Ethical Orientations of Business Managers in Developing Countries: Empirical Evidence from A Multicultural Business Environment, The United Arab Emirates

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ARTICLES

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Abstract:

The aim of this study was to investigate the ethical orientations of business managers in developing countries with special reference to the case of the United Arab Emirates, a country that has a multicultural business environment.

The findings indicate that some demographic characteristics of the respondents have associations with their ethical orientations, but the company features do not have any correlation with ethical orientations of members. The findings also indicate that the respondents' ethical orientations do not differ by the culture group that the respondents belong to.

Furthermore, the results point out to the fact that the respondents have the tendency to make compromises under pressure of reality. They seem to give importance to profit over product safety and to condone lying to other companies' representatives.

Many institutions must exert considerable effort if ethics are to be adopted and taken seriously by both business managers and business organizations. Such efforts are also significant for developing international ethical standards. The family, governments, schools, universitites, international organizations such as the International Transparency Organization, and the World Bank efforts are highly needed. The role of these organizaitons and many others must not be restricted to preaching only but to being the symbol and taking the lead in transparency, and honesty in their practices.

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Introduction

Ethics is defined in different ways. However, most definitions seem to have one common theme. That is, the rules or moral codes individuals or groups set to judge what is good or bad, or right or wrong in one's conduct. What is more important than conceptualization is probably the challenge that faces organizations regarding how to put this abstract concept into practice.

While the idea of ethics is rooted in religious, cultural and philosophical writings and used for judging individual conduct as being ethical or unethical, the concept of business ethics involves greater complexity. It involves criteria for judgment to include societal expectations, fair competition, the aesthetics of advertising and the use of public relations, and the meaning of social responsibilities among others (Arlow and Ulrich, 1980).

Recently, applications of ethics in organizaitonal context have gained more attention from business scholars. In fact, how ethics is managed in organizational context, or what Aguilar (1994) refers to as "business ethics process" is expected to be one of the catchphrases for some years in the future. However, little attention has been paid to this issue beyond the Western countries. The major purpose of the present research is to address business ethics in the context of developing countries.

Theoretical Background

More than 2500 years ago Socrates and his followers debated the issue of ethics. About 1000 years later Islam had also addressed this issue and came up with something parallel to what is called nowadays code of ethics. However, the interest in business ethics and moral reasoning in decision making has received a considerable attention during the past years. This may be due to a variety of reasons. Probably one of the most important is the spread of unethical practices in different parts of the world. During the years to come one is more inclined to expect that the topic will gain more thrust. The significant changes taking place in the economic and social systems of many countries are also a contributing factor that is likely to shed more light on the topic.

As a result of heated interest in business ethics, shcolars raised the following question: Is corporate ethics worth the effort? Aguilar (1994) responds in the affirmative. In his study of what he calls the "American ethical companies" he argues that corporate ethical behavior can strengthen a firm's productive relationship with customers, suppliers, and employees. Employees will have the sense of personal pride and satisfaction that can derive from being part of the fair-minded organization. This in turn generates conditions that favor creativity and initiative.

Business professors and management theorists have been involved in what Lee (1986) calls a popular sport of coming up with lists of the best companies and their distinguishing characteristics. Using the same approach, Lee traces a list of companies that have been characterized as highly ethical and successful organizations. These companies are called the vanguard companies. Some of the main features of the vanguard companies are:

1 - Tendency to satisfy all of their stakeholders (internal and external stakeholders).
2 - Dedication to high purpose and obsession with fairness.
3 - Obligation to the best practices.
4 - Courage to stick to their values in tough times and to resist pressure from short-term action.

Another group of researchers has a counter argument. To them, business ethics is merely a public relations exercise. Meschi and Metais (1998) maintain "in practice we are still a long way from the so-called the "New Corporate Philanthropy", since social investment is based on purely altruistic considerations.... In fact, it appears that most philanthropic companies pursue seemingly selfless social acts more in words than in fact... Managers make decisions in an environment that places ethics high in its priorities, yet business practice demonstrates that the true value of honesty and ethics lies in their potential impact on profitability." p. 46.

