

# Impact of business ethics on employee's productivity and organization growth: Case study at Emaar Properties Corporation, Dubai, UAE

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## Abstract

Business ethics not only upgrades the corporations' working standards but also innovates employees' aptitude for effective project management. Due to business ethics implementation, Emaar Properties is a multinational real estate developmental corporation. In Emaar Properties, business ethics casts a beneficial impact on stakeholders' involvement, employee loyalty, and consumers' satisfaction with the latest product portfolio. This paper yields the business ethics practices within Emaar and the reasons for being engaged in such practices. Moreover, the paper inspects Emaar's ethical behavior in several activities, scrutinizes if the company has ever been penalized for any unethical behavior, and provides some essential recommendations for management concerning ethical behaviors.

## Introduction

For organizational growth and profitable development, the implementation of business ethics is essential locally and globally. To have the country as an overriding destination, the UAE must adhere to international standards, and business ethics are among them. Approximately 98% of the UAE employees claimed that after experiencing ethical culture, they are competent enough to manage ethical issues professionally (Bateman & Majdalawieh, 2009). The development of business policies and strategies based on the values framework is known as Business Ethics. This framework describes the employees' behavior and their interactions with each other and outsiders. Business ethics are of utmost importance in organizational growth. Business ethics increase consumers' trust and cause huge profits and economic gains for organizations. Ahn et al. (2020) mention that most consumers buy products from organizations that casts a positive impact on the environment.

Business ethics circumscribe multiple outlooks of organizational business operations and tools. Upgraded business ethics of organizations to maximize shareholders, consumers, and employees' trust and involvement in investment, corporate affairs, project management, and product purchase (Majumdar, 2017). Business ethics develop an efficient, productive, and fair workplace that enchants several stakeholders, employees, and consumers. Business ethics are the major contributors to the economic bottom lines of the organizations (Gupta & Agarwal, 2022).

In Emaar Properties, business ethics are important as they help the organization to ensure the accomplishment of projects with the highest standards. It offers upgraded customer service throughout the consumers' journey. Because of upgraded business ethics and project management tools, Emaar Properties is a globally well-known and developed organization. Emaar Properties provides consumers required products and necessary flexibilities to the employees according to business ethics principles which has led the corporate to enhance its place in the local and global market (Bodolica et al., 2018). Furthermore, business ethics not only has contributed to more employees' morale and loyalty, but it has also increased profitability in the two terms, the short and long and reflected a positive image of the corporate. To add on, it has a major impact on the company's good reputation that characterized by integrity and trustworthiness in addition to its social responsibility (Alabbar & Safarik, 2018).

Emaar Properties, known as Emaar Development, is an Emirati multinational real estate development corporation, found in United Arab Emirates (UAE), Dubai, Abu Dhabi. It is a public joint-stock corporation included in Dubai Financial market list. By June 2021, Emaar properties had a worth of 15.5 billion US\$. Muhammad Alabbar was its founder, and it was established on 16 June, 1997 in Dubai, United Arab Emirates (Gölgeci et al., 2019). Its CEO is Amit Jain and its chairperson is Jamal Bin Theniyah. Its head-quarter is present in Dubai, the United Arab Emirates, and various subsidiaries are Emaar India, Emaar Pakistan, Emaar Developments as cited in Majumdar (2017), and many others. Emaar Properties' vision is to be the leader in real estate development market due to standardized products and remarkable lifestyle. Emaar Properties' mission is the provision of high-quality products through ingrained knowledge, experience, valuable model approaches, innovation, and guarantees consumers satisfaction. Emaar is one of the famous developers of UAE, as it has versatile scrutiny in real estate, comprising: commercial, residential, malls, and hospital buildings construction (Areyiqat et al., 2018; Emaar Properties Report, 2021).

The problem statement is to observe the impact of business ethics on organizational growth specific at Emaar Properties. The main objective is to assess the importance of business ethics principles for the treatment of stakeholders, consumers, and employees. The significance of business ethics and its impact on Emaar Properties' growth are the main objectives (Emaar Properties Report, 2021). After the qualitative comparisons among Emaar properties and other gulf corporations, the research hypothesis eventually will states that business ethics cause a positive impact on Emaar employee's productivity (Morrisette, 2020). Thus, it is better to do thorough research and analyze the precision of the hypothesis. An observational research model will be used to assess the authenticity of the hypothesis. An observational research model is based on non-experimental research where behaviors are orderly observed and recorded. Its primary goal is to elaborate the list of variables (Lozano, 2012).

