

# Unveiling the Nexus: Organizational Integrity Culture, Integrity Management Practices, and Ethical Performance in the Private Healthcare Sector

Noor Haslina Harun<sup>1</sup>, Dr. Fauziah Sh. Ahmad<sup>2</sup>

<sup>1</sup>Azman Hashim International Business School, UTM, <sup>2</sup>Azman Hashim International Business School, UTM

Email: Haslina.harun@gmail.com, fsa@ibs.utm.my

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## Abstract

This action research investigates the pivotal role of organisational integrity culture in Malaysia's private healthcare sector, exploring its influence on employee integrity performance and the resulting competitive advantages from effective integrity practices. By integrating resource-based theory and ethical frameworks with organisational integrity culture theory, the study examines how organisational integrity culture acts as a strategic resource for attaining competitive edges through integrity practices and enhancing employee integrity performance. The research aims to scrutinise model fit and explore the interrelationships among critical constructs through quantitative analysis. It addresses research gaps by framing organisational ethical culture as a determinant of employee ethical performance. The Malaysian Institute Integrity Index links organisational culture and employee ethical performance. The study employs SmartPLS Version 4 for methodological rigour and reliability in data collection and analysis, aiming to enhance the application of effective integrity practices in private healthcare settings. Moreover, it explores the role of organisational resources in sustaining competitive advantages, contributing insights into the relationship between firm resources and sustained competitive advantage within the private healthcare domain.

**Keywords:** Theory Integrity, Resource-Based Theory, Integrity Practice Implementation, Private Healthcare, Ethical Culture

## Introduction and Objectives

This action research delves into organisational integrity culture and practices in the private healthcare sector, aiming to address specific research problems and highlight the importance of personnel integrity in ensuring patient safety. Understanding integrity in healthcare is crucial for optimising organisational culture and employee ethical performance. Healthcare businesses can implement effective integrity measures by prioritising integrity, enhancing

staff performance and gaining a competitive advantage. This research analyses the model's adequacy and quantitatively explores its components' interactions.

Table 1 illustrates the research questions, objectives, and hypotheses:

Table 1

*Research Questions, Objectives, and Hypotheses*

|    | Research Questions   | Research Objectives   | Hypotheses  |
|----|--|---|---|
|    | Predictor to consequences relationship   |   |   |
| 1. | Does the organisation integrity culture (OIC) influence the integrity practice?                  | To examine the influence of organisational integrity culture (OIC) on integrity practice              | H1. Organisational integrity culture congruency (OICC) will affect the practice of integrity.<br>H2. Organisation integrity culture provision (OICP) will affect the integrity practice.<br>H3. Organisation integrity culture ability (OICA) will affect the integrity practice                        |
| 2. | Does integrity practice influence employee integrity performance?                                | To investigate the influence of integrity practice on employee integrity performance                  | H4. Integrity practice will affect employee integrity performance.  |
| 3  | Does the organisation integrity culture (OIC) influence employee integrity performance?          | To examine the influence of organisational integrity culture (OIC) on employee integrity performance  | H5. Organisation integrity culture congruency (OICC) will affect employee integrity performance.<br>H6. Organisation integrity culture provision (OICP) will affect employee integrity performance.<br>H7. Organisation integrity culture ability (OICA) will affect the employee integrity performance |
|    | Mediation effect   |   |   |
| 4. | Does integrity practice mediate the relationship between OIC and employee integrity performance? | To test the roles of integrity practice as a mediator between OIC and employee integrity performance. | H8. Integrity practice mediates the relationship between OIC and employee integrity performance.  |