To what extent can the companies that have the will to be ethical adhere to ethical practices and survive in the marketplace? In fact, this question triggers another one: can business ethics be practiced in reality? Advocates of the practical reality theory claim that businesses are forced to do unacceptable things or behave in an unethical way if they want to survive in the marketplace. Getschow (1979) observes that employees are under pressures and feel forced to compromise personal moral standards to satisfy organizational expectations. So they may become engaged in bending rules or breaking laws to meet pressures to achieve corporate goals. Empirical evidence shows that for practical realities business managers are forced or constrained to make unethical adjustment for a variety of reasons, such as, stiffer competition, organizational and social climate, behaviors of superiors, and friends (Gupta and Sulieman, 1996). This gives credence to the saying that business ethics is a contradictory term. The famous magazine (Business Week) describes the 1970s as a period of an "ethics crises". Magnet (1986) also notes that the ethic of the 1980s revolves around Social Darwinism and greed.

As for the 1990s things did not improve. On the contrary, a substantial amount of business misbehavior and unethical practices in different parts of the world were disclosed. The media has publicized many unethical practices (Lysonski and Gaidis, 1991). Chief among these are cases of fraud, bribery, money laundering, and kickbacks (Cole and Smith, 1996; Gupta and Suliaman, 1996). Only in the first month (January) of the new millennium, the media has disclosed cases of unethical practices by presidents and top leaders in three different countries.

In 1991 Roderick et al. conducted a study on business students from five American universities. Almost two thirds of the sample admitted having stolen from their employees. Also more than one-third said they would attempt an illegal act that would earn them or their company a profit of more than 100000 U.S. dollars, if they believed they had only a one percent of being caught and sent to a minimum-security prison for one year.

Unfortunately, future senior managers seem to be more permissive in their view regarding the ethics in a wide variety of situations. These include cases of padding expense accounts, making faulty investment decisions, giving gifts to purchasing agents, and using insider information. Longenecker and Moore (1989) found that young employees tend to have different value systems than old people. Therefore, a real gap seems to exist between young generations and old ones. Hence, strengthening the ethical standards of younger organizational members is crucially important because of its impact on the futrue of corporate morality.

Miesing and Preble (1985) identify 5 business philosophies on which individuals can be classified. These are:

1 - Machiavellianism. The end is sufficient justification for the means.

2 - Objectivism. Advocates of htis philosophy such as Friedman (1970) argues that it is subversive to do anything other than maximizing profits.

3 - Social Darwinism. The popular precept "survival of the fittest" is the guiding principle in Social Darwinism. Business is based on survival, profit maximization, and competition.

4 - Ethical Relativism. Ethics is based on social convention, which accepts bahvior sanctioned by established group norms.

5 - Universalism. There are absolutes and all behavior should be evaluated by the same rules. In other words, moral values should apply universally.

Taking the above five philosophies as a framework, Miesing and Preble (1985) conducted a study on students of business in two major universities in the USA. Results indicated that the respondents. belonged to all five points of view, but they agreed more on the universal view than on the 4 other views. Once and again, old respondents were more ethical than young respondents. Also women were more ethical than men. This was true for religious as opposed to nonreligious values.

Regardless of the debate over whether the trend in business ethics is going up or down, one is inclined to ask a recurring question: Can ethics be taught? Many business schools in the U.S.A. and in an increasing number of countries around the globe are making business ethics a required course for all business students. In fact, coverage of business ethics is one of the accreditation standards adopted by the AACSB, the American official accrediting body for business schools.

Unfortunately, empirical evidence on the the effectiveness of teaching ethics is contradictory. According to one school of thought, training can have significant impact on ethical practices (Boyd 1981-1982; Gupta and Sulieman, 1996; Borkowski and Ugras, 1998). Kohelberg (1969) argues that change in moral values could occur at all stages of the individual’s life. Stead and Miller’s (1988) indicate that ethical reasoning and social awareness can be upgraded through introducing courses in business ethics and social issues.

On the contrary, other scholars indicate that ethics training and courses will not have significant impact on ethical practices (Martin, 1981-1982), or it may have only marginal impact (Vogel, 1987). To those scholars, moral character is formed earlier in life and by the time young people reach college age their moral formation is complete. Therefore, the home is the key to moral education (Kristol, 1987) or the top-influencing factor in terms of its impact on ethical conduct (Arlow and Ulrich, 1988).

