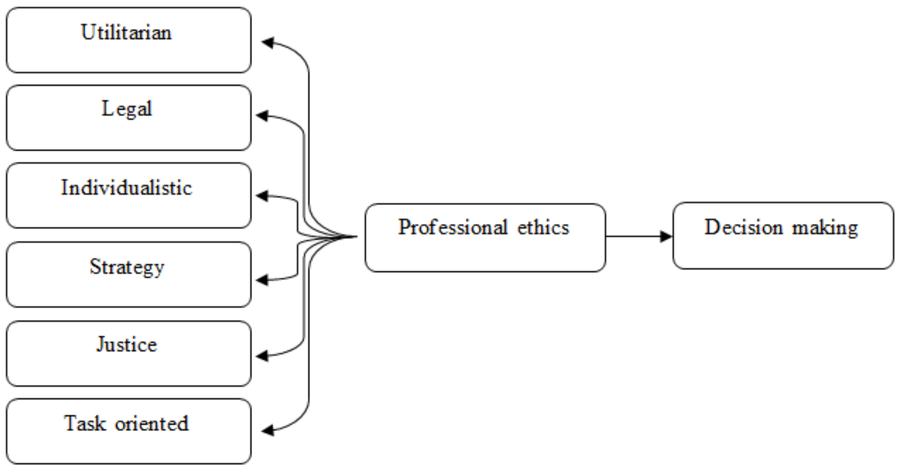

Fig. 2. Structural equation model

If the value of this statistic is between −1.96 and 1.96 or the absolute value of the t-statistic is smaller than 1.96, effect of the structures is rejected. In this study, to check for research hypotheses, the SEM method was applied using PLS software.

Model fit indices

Before fitting the model, the fit indices were reviewed. If the fit indices are desirable, it means that the model is fit enough. In table (2), the fit indices using PLS method are shown.

Table 2. Quality control indices for the model fit

Variable	Community	R2	Cv red	Cv com	GOF
Decision-making strategies	0.54	0.02 Less than 0.19 Weak prediction ability	-0.001 Less than 0.02 weak	0.47 Positive The model has good quality	0.1 ≥0.01 Poor quality

As shown in the table (2) depicting model indices, it can be observed that indices 'R2' and 'cv red' indicate that the independent variable 'professional ethics' weakly predicts dependent variable 'decision-making strategies'. Moreover, the index 'cv com' is positive which means that the model to measure decision-making strategies is fit. The index 'GOF' also reveals that structural equation model has poor quality and it can be said that the structural equation model has low quality.

Results of model fit

Results of model fit for the structural equation are shown in figure 3 and table 3.

Fig. 3. Results of SEM fitness and the absolute t-values of paths

Table 3. Results of structural model fit

			Path coefficient	Standard Path coefficient	Standard error	Absolute value of the statistic
Decision-making strategies	--->	Professional ethics	0.151	0.166	0.060	2.529

Discussion

Professional ethics can predict decision-making strategies in Islamic Azad University, Mashhad

Considering the absolute t-value for the variable 'professional ethics' (2.529) which is bigger than 1.96, it can be inferred that the null hypothesis of significance test of variable 'professional ethics' which holds that the coefficient is not significant is rejected and with 95 percent confidence it can be said that professional ethics can predict decision-making strategies in Islamic Azad University, Mashhad.

The results obtained from the present study revealed that professional ethics can predict decision-making strategies in Islamic Azad University. Therefore, managers should observe ethical issues when dealing with the personnel. Besides, the personnel should be respected so that they feel more belonged to their work and organization and thus make every effort to advance the organization and bring more success for the organization by arriving at right decisions. The present article studied prediction of decision-making strategies by professional ethics of managers. To achieve this goal, it can be said that with regard to the estimated coefficient for this variable (0.151) which is positive, there is significant direct relationship between professional ethics and decision-making strategies in a way that as 'professional ethics' increases, 'decision-making strategies' increase, too. Furthermore, considering the estimated standardized coefficient at 5 percent error, it can be said that as 'professional ethics' increases, the capacity of information systems increases by 0.166.

Also, with regard to the estimated coefficient for this variable (0.151) which is positive, it can be said that there is significant direct relationship between professional ethics and decision-making strategies and as professional ethics increase, decision-making strategies increase, too. In addition, considering the estimated standardized coefficient at 5 percent error, it can be said that as professional ethics increased, capacity of information systems also increased by 0.166.

Analysis of the research hypothesis revealed that professional ethics can predict decision-making strategies in Islamic Azad University, Mashhad Branch. Some researchers concluded that there is a significant relationship between managers' professional ethics and their enhanced decision-making which is in line with the present research (10).