Different organisations deploy varied strategies based on their resources, as per resource-based theory (Miles, 2012). This perspective highlights how organisations maintain uniqueness and sustainability to gain a competitive edge, focusing on efficiency disparities over market power or strategic behaviours (Hoopes et al., 2003; Peteraf & Barney, 2003). Scholars stress that an organisation's performance primarily hinges on its resources, which may remain latent until harnessed to establish a competitive advantage (Mweru & Maina, 2016; Wernerfelt, 1984). Resources encompass tangible and intangible assets like brand names, technology, and operational processes (Caves, 1980). Central to this is the notion of

organisational culture as a strategic asset, mainly corporate integrity culture, which, when meeting specific criteria, can confer sustainable competitive advantages (Barney, 1991; Flamholtz & Randle, 2012). Organisational integrity culture is a significant area of research contributing to organisational practices and sustainability, especially within the healthcare sector (Al-Saggaf et al., 2015; de Graaf & van Asperen, 2016; Lukito, 2016; Raatzsch, 2012). Despite efforts, there needs to be more studies linking organisational culture with integrity practices and performance (Gong et al., 2015; Kaptein, 2007; Kilicoglu, 2017; Navot et al., 2016; Wright et al., 2018; Xu & Yang, 2019).

The conceptual framework proposed for this action research project synthesises theories from existing literature on organisational integrity culture, integrity practice, and employee integrity performance. In line with the action research approach, it aims to actively engage with real-world organisational contexts to address practical challenges and improve outcomes. Furthermore, the framework incorporates critical theories such as resource-based theory and ethical theory to comprehensively understand the dynamics at play within the private healthcare sector. By grounding the research in established theoretical perspectives, this study seeks to generate knowledge and inform actionable strategies and interventions for enhancing integrity practices and promoting ethical performance among employees.

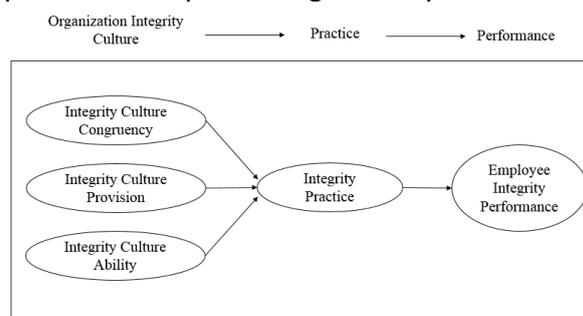


Figure 1 Conceptual framework of the research.

## Materials and Methods

The research implements a comprehensive methodology, initially outlining the experiment design, including purpose, approach, and methodological framework, to conceptualise the research design and address objectives strategically. It details components like the target population, sampling techniques, and data collection procedures, ensuring methodological rigour and reliability. Additionally, the methodology articulates plans for data analysis, enhancing scholarly rigour and facilitating a nuanced understanding of the research process and its implications.

## Methodology

To address the research questions effectively, adopting a sampling strategy is imperative. Taherdoost (2016), outlines several sequential steps in the sampling process, each crucial for selecting a representative sample that mirrors the broader population's characteristics and diversity. With over eighteen years of experience in Malaysia's largest private healthcare group of hospitals, researchers possess a unique insider perspective, allowing them to analyse industry intricacies and collect invaluable insights from various stakeholders. This perspective helps them explore integrity within Malaysia's healthcare landscape, aiming to inform and shape organisational practices, policies, and decision-making processes, thus advancing ethical standards within healthcare organisations. Ensuring an adequate sample

size is critical for the study's validity. Based on guidelines from Cunnigham (2007), and Faul et al (2009), researchers have determined that a sample size of 140 participants is appropriate. They will employ convenience sampling, as described by Taherdoost (2016), to streamline data collection and maximise efficiency by utilising readily available participants. This approach helps them overcome practical barriers while ensuring rigorous and impactful research outcomes.

Researchers have developed the study's instrument by adapting critical sources in the field of integrity and ethics. They incorporate theoretical foundations from Kaptein (2015), practical methodologies from the Institute of Integrity Malaysia adapted from Dubinsky & Richter (2015), and global perspectives from the Global Ethics and Integrity Benchmark by Ingerson (2014). By synthesising these diverse sources, they aim to comprehensively assess the organisational integrity culture within the study's context. This comprehensive approach ensures that the instrument captures the local relevance of integrity issues and aligns with global standards, providing a robust framework for evaluating and enhancing ethical practices within healthcare organisations. By integrating these diverse perspectives, researchers aspire to contribute significantly to the understanding and improvement of integrity in Malaysia's healthcare sector.