Some researchers take a midpoint view about ethics training. They believe that ethical training strengthens the commitment of those with a well-developed sense of personal morality. Lee (1986) put it in a different way "you can’t train people to be ethical. But you can educate them to begin to think about ethics differently. Ethics education can raise awareness, help people think more imaginatively, see problems in ways they haven’t before." p. 40.

Regardless of the evidence about merits of ethics training and business ethics linkages to firm performance, the author is of the view that companies have no choice but to adhere to high moral and ethical standards. Such an assessment is motivated by several reasons, to mention a few:

1 - Proliferation of organizations established to promote business ethics. These institutions have been successful in putting the topic on the top of the agenda of many organizations. Recently, business ethics has been a recurring theme in conferences, and managerial development programs.

2 - Many more organizations are thinking or going global. This development will bring up the issue of universality of business ethics.

3 - Intense competition that is likely to give more choices to customers. Presumably, customers, if given the choice, are expected to prefer ethical and honest organizations.

4 - Improvement of customers' knowledge and access to information. Thanks to the advancement of information technology and to the spread of the Internet all over the world that has really made the world a global village.

5 - Companies' struggle for possessing a competitive edge over other organizations. Ethical practices are increasingly viewed as an area where the company can distinguish itself from its competitors. In fact, empirical evidence indicates that the integration of social variables and business ethics into the corporate strategies of some firms can only be explained by a company's determination to create competitive advantages.

Research Objective:

Why Study Business Ethics in Developing Countries?

There has been a substantial amount of research on business ethics, but the bulk of these studies have been carried out in the Western context. It is true that some scholars attempted to investigate this issue in newly industrialized countries such as Malaysia (Gupta and Sulieman, 1996), and Singapore (Wimalasiri et al., 1996), but scant attention has been paid to it in the developing countries.

Increasing popularity of the universal philosophy of business ethics, and globalizaiton of markets and production make it imperative to understand business ethics across cultures. It has been said earlier in this research that the theme of almost all definitions of business ethics revolves around what is right or wrong, acceptable or unacceptable. However, what is right or wrong in a particular country or region may not necessarily be so in another country or region. Cultural and environmental factors may be responsible for such disparity. This is probably one of the major challenges that the Universalists are expected to address in their quest for international ethical standards.

Therefore, understanding the ethical orientations of managers in developing countries can be viewed as an attempt to enhance our understanding of business ethics across cultures. Managers of business organizations play significant roles in the society. Employees are expected to look at their superiors and see how they do things. Empirical evidence indicates that superiors are the second most important source of influence on ethical behavior after the family (Arlow, 1988). Therefore, business manager's practices will not only shape nowadays decisions, but also influence the managerial conduct of future business managers.

The purpose of the present research is to address the following issues:

1 - To investigate the ethical orientations of business managers in developing countries with special reference to the case of the United Arab Emirates.

2 - To identify the factors that influence ethical orientations of business managers.

3 - To examine the impact of some personal and organizational factors on ethical orientations of business managers.

4 - To test the extent to which business managers make compromises in their ethical orientations resulting from pressure of reality.

Achieving the above mentioned objectives can highlight the issue of ethical orientations in a nonwestern business environment and can provide more evidence about the similarities and differences in ethical orientations of business managers across different cultures. The fact that business environment in the U.A.E. is multicultural makes it the right place to conduct this study. The work force in this country comes from almost every country around the world. This is also true for business managers.

Methodology

The data collection technique relied mainly on the use of vignettes. They put subjects in situations similar to real life situations. They were designed based on the literature and partially adopted from Longenecker and Moore (1989) and other studies (Cole and Smith, 1996; gupta and Sulieman, 1996). This technique is more effective than other conventional methods because a greater amount of information can be elicited (Alexander and Becker, 1978; Fritzsche and Becker, 1982). It is so because this technique attempts to create situations similar to what managers may encounter in business life rather than relying on conventional questions for which they may be more inclined to provide socially desirable responses (Tsalikis and Bounafina, 1990).

The vignettes (Appendix 1) included typical situations that managers may encounter in real life. For instance, padding expense accounts, making faulty investment decisions, and insider information. The vignettes were disinged in a way that suits the Emirates culture. They were piloted on a group of business students and business managers. Some vignettes were modified by the piloted sample and the modifications were incorporated in the instrument.