## Literature Review and Hypotheses Development

### Business Ethics Conception

In De Bakker et al. (2019) elaborated on the purpose of implementing business ethics. The main aim is to comprehend the primary initiatives of good and bad ethical decisions. With better comprehension of these initiatives, organizations can implement business ethics effectively (Werhane & Freeman, 1999). DeTienne et al. (2021) explained the significance of business ethics that business ethics act as a bridge between moral judgment and moral actions to enhance the interest of the organization towards profitable growth. It incorporates moral psychology, moral philosophy, and business ethics to innovate the strategic policies of the organization (Tsalikis & Fritzsche, 2013). Farouk and Jabeen (2018) explained the major challenge for business ethics, such as unethical accounting and discrimination. These unethical behaviors arouse numerous issues in the organization and limit organizational growth. Unethical behaviors must be tackled professionally so that the trust of employees, consumers, and shareholders is maintained in Emaar properties management. Kreismann and Talaulicar (2021) said that the actual purpose of unethical business behaviors description is to highlight the importance of ethical business behaviors.

Ethical business behaviors ensure the sustainability of organizational growth. It also arouses a sense of positive competition among diligent employees. A competitive workplace upgrades employees' productivity and efficiency in project management and unethical issues handling (Werhane & Freeman, 1999). Tushar (2017) mentioned role of the ethical leadership toward sustainability development in the organizations also organizations having modified moral principles are competent enough to practice their corporate values and achieve their future goals to intensify their success journey. It highlights the significance of having goals and implementing appropriate strategies for achieving them. Effective business ethics upsurge organization standards as huge number of shareholders, employees, and consumers want to involve in that outstanding organization projects; Emaar Properties. Because of effective business ethics, the organization also achieves higher standards and status in social welfare activities. The companies

which are active in social work and follow business ethics have won the trust of the public and enjoy profit gains (Farouk & Jabeen, 2018).

Improved ethical principles upgrades the working criteria of the entire staff. Management and the employees work in a fair, transparent, legalized and professional manner to enchant a number of shareholders (Civera & Freeman, 2019). Ethical principles improve the relationship between Emaar properties management and shareholders. Business ethics have a wider scope and its upgrading enchant various shareholders and enforce them to make valuable investments and cooperate in business management with Emaar properties. Initially, Dubai government-owned 100% of Emaar business, but now shareholders are owning 50% of Emaar business. Twenty plus shareholders of Emaar properties are from different counties; Hong Kong, China, India and many others (De Bakker et al., 2019; Emaar Properties Report, 2021).

## Productivity and Growth

Ethical principles refer to those initials increase flexibilities for employees at the workplace. Emaar properties has introduced several Business ethical principles, especially for employees to make them feel comfortable and productive at the workplace (Jha & Singh, 2021). Emaar properties management confirms that implemented business ethics must cover employees' rights from paying them fairly to flexibility in work limitations; do not harm them physically and mentally. These ethical principles upsurge employees' trust on Emaar properties, managing skills and affection for them. In Emaar properties, employees are awarded with decent wages, flexible working hours, extra-time wages, off days, lunch and tea breaks, and performance appraisal certificates on the basis of their working aptitude and professional approach towards ethical issues handling (Sunanda, 2020).

Emaar properties know leading ethical consumer services refers to social responsibilities for client satisfaction. Emaar Properties, being ethically responsible, does not care about right or wrong decisions; rather, it focuses on finalizing those decisions which bring satisfaction for shareholders, employees, and especially consumers. Emaar properties investigated client's nature and taste for land and constructed building and then present the most suitable products to the client with reasonable price ranges (Andersch et al., 2019). Emaar Properties management prioritize consumers' requirements and try to present consumers' most demanding product in a unique manner (Lozano, 2012). Emaar Properties always maintain its standards in the real estate development market by using reliable materials. The moral principles which Emaar Properties follows present the upgrading of corporate values (Kaur, 2019). By prioritizing clients' demands, Emaar Properties has increased the number of consumers, which has made it financially independent. Ethical consumer principles innovate the quality of services and foster a positive influence on consumers (Farouk & Jabeen, 2018; Tsalikis & Fritzsche, 2013; Tushar, 2017).

