FACTORS IMPACTING ON ETHICAL BEHAVIOUR IN ORGANIZATIONS

BY

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Dedicated to my family

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I thank my heavenly Father for blessing me in all my undertakings.

My thanks and gratitude to Professor J.S. Basson for his wisdom and guidance

and

to my family and Johan for their support and encouragement.

"These are only hints and guesses, hints followed by guesses; and the rest is prayer, observance, discipline, thought and action"

T.S. Elliot

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Factors impacting on ethical behaviour in organisations

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The purpose of this study is to determine the factors impacting on ethical behaviour in organisations. More specifically the purpose of this study is to a) identify the factors impacting on ethical behaviour in organisations within a theoretical framework, specifically focusing on the South African context and b) to make certain recommendations to address the factors identified as impacting on ethical behaviour in organisations. To achieve these goals the study was designed in two phases. The first phase entails a theoretical inquiry with the aim of understanding the concepts of ethics as well as ethical and unethical behaviour, to identify the factors impacting on ethical behaviour in organisations, to provide practical recommendations to address these factors and provide a background to the second phase. The second phase consists of an empirical inquiry with the aim to identify the factors impacting on ethical behaviour in organisations based on the data gathered through a survey designed for this purpose. For each phase there is a separate discussion of the research methodology employed to achieve the objectives of that phase. A mostly qualitative research methodology was employed for the first phase while quantitative research was utilised during the second phase. The first phase contains two chapters each devoted to a separate topic. Chapter 3 unpacks the concept of ethics while chapter 4 looks at various models that identify factors

impacting on ethical behaviour in organisations and recommendations to address these factors. Chapter 3 also contains the definition and discussion of the concept of ethics as it relates to the purpose of this study, whereas chapter 4 also contains practical recommendations to address the specific factors identified as impacting on ethical behaviour in organisations. Chapter 5 contains the discussion of the research methodology for the empirical inquiry and presents the results thereof. In the last section of chapter 5 conclusions are made w.r.t the results of the study, the research quality is evaluated and recommendations are made for future research in this field. Some of the more salient conclusions of the study are:

- Ethics can be defined as the principles or standards that govern good and right behaviour.
- The entire population identified seven factors as impacting on ethical behaviour in organisations amongst which: leader or manager behaviour, code of conduct, values, beliefs, referent others, reward systems and parental influence.
- Results of the literature analysis indicated that there were six factors impacting on ethical behaviour in organisations, which include: referent others, leader or manager behaviour, reward systems, code of conduct, organisational culture and the individuals level of moral development.
- The results of the theoretical inquiry and empirical inquiry indicate that there are four factors in total that were identified in both phases of the inquiry as having an impact on ethical behaviour in organisations which are: referent others, leader or manager behaviour, reward systems and a code of conduct.

Samevatting

Faktore wat ‘n impak het op etiese gedrag in organisasies

Deur

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Die doel van hierdie studie is om die faktore wat ‘n impak het op etiese gedrag in organisasies te identifiseer. Hierdie doelwit is meer spesifiek verdeel in a) om die faktore binne ‘n teoretiese raamwerk te identifiseer wat ‘n impak het op etiese gedrag in organisasies, spesifiek in die Suid Afrikaanse konteks en b) om spesifieke aanbevelings te maak om die faktore wat ‘n impak het op etiese gedrag in organisasies aan te spreek. Ten einde hierdie doel te bereik is die studie in twee fases verdeel. Fase 1 behels ‘n teoretiese ondersoek ten einde ‘n begrip te vorm van die konsep etiek asook etiese en onetiese gedrag, die faktore te identifiseer wat ‘n impak het op etiese gedrag in organisasies, om praktiese aanbevelings te maak om die geiidentifiseerde faktore aan te spreek en ‘n basis te le vir die tweede fase van die studie. Die tweede fase bestaan uit ‘n empiriese ondersoek wat ten doel het om die faktore te identifiseer wat ‘n impak het op etiese gedrag in organisasies gebasseer op die data wat ingesamel is deur ‘n opname wat ontwerp is vir die doel. Elke fase bevat ‘n aparte bespreking van die navorsings metodologie wat benut is tydens die betrokke fase. Terwyl hoofsaaklik kwalitatiewe navorsing vir die eerste fase gebruik is het die tweede fase kwantitatiewe navorsing benut. Die eerste fase se resultate word in twee aparte hoofstukke bespreek. Hoofstuk 3 bespreek die konsepte wat betrekking