Respondents had to evaluate the vignettes by selecting one point on a seven point scale, ranging from 1, "always acceptable", 4 "sometimes acceptable", and 7 "never acceptable".

Unfortunately, lack of sampling frame (a list that contains the entire population) did not enable the researcher to draw a random sample. As for the nationality of the respondents it was not possible to draw a sample that reflects the proportion of each group in the population because of two reasons: (1) no accurate statistics is available about nationalities of business managers and (2) unit of analysis in this study is managers in Emirates rather than the nationality of each subgroup. However, one can claim that the nationalities mentioned reflect to some extent the real life situation in Emirates. It is so because the author attempted to visit premises of 25% of the list of companies that were possible to locate by the author, chosen on systematic sample bases. Two hundred and forty three subjects were contacted and briefed about the purpose of the research and shown how to respond to the vignettes. Personal follow ups and telephone calls were made with those who did not respond after 3 weeks. The total number of respondents who agreed to participate was 150, of which, 19, 43, 17, 20, 21, and 30 managers represented the six groups of nationalities respectively: Emirates, Arabs, Indian, Southeast Asia, Asian and Westerners).

The statistical techniques adopted in the study consisted of descriptive statistics such as means and standard deviations. Correlation coefficients are utilized to test the relationship between ethical orientations of the respondents and demographic and organizational variables. Analysis of variance is also used to test ethical orientations of managers across types of business.

Results

Profile of the Respondents:

The mean age of the respondents was 34-58 years. The great majority of them had previous experience with an average of 14-16 years. The sample was a multicultural sample. It consisted of a wide array of nationalities: Emirates, other Arab nationalities such as Lebanon, Jordan, Egypt, Sudan, and Palestine. The non-Arab nationalities included India, Pakistan, Britain, Iran, Turkey, Italy, Philippines and Japan. However, for the sake of facilitating the analysis and because some nationalities are only represented by a limited number of respondents they were classified into 6 main groups (Emirates, Arabs, Indian, Southeast Asia, Asian, and Westerners). As for the qualifications of the respondents, 68.5 percent hold a B.Sc. degree, 12.5 percent hold masters or its equivalent, 9 percent finished high school or its equivalent, 5 percent hold community college diploma, 2.8 percent were below high school, and 2.2 percent hold doctorates. Respondents came from three main sectors: manufacturing 25% services 55% and commercial 20%.

Table 1
Means and standard deviations of ethical orientations

Vignette No.	Mean	St.dev.
1	4.457	1.838
2	5.313	1.320
3	5.124	1.590
4	4.934	1.554
5	3.712	2.050
6	3.941	1.950
7	3.890	1.844
8	3.300	2.029
9	4.470	1.817
10	5.033	1.539
11	5.078	1.587
12	4.000	1.976
13	3.830	1.866
14	3.151	2.070
15	4.777	1.659
16	3.529	2.077

The highest possible mean was 7 and the lowest was 1.
The higher the mean the higher the ethical orientation.

Table 1 reflects the means of the orientations for the 16 vignettes. The table shows that the highest mean is 5.31 followed by 5.12. These two means reflect vignettes 2 and 3 respectively. These results indicate that respondents are likely to reject or condemn the two practices. Namely, giving faulty investment advice to customers and using a production process that is inconsistent with environmental pollution laws. The lowest mean is for vignettes 14 (3.15 out of seven) and the second lowest is for vignettes 8 (3.30). Meaning that, respondents are more permissive in their views regarding insider trading and contending with the medical scientific findings regarding cigarettes smoking.