From the above explanation and review about business ethics concept, productivity, and organizational growth, the authors then reflect these interrelationship of variables become several hypotheses formulation below:

H1 : Business ethics has positive significant impact on employees productivity

H2 : Business ethics has positive significant impact on better working environment

H3 : Business ethics has positive significant impact on organization success and growth

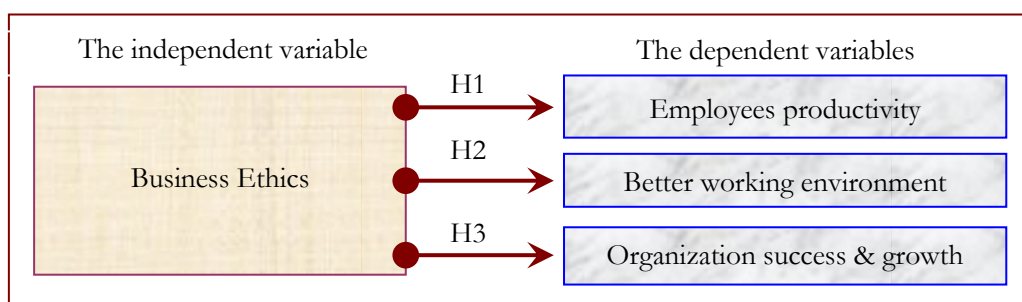


Figure 1. Research Framework

## Research Methods

For this study, it was most convenient to depend on a survey for data collection which was a with specific questions. Our questionnaire covered topics related to demographics, opinions and practices of business ethics in the working environment (Filzmoser & Varmuza, 2016). Our sample population for this study would be around 260 employees of different organizations but most of them either work in Emaar or related to Emaar's business.

Convenient sampling, which is known as the non-probability sampling approach within Emaar Properties, has been applied in which those respondents were selected that were easiest to reach and were agree to participate. For this study, a five-scale Likert questionnaire was used, ranging from Strongly Agree (5) to Strongly Disagree (1). To test the hypotheses, the authors apply several analyses and methods like instrumentation testing included validity and reliability test, descriptive analysis, and the last is regression analysis consist of score of coefficient determination and the result of simultaneous interrelationship in the model, that is ANOVA test (Anderson, 2003).

## Results and Discussion

Cronbach alpha test will help to measure of internal consistency, that is, how closely related a set of items are as a group. The output shows 0.750 with the number of indicators is 16 items and according to value Cronbach alpha should lie between number ranges that is 0.69 to 0.9 which shows that the questionnaire design is accurate and need no amendments (Heumann & Schomaker, 2017).

Also we made a Regression test to assess the strength of a relationship between one dependent and independent variable(s). and will helps in predicting value of a dependent variable from one or more independent variable. Here, all the required elements are entered in a standard way which shows the accurate results.

**Table 1.** Model Summary Result

Model	R	RSquare	Adjusted RSquare	Std. Error of the Estimate
1	.876	.768	.685	.617

a. Predictors: Business ethics, Constant

b. Dependent variable: productivity, working environment, organization growth

The above estimation indicates that business ethics following is directly linked with employee productivity; it has been tested through SPSS 20. As per the table above the value of R-sq is **0.768** which shows that 76.8% of the results is done by the dependent variable over the independent one, it shows the accurateness of fit model and it shows that the variables are positively linked with each other variables of the positive value of R-sq (Anderson, 2003). The value of R **0.876** shows the positive impact of business ethics on employee productivity and shows the change in employee productivity with respect to ethics following.

**Table 2.** Anova Estimation Results<sup>c</sup>

Model 1	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.982	2	2.991	7.846	.001**
Residual	22.875	60	.381		
Total	28.857	62			

a. Predictors: Business ethics

b. Dependent variable: productivity, working environment, organization growth

c. Simultaneous interrelationship between variables in the model

\*p < .05, \*\*p < .001, \*\*\*p < .000

In Table 2., the value of F = 8 reflects the fluctuation in value that will occur after every 8<sup>th</sup> response of our sample population, which shows the impact of variables on each other

(Filzmoser & Varmuza, 2016). The significance value is 0.001, which is approximately almost zero (0), and we know that the more the value is near to zero, the more we consider it significant. Therefore, from the above analysis, we can conclude that the H null hypothesis is rejected and the hypotheses alternative that are H1, H2, and H3 are supported statistically.

The authors also work for descriptive analysis with the purpose to help describe, show or summarize data points in a constructive way to support our previous studies and our theoretical contribution at the same time to make sure our framework is valid and enhanced by statistical evidence data. This descriptive analysis is not a description about the profile of respondents but it only focuses on the distribution and frequencies of some sample for our questionnaire of variables. This implies with deep explanation in descriptive analysis so it will give us the comprehensive drawing about interrelationship between variables and those phenomena that emerged from the field (Heumann & Schomaker, 2017).

