The Relationship between Conscientiousness and Perception on Ethical Leadership with Felt Accountability in Employee

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Keyword: Conscientiousness, perception, ethical leadership, felt accountability, employee

Abstract: Felt accountability is one of the keys to success in organizations because it provides guidance and direction for employees to form their role expectations and mutual obligations, and also clarifies the evaluation criteria for their performance and behavior. Furthermore, it is associated with employees’ ethical conduct. It is therefore important to explore the predictors of felt accountability. The purpose of this research is to explore the effects of individual factor, conscientiousness ($\alpha = 0.87$) and group factor, ethical leadership ($\alpha = 0.83$) to felt accountability ($\alpha = 0.74$) in employees. A total of 140 surveys were collected using a time lag method (2 weeks gap) in 2 different organizational structures. The results show that (1) conscientiousness and felt accountability have a positive and significant impact, (2) no significant impact was found between ethical leadership and felt accountability, and (3) unexpectedly, organizational structure significantly affects felt accountability, in that organic structure shapes higher tendency for felt accountability. The impacts of this study are further discussed.

1 INTRODUCTION

In the business and organizational world, unethical practices are common, such as the case of Bernhard Madoff and Allen Standford at the international level (Gino, Schweitzer, Mead and Ariely, 2011) or cases of corrupting trillions of Rupiah by Sjamsul Nursalim and Gayus Tambunan in Indonesia (Budisatrijo, 2011; Setyawan, 2017; Perkasa, 2017). The impacts of these cases are not only detrimental to the organizations where they work, but also to the economy of the country (Gino, Schweitzer, Mead and Ariely, 2011). This worrying fact raises the question of why individuals engage in such unethical behavior. One key aspect related to this is felt accountability (Ranft, Ferris and Perryman, 2007).

Felt accountability refers to individual perceptions that every action and decision they make is evaluated by others and also affects their rewards or sanctions (Hall and Ferris, 2011). It is a must have variable for employees in the world of work because it helps to lead them in shaping their expectations of common roles and responsibilities, as well as clarifying performance and behavior evaluation criteria (Wikhamn and Hall, 2014). Many studies have found that felt accountability predicts some positive consequences in the context of the world of work. Nevertheless, the causes of felt accountability have not been well studied nor well operated (Pearson and Sutherland, 2017).

Felt accountability is influenced by internal and external factors of individuals (Frink, Hall, Perryman, Ranft, Hochwarter, Ferris and Royle, 2008). Specifically, the unique characteristics of individuals and the organizations in which they work influences the development of individual's felt accountability (Frink, Hall, Perryman, Ranft, Hochwarter, Ferris and Royle, 2008). Scholars have argued that the perception of accountability can be influenced by individual personality characteristics to a certain extent (Hall, Frink and Buckley, 2015). However, personality traits have not been closely examined in terms of their relationship to felt accountability. In organizational research, the five-factor model (FFM) or the “big five” is widely accepted as the unquestionable trait framework in the history of personality psychology (Judge and Zapata, 2015). This concept consists of five dimensions of personality traits, such as conscientiousness, emotional stability/neuroticism, extraversion, agreeableness, and openness (Judge and Zapata, 2015).
Studies that specifically explore the relationship between felt accountability and personality characteristics have only been done by Frink and Ferris (1999), who linked felt accountability with conscientiousness. Conscientiousness is an element of personality relating to the ability to control impulses based on social standards or prevailing social environments. It directs positive forms of behavior such as focus in achieving tasks and goals, such thinking before acting, delaying gratification, following norms and rules, as well as planning, organizing, and prioritizing tasks (John, Robins and Pervin, 2008). In their experimental study involving university students in the United States, Frink and Ferris (1999) also state that conscientiousness is related to how individuals allocate effort between decisions and tasks, making it highly applicable in the organizational context. They found that under accountable conditions, individuals with higher levels of conscientiousness have better performance compared to individuals with lower conscientiousness levels (Frink and Ferris, 1999). However, the laboratorium setting of their study still lacks reliability in generalizing results to employees in the real organization world (Pearson and Sutherland, 2017; Gravetter and Forzano, 2012).

Hence, conscientiousness deserves more attention in relation to felt accountability because it is the only personality type that consistently leads individuals to success in the organizational context (Baer, 2014).