Table 2
Ethical orientations, company characteristics and personal characteristics linkages

	Age	Education	Experience	Firm age	Size
VIG1	0.378**	0.067	0.284**	0.087	0.202
VIG2	0.237*	-.211	0.201*	0.030	0.072
VIG3	0.218*	0.030	0.162	0.106	-0.006
VIG4	0.217*	-0.103	0.059	0.142	0.143
VIG5	0.302**	-0.119	0.186*	0.138	-0.011
VIG6	0.201*	-0.160	0.113	0.039	-0.264*
VIG7	0.143	0.091	0.159	0.172	0.042
VIG8	0.153	-0.064	0.174	0.165	-0.172
VIG9	0.217	-0.156	0.069	0.057	0.037
VIG10	-.025	0.025	0.125	0.160	0.118
VIG11	0.111	0.205	0.097	0.104	0.056
VIG12	0.057	0.146	-0.051	0.131	-0.240
VIG13	0.211*	0.080	0.241**	0.164	0.103
VIG14	0.064	-0.111	0.068	0.066	0.167
VIG15	-.033	0.070	-0.037	0.124	0.185
VIG16	0.193*	0.077	0.060	0.157	0.213

Are ethical orientations linked to demographic characteristics of respondents and company features? Table 2 includes a summary of the results that address this issue. The table shows that there is a positive and significant relationship between age of the respondent and his/her ethical orientations. In other words, older respondents are more likely to hold ethical views than young respondents. This finding cooroborates with previous studies' results, which indicate what Longnecker (1989) calls a generation gap in business ethics. Based on that, one can expect that the ethical orientations of future senior managers will be lower than the ethical orientations of nowadays managers.

As for the impact of education on ethical orientation, the findings in table 2 indicate that there is no relationship between level of education and ethical orientation of the respondents. Table 2 also shows that experience has some impact on ethical orientations. Vignettes 1,2, and 13 have significant positive relationships with experience. In other words, the more experienced the respondent the more likely he will have an ethical stance on these situations. Finally, firm age and its size do not have correlations with ethical orientations of the respondents. One can speculate based on the above-mentioned result that companies seem not to have serious programs that endorse ethical practices. As companies become established and bigger, employees are expected to have more socialization and acquaintance with their norms and culture.

To summarize the results in tables 2 and 3, one can claim that individual characteristics have some impact on ethical orientations of the respondents, but organizational features cease to have any significant influence on ethical orientations of their members. However, the sector to which the firm belongs may be responsible for the differences in ethical orientations of subjects.

To test whether there are differences between means of the vignettes across sectors (types of business), analysis of variance was conducted. Table 3 shows that there are significant differences (Alfa $< =5$) between means of the three sectors on 4 vignettes only. These are 4, 8, 10, and 16. Such results indicate that ethical orientations of the respondents differ on certain issues across the sectors.

The impact of cultural differences on ethical orientations of subjects is provided in table 4. Results of analysis of variance in table 4 do not show any differences among the six groups. In other words, the ethical orientations of subjects do not vary by their nationalities. Being in the same environment seems to force individuals to behave in a certain way. Another possible alternative explanation could be the fact that businesses need to behave in a particular way regardless of the culture to which they belong.

Table 3
Anova test for the impact of type of business on ethical orientations

	Sum of squares	Mean Square	F	Sig.
Vig1 Between Groups	15.226	7.613	2.238	.112
Within groups	367.441	3.402		
Vig2 Between Groups	8.491	4.246	2.689	.072
Within groups	170.500	1.579		
Vig3 Between Groups	12.598	6.299	2.813	.064
Within groups	241.799	2.239		
Vig4 Between Groups	28.202	14.101	6.867	.002
Within groups	221.762	2.053		
Vig5 Between Groups	8.838	4.419	1.026	.362
Within groups	465.162	4.307		
Vig6 Between Groups	12.114	6.057	1.608	.205
Within groups	406.804	3.767		
Vig7 Between Groups	17.904	8.952	2.371	.101
Within groups	256.744	3.776		
Vig8 Between Groups	30.132	15.066	3.622	.025
Within groups	425.778	3.942		
Vig9 Between Groups	7.381	3.691	1.106	.335
Within groups	360.367	3.337		
Vig10 Between Groups	30.757	15.379	6.830	.002
Within groups	240.916	2.252		
Vig11 Between Groups	12.417	6.208	2.489	.088
Within groups	269.439	2.495		
Vig12 Between Groups	6.461	3.231	.818	.444
Within groups	426.314	3.947		

Table 3 (cont'd)

	Sum of squares	Mean Square	F	Sig.
Vig13 Between Groups	11.027	5.513	1.506	.226
Within groups	395.370	3.661		
Vig14 Between Groups	3.607	1.803	.424	.656
Within groups	459.366	4.253		
Vig15 Between Groups	3.370	1.685	.544	.582
Within groups	334.522	3.097		
Vig16 Between Groups	52.227	26.113	6.337	.002
Within groups	445.070	4.121		

Respondents were also asked to express their views regarding several statements. These statements were desinged to arrive at an empirical understanding of the extent to which respondents adhere to what is called the practical reality view. Meaning that, individuals are likely to be permissive toward ethical issues resulting from the pressure of reality. Respondents evaluated the statements by choosing one point on a seven-point scale ranging from 1 "always acceptable", 4 "sometimes acceptable", and 7 "never acceptable".