**Table 3.** Frequencies of Variables of Descriptive Analysis Result

No.	Questionnaire Items (for example)	Likert scale range between 5 for strongly agree and 1 strongly disagree, and 0 for other					Other choice
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
1	Business ethics is one of the important factors in organization's success.	3 (4.8%)	11 (17.5%)	24 (38.1%)	19 (30.2%)	6 (9.5%)	0 (0%)
2	Employees response is the best way to judge any organization environment.	29 (46%)	29 (46%)	4 (6.3%)	1 (1.6%)	0 (0%)	0 (0%)
3	Ethics policy should be upgraded timely.	2 (3.2%)	9 (14.3%)	27 (42.9%)	14 (22.2%)	11 (17.5%)	0 (0%)
4	Ethics following has direct impact on employees productivity.	33 (53.2%)	19 (30.6%)	6 (9.7%)	1 (1.6%)	3 (4.8%)	0 (0%)

Source: Data result processed

The above questions from the survey are defending hypothesis 1. The authors collected responses of Emaar's employees through survey method. The results show that a number of employees are satisfied with Emaar's ethics policy, and they do agree that if the working environment is feasible and every employee feels free that his/her rights are secured and can be used any time (Werhane & Freeman, 1999). There is no discrimination in employee's rights and company do follow ethics policy equally for all, the employees will surely perform well and hence the variable will have direct impact on high performance employees (Malik & Mehmood, 2022).

Emaar Properties is engaged in business ethics principles due to its countless benefits. Business ethics ensures the business profitable growth as the trust of employees, consumers, and shareholders will surely increase due to the organization's involvement in social welfare practices (Bint-Tariq et al., 2020). Emaar Properties prioritize ethical behaviors in its dealings and project management practices. The majorly used ethical behaviors include integrity and understanding (DeTienne et al., 2021). Emaar Properties is now one of the leading real estate development corporations because of its integrity with shareholders and consumers. Also, Emaar Properties management understands employees' excuses for being inactive and cooperates with them in their difficult times (ElGammal et al., 2018).

Emaar Properties are not involved in unethical business behavior practices as the corporation wants to sustain its status in the real estate development market (Bateman & Majdalawieh, 2009). If any issues of unethical behaviors emerge, such as lies, abusive harassment, distinction, and extended breaks, they are managed properly by the Emaar organization management board. There is no report of unethical behavior in Emaar Properties because the management team is quite active and efficient in handling minor unethical issues (Mostafa &

Shen, 2019). Our results indicate that Emaar Properties is serving a good business ethics policy which has a direct impact on employees' productivity.

## Implication and Conclusion

The implication for this research result consist of several points that will be represented below:

- Positive power and politics must be introduced in the organization as it enables the employees to participate in finalizing effective decisions. Management must encourage them and present them with rewards due to their high competence (Gupta & Agarwal, 2022).
- Conflict management must be done professionally. If any dispute occurs with a third party, it must be sorted out at the group level with all the legalized approaches. The board of directors must be involved if the dispute is not settled down by the management team (Morrissette, 2020).
- Quality of products and behaviors with clients must not undergo bottom line. Rather products must be updated and according to consumer demands and must be presented in a professional and ethical way (Bint-Tariq et al., 2020).

Emaar Properties is well known due to its business ethics implementation. Business ethics improve the organization working standards and employee productivity enabling the managing team to handle every crisis effectively and according to ethical principles (Alabbar & Safarik, 2018; Emaar Properties Report, 2021). Business ethics casts a positive impact on shareholder involvement, consumer satisfaction and employees productivity for being part of Emaar Properties Corporation. It reveals that the described hypothesis statement is proved correctly. Our main contribution in this study to investigate about how business ethics implementation is a reliable source of improving organizational growth. Hence, business ethics casts a positive impact on organizational growth if professionally managed. As well as business ethics of organizations to maximize shareholders, consumers, and employees trust and involvement in investment, corporate affairs, project management, and product purchase. Our results confirm the theoretical literature review business ethics develop an efficient, productive, and fair workplace that enchants several stakeholders, employees, and consumers. Business ethics are the major contributors to the economic bottom lines of the organizations (Bodolica et al., 2018; Areiqat et al., 2018).

This study has faced some difficulty in administering surveys to respondents. For instance, several follow up and reminder with the sample to encourage them be fill the online questionnaire this is main obstacle faced by the researchers in the phase of data collection. The business ethics of this study can be improvised if a bigger sample size, acquiring responses from varied and different target sources consisting of entities not only limited to one company but take all the industries. The impact of such vast research sample size would result in having more valuable findings that would be beneficial for future researchers, and the public in common.

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