het op etiek. Hoofstuk 4 bespreek verskeie modelle wat faktore bevat wat ‘n impak het op etiese gedrag asook aanbevelings om die geiidentifiseerde faktore aan te spreek. Hoofstuk 3 bevat ook die definisie van die konsep etiek soos dit vir die doel van dis studie gedefinieer is. Hoofstuk 5 bevat die resultate, interpretasie en gevolgtrekking van die empiriese ondersoek. Ter aflsuiting word die resultate van die studie in die laaste seksie van hoofstuk 5 opgesom, die kwaliteit van die navorsing word beoordeel en aanbevelings word gemaak ter wille van toekomstige navorsing in die betrokke veld. Van die meer belangrike gevolgtrekkings uit die studie is:

- Etiek kan gedefinieer word as die beginsels en standaarde wat goeie en regte gedrag beheer.
- Die totale populasie het sewe faktore geidentifiseer wat ‘n impak het op etiese gedrag in organisasies waaronder: ‘n leier of bestuurder se gedrag, gedrags kode, waardes, norme/oortuigings, verwysings groepe, vergoeding strukture, invloed van ouers.
- Die literatuur studie resultate het aangedui dat ses faktore ‘n impak het op etiese gedrag in organisasies waaronder: verwysings groepe, ‘n leier of bestuur se gedrag, vergoeding strukture, gedrags kode, organisasie kultuur, vlak van morele ontwikkeling.
- Uit die resultate van beide die literatuur studie en die empiriese studie blyk dit dat daar in totaal vier faktore is wat ‘n impak het op etiese gedrag in organisasies, naamlik: verwysings groepe, ‘n leier of bestuurder se gedrag, vergoeding strukture, gedrags kode.

CHAPTER 1

BACKGROUND, PROBLEM STATEMENT AND GOAL

1.1 INTRODUCTION

"The most important human endeavour is the striving for morality in our actions. Our inner balance and even our very existence depend on it. Only morality in our actions gives beauty and dignity to life" (Albert Einstein).

The question is raised time and time again, whether morality should not be the life-artery of good business. Nevertheless, world-wide crime and white collar crime in particular seem to be at the order of the day (Stead, Worrell & Stead, 1990:233). It would appear that morality is considered in theory only. According to White, Crafford and Schepers (2001:61) white collar crime is rife in South Africa and continually afflicts local organisations and institutions. The problems accompanying tax collection in South Africa for instance illustrate the grave lack of morality (Rossouw, 1997).

For too long organisational scientists have not attended adequately to the problems of unethical behaviour in and of organisations. The literature is punctuated with the occasional article, chapter or book on the topic, but the subject matter is worthy of much more than this. It should be a central concern, because of the human consequences attached to organisations and their representatives, engaging for instance in fraud and deception, bribery and corruption, marketplace manipulations, and an array of other workplace violations ranging from racial discrimination and sexual harassment to political repression and marketing unsafe products. Therefore there is a need to place such unethical behaviours at or very near the top of the research agenda.

An understanding of the different factors that influence ethical behaviour in organisations is important to the development of organisational science. Ethical issues are ever present in organisational life where multiple stakeholders, interests and values are in conflict and laws are unclear. Human

behaviour is shaped by many forces, because an individuals sense of ethical conduct influences his or her professional conduct as well as personal actions, one of the most powerful but invisible of these factors is a persons sense of right and wrong, of what is ethical and unethical in a particular situation (Bartels,1967:23).

1.2 BACKGROUND

Business and professional ethics, a sub-discipline of ethics which concerns itself primarily with the social and professional aspects of ethical and unethical behaviour in business and professional contexts, has seen little research directed towards uncovering the factors leading to ethical and unethical behaviour in various work related situations, even moreso in the South African context. Researching the international literature on ethical and moral behaviour specifically in the organisational context, it becomes quite clear that there are a number of factors impacting on ethical behaviour in organisations world-wide.