Table 4
Anova test for the impact of culture on ethical orientations

	Sum of squares	Mean Square	F	Sig.
Vig1 Between Groups	44.629	8.826	2.807	.119
Within groups	457.911	3.180		
Vig2 Between Groups	6.581	1.316	.745	.591
Within groups	254.512	1.767		
Vig3 Between Groups	6.651	1.330	.514	.766
Within groups	372.849	2.589		
Vig4 Between Groups	12.920	2.584	1.078	.375
Within groups	345.273	2.398		

Table 4 (cont'd)

	Sum of squares	Mean Square	F	Sig.
Vig5 Between Groups	32.622	6.524	1.601	.163
Within groups	586.712	4.0474		
Vig6 Between Groups	9.831	1.966	.511	.768
Within groups	554.042	3.848		
Vig7 Between Groups	14.865	2.973	.882	.496
Within groups	347.392	3.373		
Vig8 Between Groups	16.961	3.392	.824	.535
Within groups	593.012	4.118		
Vig9 Between Groups	16.658	3.332	1.007	.416
Within groups	476.302	3.308		
Vig10 Between Groups	18.136	3.627	1.553	.177
Within groups	331.621	2.335		
Vig11 Between Groups	9.365	1.873	.733	.600
Within groups	368.208	2.557		
Vig12 Between Groups	17.76	3.415	.874	.500
Within groups	562.684	3.908		
Vig13 Between Groups	8.160	1.632	.458	.807
Within groups	512.614	3.560		
Vig14 Between Groups	19.824	3.965	.922	.469
Within groups	614.982	4.301		
Vig15 Between Groups	23.588	4.718	1.816	.113
Within groups	374.152	2.598		
Vig16 Between Groups	16.669	3.334	.768	.574
Within groups	624.771	4.339		

Table 5 provides a summary of the responses to these statements. The table shows that respondents have means of 4 or above on all the items, indicating that most of their ethical orientations are somewhat high. This is especially true for the statement that reads, "It is okay to lie to managers to protect company". However, one can be hesitant to take this stance regarding item 2 and to a lesser extent item 1. The means for these two items are 4.000 and 4.217 consecutively. It is so because 4 are the midpoint between having high and low ethical orientations. When respondents are not sure about something or embarrassed about what is called socially acceptable issues they may revert to take a midpoint stance rather than a clear-cut position. The low scores obtained on the items mentioned might be explained by what some scholars call the practical reality theory. In other words, employees may see themselves obliged under pressure of reality to be permissive regarding ethical issues. In an attempt to link the results in table 5 with those in table 2 one can hypothesize that companies are not paying sufficient level of attention to ethical training and practices. Earlier it has been highlighted that companies' features do not have significant impact on its members' ethical orientations. In other words, companies' level of socialization, regarding ethical practices, is insufficient. However, companies cannot hold the sole responsibility for achieving this objective.

Table 5

Respondents' tendency to make concessions on ethical issues

Item	Mean*	St. dev.
1. Employee may need to lie to another company representative	4.217	1.799
2. Profit should be given priority over product safety.	4.000	1.732
3. Employee may need to behave inconsistently with values.	4.545	1.666
4. Employee may need to lie to customer to protect company	4.740	1.567
5. Business and ethics are contradictory terms	4.831	1.525
6. Employee may need to lie to managers.	5.077	1.537

* The higher the mean the less the tendency to make ethical concessions.