Analogous to the present study, some researchers concluded that there is a significant relationship between leadership, ethics and justice affect decision-making (17). Having regarded the results of hypotheses of this study, the following suggestions are presented:

According to the results of the main hypothesis, professional ethics can predict decision-making strategies at Islamic Azad University, Mashhad branch.

- To enhance strategic decision-making in an organization, critics should be raised by the organization since, though very difficult, people with differing ideas will eventually agree with each other but undeniably collective decisions are more comprehensive and effective for the organization.
- Some of the researchers suggest that in order for decisions of an organization to be right and effective and to solve its problems, major decisions such as fairness, equality, justice, proper distribution of benefits or advantages, fair judgment, etc. should be taken.

According to the results of the first sub-hypotheses, Utilitarian ethics can predict decision-making strategies at Islamic Azad University of Mashhad.

- Managers are advised to give bonuses for right decisions taken in the organization which brought about many advantages for the organization.

According to the results of the second sub-hypotheses, individualistic ethics can predict decision-making strategies at Islamic Azad University of Mashhad.

- Managers should strictly choose and implement their plans for the organization. For proper, creative decision-making they should consider different options because making decisions from among multiple options is better than single-option decision-making. To have efficient personnel who can make right decisions that are to the benefit of the organization, they should be informed that caring for conscience and being brave is necessary for decision-making and they should take the responsibility of decisions they have made in the organization.

According to the results of the third sub-hypotheses, Task oriented ethics can predict decision-making strategies at Islamic Azad University of Mashhad.

- In order for right decisions to be made in an organization, old projects should be abandoned at the right time and new decisions are replaced so that decisions become more effective and innovation and creativity is enhanced in the organization. Abandoning old decisions creates the opportunity for the organization for new strategic investment.
- In order that the personnel perform Task oriented ethics in making decisions in the organization, managers should grant the personnel more authority to perform their duties.
- Some of the researchers believe that each person in an organization should be responsible for duties that they should perform and accept the consequence of decisions they take in the organization so that right decisions can be made.

According to the results of the fourth sub-hypotheses, Ethics of justice can predict decision-making strategies at Islamic Azad University of Mashhad.

- Some of the researchers suggest that people in the organization should be directed in a way that they not only think of their own interests and pay attention to their conscience, but also they avoid hypocrisy and participate in making decisions.
- Observance of ethical issues in the organization is suggested, especially in the case of the managers' behavior towards the employees so that the employees feel more attached to their work and the organization, and as a result, make the efforts necessary for the organization to succeed and with the right decisions that they make to advance the goals of the

organization, the chances of the organization's success will increase.

According to the results of the fifth sub-hypotheses Legal ethics can predict decision-making strategies at Islamic Azad University of Mashhad.

- Some of the researchers' suggest that decisions in an organization be judged based on their congruence with individual and group rights because by observing rights of people and groups in an organization, there is more tendency by all the people to implement it.
- Some of the researchers believe that in an organization, people's rights should be respected and people should be loyal to their words. Also, he states that people should participate in the decision-making process so that all people's interest is taken into account and everyone can protect their rights.
- They should moderate the risk of decisions made in an organization i.e., the worst decisions made in an organization are the riskier ones which the organization is not able to perform them at the right time and waste the opportunities of the organization.

Suggestions for future research

- The relationship between managers' professional ethics and the ethical environment regarding the moderating role of the management information system capacity
- The relationship between the managers' professional ethics and personality in relation to the moderating role of management information system capacity
- The relationship between the managers' professional ethics and organizational culture regarding the moderating role of management information system capacity

Regarding the fact that the present research is a part of the humanities research category, there were some factors that were beyond the control of the researcher but were effective on the results such as personality traits of each employee, ethical atmosphere governing the organization, organizational culture in the organization, the fatigue caused by work among the staff of the organization, etc.

Conclusion

In the final report, the findings showed that professional ethics is significantly predicted by decision-making strategies of managers. Moreover, the results specifically indicated that there is a significant positive correlation between dimensions of professional ethics (individualistic ethics, task oriented ethics, and legal ethics) and decision-making strategies of managers. Observing professional ethics is necessary to realize organizational goals of Islamic Azad University of Mashhad. Furthermore, decision-making strategies of organization managers can direct organizational behavior and performance towards more congruence with the organizational goals. Thus, observing professional ethics can lead managers of faculties of Islamic Azad University, Mashhad Branch to enhance their decision-making strategies to realize the goals of the university.

Ethical considerations

To observe ethical rules and for the sake of privacy, the obtained information is kept secret and the respondents were asked not to write down their names on the questionnaires.

Acknowledgment

It is our duty to express our gratitude to all managers of Islamic Azad University, Mashhad Branch for their participation in filling out the questionnaires.

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