According to personal sense of power, individuals’ behavior is also directed by their personal sense of power, which is to what extent individuals perceive that they have the ability to influence others and to fulfill their own aspirations (Anderson, John and Keltner, 2012). Keltner, Anderson and Gruenfeld (2003) explain that individual variables are key contributors to this sense of power, specifically conscientiousness. Individual variables such as conscientiousness are able to affect individuals’ social power, which leads them to two different social consequences: (1) approach: attention to rewards and (2) inhibition: attention to threats (sanctions). In other words, based on the personal sense of power theory, conscientiousness may influence felt accountability because it shapes individual attention on rewards and sanctions (Hall and Ferris, 2011; Anderson, John and Keltner, 2012). Bearing this theory in mind, we hypothesize that:

H1: Conscientiousness positively affects felt accountability.

In addition to personality characteristics, Pearson and Sutherland (2017) also highlight the importance of superiors creating an ethical and accountable organizational culture. Steinbauer, Renn, Taylor, and Njoroge (2013) state that ethical leadership is the ethical behavior of superiors that can affect the actions and ethical decisions of their employees. Ethical leadership is defined as a demonstration of normative behavior through interpersonal actions and relationships, and invites subordinates to implement normative behavior through two-way communication, reinforcement, and decision making (Brown, Treviño and Harrison, 2005).

Therefore, it can be concluded that employees’ felt accountability depends on their perceptions on ethical leadership. This is also supported by Tetlock’s phenomenological view, which states that individual subjective interpretations are more important than existing conditions because subjective interpretations will affect their behavior and attitudes (Park, 2016). These interpretations are specific to employees’ perceptions towards their superior’s leadership ethic. There are still very few studies that discuss leadership and felt accountability (Pearson and Sutherland, 2017), as is also the case for studies on ethical leadership and felt accountability; Steinbauer et al. (2013) are the only ones who have discussed the relationship between felt accountability and ethical leadership.

Previous studies are going in this direction. Pearson and Sutherland (2017) found that leadership can influence organizational culture and elicit employees’ felt accountability; they argue that it is important for leaders or superiors to create an ethical and accountable organizational culture. In addition to that, ethical leadership is an expansion of transformational leadership which raises employees’ (followers) awareness about the importance of desired outcomes and the methods of reaching them (McCleskey, 2014). Transformational leaders influence, motivate, and stimulate their employees to bring about desired organizational outcomes through them. In terms of ethical leadership, transformational leaders demonstrate normative behavior and invite subordinates to implement normative behavior through two-way communication and reinforcement (Brown, Treviño and Harrison, 2005). Based on these findings, we posit that:

H2: Ethical leadership positively affects felt accountability.
2 METHOD

2.1 Sample and Procedure

Our sample consists of 140 employees who have worked at their current company for at least six months. Responses were attained with a 2-week time lag questionnaire, applying a time lag method to avoid common method bias (Podsakoff, MacKenzie and Podsakoff, 2003). Common method bias is an error that may occur in behavioral research that uses the same methods of measurement for both the predictors and outcome variables (Conway and Lance, 2010; Podsakoff, MacKenzie and Podsakoff, 2003). It may cause measurement fallacies such as inflated reliability and biased estimated correlation results between variables (MacKenzie and Podsakoff, 2012). Hence, it is important to reduce common method bias, and this study attempts to do so by collecting data about predictors and outcome variables at different times, which is known as temporal separation (Podsakoff, MacKenzie and Podsakoff, 2003).

Respondents were employees from entry level to management level with a direct superior. Responses were collected from different companies in which the organizational structures were either organic (52%) or mechanistic (48%). Organic structure refers to organizations with flexible coordination that can easily adapt with environment or business dynamics, hence individual behavior is guided by values and shared goals (O’Neill, Beauvais and Scholl, 2001). Mechanistic structure refers to strictly formal coordination, with standardized and centralized functions (O’Neill, Beauvais and Scholl, 2001). The dominant distribution of age ranged from 21-30 years (74%), followed by 31-40 years (16%). Also, males dominated the distribution of participants (55.7%).

2.2 Measurement

All measurements are self-reported measures in Bahasa Indonesia which utilized a 6-point Likert scale ranging from 1 = “strongly disagree” to 6 = “strongly agree.” They were adapted from previous research through the process of back-to-back translation. After that, to ensure the advisability of all measures, we conducted an offline based paper pencil pilot study, and we revised unclear statements on the results of the pilot study. This process was conducted before conducting the field study to ensure the reliability of all measures used. Reliability is an indicator of the extent to which a measurement is consistent and trustworthy, and is an important psychometric property (Cohen, Swerdik and Sturman, 2013; Urbina, 2004).