Conclusion and Implications for Future Research

Company features (i.e. age and size) do not have association with the ethical orientations of its members. This is clearly indicated in Table 1. Results of analysis of variance in Table 4 indicate that the culture group to which the respondent belongs seems not to influence his ethical orientation. Consistent with findings of previous studies, old respondents are concerned about ethical practices more than young respondents. This gives credence to the assessment made by Longnecker about a decade ago. Longnecker refers to this situation as a generation gap in business ethics. Such an assessment reinforces a conclusion, which casts doubt about the belief that the younger generation constitutes a source of new ethics.

If the aforementioned assessment is valid, scholars and institutions that care about business ethics must take serious steps to stimulate and boost ethical practices. business schools, training institutions, religious leaders, senior managers, school system and family are among the groups/institutions that should work together to integrate each other's efforts. For instance, business schools can introduce courses in business ethics and social responsibility. Managers in both public and private firms can behave in a way, which may have significant influence on subordinates. Integrity, honesty and transparency are among the managerial practices that should be adopted and highly valued by managers. To foster ethics top executives have to express in words and by example their commitment to moral behavior.

Empirical evidence indicates that the above-mentioned agencies can play significant roles in improvement of ethical practices (Aguilar, 1994). Their efforts reinforce each other. This argument is based on the idea that what if any of these institutions, for instance, the family plays this role very well and raises the children in a way that appreciates moral values but children get shocked by reality as soon as they join the workforce. The results can only be confusion and loss of direction.

Therefore, domestic and global cultures that value honesty, transparency, and moral values are needed nowadays more than ever before. International organizations such as the World Bank, the International Monetary Fund (IMF), World Trade Organization (WTO) and the International Transparency Organization are among the institutions which can take the lead. These organizations and many others can make dishonesty and unethical practices unfavorable and unrewarding experience.

Furthermore, governments, legislative bodies and pressure groups around the world can also play a very substantial role. Notwithstanding the fact that there are cultural and environmental variations but some basic ethical codes can be developed. This can take different forms such as enacting laws that fight unethical practices, requiring companies to have whistle blowers, recognition of companies that are known to be ethical firms, awarding prizes to ethical organizations. A practice that may be parallel to quality prizes or awards.

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Appendix 1

1 - An executive earning Dhs 15,000 a month padded his/her expense account about Dhs 2,000.

2 - In order to increase profits, a general manager used a production process, which exceeded limits for environmental pollution.

3 - Because of pressure from his/her brokerage firm, a stock-holder recommended a type of bond which he did not consider to be a good investment.

4 - A small business owner reported only one half of the cash receipts for income tax purposes.

5 - A company paid Dhs 1,000,000 "consulting" fee to an official of a foreign country. In return, the official promised assistance in obtainging a contract that should produce Dhs 35 million profits for the contracting compnay.

6 - A company president found that a competitor had made and important scientific discovery, which would sharply reduce the profits of his own company. He/she then hired a key employee of the competitor in an attempt to learn the details of the discovery.

7 - A highway-building contractor deplored the chaotic bidding situation and cutthroat competition. He/she therefore reached an understanding with other major contractors to permit bidding which would provide a reasonable profit.

8 - A company president recognized that sending expensive gifts to purchasing agents might compromise their positions. However, he continued the policy since it was common practice and changing it might result in loss of business.

9 - A company director learned that his/her company intended to announce a stock split and increase its dividend. On the basis of this information, he bought additional shares and sold them at a gain following the announcement.

10 - A company manager promoted a loyal friend and competent manager to a position in preference to a better-qualified manager with whom he/she had no close ties.

11 - An engineer discovered what he/she perceived to be a product design flaw, which constituted a safety hazard. His company declined to correct the flaw. The engineer decided to keep quiet, rather than taking his complaint outside the company.

12 - A comptroller selected a method of financial reporting which concealed some embarrassing financial facts, which would otherwise have become public knowledge.

13 - As part of the marketing strategy for a product, the producer changed its color and marketed it as "new and improved," even thought its other characteristics were unchanged.

14 - An employer received an application for a supervisor's position from two equally qualified applicants but hired the male applicant because he thought that some employees might resent being supervised by a female.

15 - A cigarette manufacturere launched a publicity campaign challenging new evidence from the Surgeon General's office that cigarette smoking is harmful to the smoker's health.

16 - An owner of a small firm obtained a free copy of a copyrighted computer software program from a business friend rather than spending 2,000 to obtain the program from the software dealer.