### **Data Analysis**

The researcher distributed 350 questionnaires using the organisation's email system and Google Forms to collect comprehensive data. The researcher took stringent measures to ensure confidentiality and privacy. The researcher thoroughly examined and interpreted the collected data, revealing a booming 77.7% response rate for the questionnaires. Initial analysis included assessing missing data, outliers, and distribution, followed by Harman's single factor test to assess standard method variance. Descriptive statistics explored participant demographics and questionnaire responses. Advanced analysis via Partial Least Squares Structural Equation Modelling (PLS-SEM) revealed satisfactory levels of explained variance and predictive relevance for most constructs within the structural model. However, some constructs exhibited relatively weaker predictive power, suggesting a complex interplay of factors influencing employee integrity performance beyond the sole mediation of integrity practice, warranting further investigation. These constructs emphasise the need for ongoing research to understand the phenomenon's complexities and improve intervention strategies thoroughly.

### **Results and Discussion**

The study investigates the interplay between integrity culture, integrity practices, and employee integrity performance within healthcare and service industries. Findings reveal the significance of organisational support structures in fostering ethical behaviour despite integrity practices' comparatively weaker impact on employee performance. Aligning organisational values with actual practices is a critical factor influencing employee integrity performance across sectors. While mediation analysis lacks statistical significance, the study underscores the enduring importance of integrity practices in shaping organisational resilience and fostering positive outcomes in healthcare and service industries.

The interventions and actions implemented to enhance organisational ethics and integrity were comprehensive and multifaceted, aiming to create a robust ethical culture. Initially, the

company established a detailed code of ethics to guide employee behaviour and supported it with regular integrity audits to identify and address potential issues. The company developed ongoing ethics training programs focused on real-world scenarios and ethical decision-making to ensure widespread understanding and adherence. They also provided specialised training for managers to foster a culture of integrity within their teams. Senior leaders actively promoted ethical conduct through regular communications and visible actions. They formed a leadership council to oversee ethics initiatives and ensure alignment with organisational values. They launched communication and awareness campaigns using newsletters, posters, digital platforms, and town hall meetings to engage employees in discussions about ethical practices. Robust monitoring and accountability mechanisms, including anonymous hotlines and digital reporting tools, were established and overseen by an ethics committee to ensure accountability. The management introduced feedback mechanisms such as surveys and suggestion boxes to gather employee input. They also developed recognition programs to celebrate exceptional ethical behaviour.

Additionally, they instituted continuous improvement processes to regularly review and update policies, address emerging challenges, and incorporate best practices. Periodic assessments evaluated the effectiveness of ethics programs while rooting cause analyses of ethical breaches identified underlying issues and preventive measures. Collaborations with external stakeholders, including customers, suppliers, and regulatory bodies, ensured alignment on ethical standards, and participation in industry groups facilitated knowledge sharing. Finally, they established a long-term ethics and integrity strategy, incorporating goals and metrics to track progress and integrate ethics into strategic planning and decision-making processes.

By implementing these interventions and actions, organisations can enhance employee integrity performance and foster a culture of integrity and ethical behavior. The researcher compiles and assesses the data following the intervention implementation. The compilation and assessment involve gathering relevant data points and conducting a comprehensive evaluation to analyse the interventions' effectiveness. Once data compilation is complete, the researcher will assess various metrics and indicators to gauge the interventions' impact on the identified problem, providing valuable insights into their success and informing any necessary adjustments or further steps.

### **Conclusion**

Future research should explore additional factors mediating the relationship between Organization Integrity Culture (OIC) and employee integrity performance in healthcare, including longitudinal studies, comparative analysis, qualitative research, organisational interventions, cross-cultural studies, ethical decision-making processes, and the impact on patient outcomes.

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