2.2.1 Conscientiousness

Conscientiousness was measured by Goldberg’s (Goldberg, 1992) IPIP Survey ($\alpha = 0.87$). Conscientiousness, which is an element in the Big Five Personality, was measured through ten items, including “I am always prepared.”

2.2.2 Ethical Leadership

Perceptions on superiors’ ethical leadership was measured with an adapted eight-item Ethical Leadership Scale (ELS) from Brown, Trevino, and Harrison (2005) ($\alpha = 0.83$). A sample item was “Conducts his/her personal life in an ethical manner.” Two items were eliminated because of their redundancy, which was reflected in the feedback of the pilot study and reliability checks.

2.2.3 Felt Accountability

We adapted a uni-dimensional felt accountability scale from Hall, Zinko, Perryman, and Ferris (2009) ($\alpha = 0.74$) into a nine-item scale, including “I am held very accountable for my actions at work.” We added one additional item because of the qualitative feedback in the pilot study, indicating an ambiguous statement which needed to be split into two different statements.

3 RESULTS

Bi-Correlation results are displayed in Table 1. These results show that company structure (organic or mechanistic) correlates negatively and significantly with felt accountability ($r = -0.19$, $p<0.05$), meaning that company structure needed to be controlled in the next analysis. In multiple regressions testing, the $R^2$ change obtained was 0.52 (see Table 2) indicating that 52% of the variance in felt accountability could be explained only by conscientiousness and ethical leadership. Conscientiousness has a positive and significant relationship with felt accountability ($\beta = 0.70$, $p<0.001$) (H1 accepted), suggesting that employees with higher conscientiousness have higher felt accountability.
Table 1: Bi-Correlation.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>28.29</td>
<td>6.81</td>
<td></td>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender a</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>0.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tenure</td>
<td>55.29</td>
<td>72.72</td>
<td>0.92**</td>
<td>-0.01</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Education b</td>
<td>-</td>
<td>-</td>
<td>0.15</td>
<td>0.05</td>
<td>0.09</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marital Status c</td>
<td>-</td>
<td>-</td>
<td>0.70**</td>
<td>-0.28</td>
<td>0.60**</td>
<td>0.16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Organization Structure d</td>
<td>-</td>
<td>-</td>
<td>0.61**</td>
<td>-0.01</td>
<td>0.59**</td>
<td>0.05</td>
<td>0.52**</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>4.71</td>
<td>0.77</td>
<td>-0.08</td>
<td>0.03</td>
<td>-0.09</td>
<td>-0.02</td>
<td>-0.05</td>
<td>-0.13</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ethical Leadership</td>
<td>4.78</td>
<td>0.55</td>
<td>0.20*</td>
<td>-0.03</td>
<td>0.13</td>
<td>0.08</td>
<td>0.13</td>
<td>0.20*</td>
<td>0.14</td>
<td>-</td>
</tr>
<tr>
<td>Felt Accountability</td>
<td>4.56</td>
<td>0.57</td>
<td>-0.11</td>
<td>0.01</td>
<td>-0.11</td>
<td>-0.00</td>
<td>-0.00</td>
<td>-0.19*</td>
<td>0.73</td>
<td>0.15</td>
</tr>
</tbody>
</table>

Note: N=140 *p<0.05; **p<0.01. 0=Female, 1=Male. 0=Diploma, 1=Bachelor, 2=Master. 0=Single, 1=Married. 0=Organic, 1=Mechanistic.

Table 2 also shows that ethical leadership is not related to felt accountability ($\beta = 0.08$, ns) (H2 is rejected). Finally, organizational structure (controlled) can also predict employee’s felt accountability ($\beta = -0.15$, $p <0.05$), and organic structure is shown to be a better predictor of employees’ felt accountability.

4 DISCUSSION

This research found interesting results. First, we found a significantly positive relationship between conscientiousness and felt accountability. This is in line with Frink and Ferris’ (1999) study in the United States on students, demonstrating consistency of research results in two different countries and samples (students and employees). The current study demonstrates that despite different cultures and samples, conscientious individuals are found to be more responsive to accountability. Further, individuals are indeed the key for employees to transform themselves accountably (Pearson and Sutherland, 2017). If individuals do not have the intrinsic ability to make themselves accountable, contextual and externally built mechanisms to support them in becoming accountable will be useless (Messner, 2009).

Second, in contrast to Steinbauer et al. (2013), no significant relationship was found between ethical leadership and employees’ felt accountability. This may be because of the difference in research participants; our study studies employees’ interactions with their superiors, which is different to Steinbauer et al.’s (2013) use of mentor and mentee relationships. In mentor and mentee relationships, the direction, communication, and social exchange is more important to the mentee, and this may not necessarily true for employees.

Employees are expected to remain committed to their job responsibilities even though such social processes do not occur.

Third, the current study advances understanding of felt accountability by showing that organizational culture may be a strong influence of felt accountability. Organic structure was found to create conditions that further enhance employees’ felt accountability compared to a more rigid mechanistic structure.

This may be because organizational structure is a mechanism that can affect employee behavior through shared values, norms, and goals (O’Neill, Beauvais and Scholl, 2001). In organic organizations, employees are interdependent due to task uncertainty and the need to process information quickly. This is closely related to felt accountability because these employees become more accountable when they feel that their performance will affect others and the team through interdependence in their tasks. Organic companies also have characteristics such as informal communication networks between employees and open opportunities for employees to participate in decision-making processes (O’Neill, Beauvais and Scholl, 2001). Individual employees care about their image and status in the eyes of others who evaluate them, hence their behavior and decisions become more accountable (Hall, Frink and Buckley, 2015). It is suggested that future studies should conduct empirical comparisons between each related company structure to felt accountability.

Bearing these three contributions in mind, this research advances the personal sense of power theory. Conscientiousness as a force facilitating task and goal directed behavior may also lead to higher effectiveness in task setting, contributing to higher sense of power (Anderson, John and Keltner, 2012).
Table 2: Multiple regression analysis.

<table>
<thead>
<tr>
<th></th>
<th>Step 1 Control Variable</th>
<th>Step 2 Control Variable, Conscientiousness, and Ethical Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conscientiousness</td>
<td></td>
<td>0.70**</td>
</tr>
<tr>
<td>Ethical Leadership</td>
<td></td>
<td>0.08</td>
</tr>
<tr>
<td>Organization Structure</td>
<td>-0.19*</td>
<td>-0.15**</td>
</tr>
<tr>
<td>( R^2 )</td>
<td>0.03*</td>
<td>0.55**</td>
</tr>
<tr>
<td>( df_1, df_2 )</td>
<td>5.52</td>
<td>55.53</td>
</tr>
</tbody>
</table>

*) \( p < 0.05 \); **) \( p < 0.001 \)

In other words, the current research highlights that personal sense of power is also manifested in the ability to satisfy one’s own desires (Keltner, Anderson and Gruenfeld, 2003), in the form of achieving rewards and avoiding sanctions. This study raises a question that needs to be investigated further, which is to what extent personal sense of power depends on personality (Anderson, John and Keltner, 2012; Keltner, Anderson and Gruenfeld, 2003) and on contextual factors such as leaders and organizational structure.

Further, this study also contributes to the promotion the world’s Sustainable Development Goals of the United Nations, especially the 8th goal which promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. This study points out the importance of choosing suitable employees based on their degree of conscientiousness and felt accountability to help Indonesia and the world to achieve full and productive employment, as well as to reach the higher levels of productivity which is supported by decent job creation (United Nations, n.d). Employees with higher felt accountability and conscientiousness are expected to be more accountable and contribute to higher levels of productivity.

In addition to theoretical and practical implications, the current study raises important questions related to methodological implications. First, in contrast to many studies (Frink and Ferris 1999; Steinbauer, Renn, Taylor and Njoroge, 2013) that only use university students to examine the understanding between felt accountability and its antecedents and consequences in organizational setting, this research involved individuals from two different organizational structures, which arguably provides a more representative sample. Furthermore, this study also uses a time lag method to avoid common method bias (Conway and Lance, 2010). More effort was required to ensure that the same individuals participated in the survey at the two different times (two-week gap). Despite only having 140 participants, common method bias in this research is avoided and the results are more reliable (Podsakoff, MacKenzie and Podsakoff, 2003; Conway and Lance, 2010; MacKenzie and Podsakoff, 2012).

4.1 Conclusion

This study aimed to explore several expected predictors of felt accountability in employees. The results show (1) a significantly positive relationship between conscientiousness and felt accountability, (2) no significant relationship between ethical leadership and felt accountability, meaning that employees’ perception on their superiors’ ethical leadership was not able to predict felt accountability, and (3) a significant relationship between organizational structure and felt accountability, suggesting that employees in organic structures tend to have higher felt accountability. Therefore, this research enhances our understanding on factors that affect employees’ felt accountability. Personality and organizational structure are found to be two important keys that can predict employees’ felt accountability, highlighting their roles in achieving the 8th sustainable goal of the United Nations.

REFERENCES