Bommer, Grato, Gravander and Tuttle (1987:266) identified some of these factors affecting behaviour in organisations, including a decision makers social, governmental, legal, work, professional and personal environments. Other factors impacting on ethical behaviour in organisations identified by Trevino (1986:603) are individual variables like ego strength, field dependence and locus of control as well as level of moral development and situational variables like the individuals immediate job context, organisational culture, and characteristics of the work performed. More recently, Painter-Morland (2001:16) identified factors like the individuals moral decision making skills, religion, culture, peer group pressure, and personality as well as the nature of a persons position in an organisation, as factors impacting in some way on the moral fabric of the South African workforce. In addition to the individual factors, she also identified institutional factors like corporate culture, rewards and salary, performance appraisals, and positional authority as impacting on ethical behaviour in organisations.

Numerous factors have been identified in the literature worldwide as impacting on ethical behaviour in organisations. This is illustrated by looking at the variety of different factors identified by the 3 authors mentioned above. Even more striking is the fact that very little research has been done with regards to factors impacting on unethical behaviour in South African organisations. This is surprising, since sources indicate that, however unfortunate, South Africa is regarded by most of the international community as being plagued by unethical behaviour and specifically corruption. This view is supported by the fact that: “Most South African businesses believe that bribery has become an accepted practice.” This finding is contained in the ‘perception based’ Country Corruption Assessment Report (Terreblanche, 2003.)

Whether it is the public or private sectors, examples of unethical behaviour in business appear almost daily in the national and local media. Managing ethical behaviour is thus undoubtedly a critical problem, which requires an in depth understanding of the many factors that contribute to unethical behaviour in organisations, in order to access it.

1.3 STATING THE PROBLEM

Literature world-wide have identified certain factors impacting on ethical behaviour in organisations, however it is not clear what factors have an impact on ethical behaviour in the South African context.

1.4 PURPOSE OF THE STUDY

The purpose of this study is to identify by means of a comprehensive literature study, the factors that impact on ethical behaviour in organisations, specifically in the South African context and to present recommendations to address these factors.

1.5 LAYOUT OF CHAPTERS

Chapter 1:

Chapter 1 will cover the background to the topic that leads to the problem and goal of the study.

Chapter 2:

In chapter 2 the research methodology utilised in this study will be discussed. The study will consist of a comprehensive qualitative literature analysis to identify the different factors impacting on ethical behaviour in organisations.

The qualitative literature analysis will be supported by an empirical inquiry – based on the factors identified in the literature study as impacting on ethical behaviour in organisations. A questionnaire will be drafted where two sample groups will be asked to identify the factors that impact on ethical behaviour in organisations, in their own opinion.

The sample will consist of a group of MBA students who are representative of the private business sector and a group of MPA students who are representative of the public sector. Chapter two will discuss the research methodology utilised in both phases of the study, namely the theoretical inquiry and the empirical inquiry.

Scale:

The questionnaire consists of a 5 point Likert scale. It is a relatively easy method to process the responses in comparison to a 7 point scale.

Chapter 3:

Chapter 3 will describe the concept of ethics. It will also look at the historical development of ethics and the different theoretical views on ethics that will be reduced into a workable concept and definition to be used in this study.

Chapter 4:

Chapter 4 will cover the applicable literature world-wide that identifies the factors impacting on ethical behaviour in organisations. It will also look at practical recommendations to address the factors identified as impacting on ethical behaviour.

Chapter 5:

In chapter 5 the results of the study will be presented and discussed. Descriptive statistics in the form of frequency tables will be utilised where applicable.

1.6 SUMMARY

In this chapter the background to the study and the objective of the study were given. The fact that there are certain factors impacting on ethical behaviour in organisations was highlighted. The need for scientific research in this field was also motivated and a brief layout of the study was given.

CHAPTER 2

RESEARCH METHODOLOGY

2.1 INTRODUCTION

In this chapter the research methodology that was used to gather and interpret information will be discussed. Relevant definitions will be given and certain important constructs and research processes will be explained. Therefore this chapter deals with the methodology or approach used. This study consists of two phases, a theoretical inquiry and an empirical inquiry. The theoretical inquiry has the purpose of identifying a number of factors impacting on ethical behaviour in organisations, which is the objective of this study and therefore necessitates a qualitative research approach. This chapter will therefore be divided into two sections, the first section will deal with the research methodology applied during the theoretical inquiry and the second section will deal with the research methodology used during the empirical inquiry.
There are two types of research, qualitative and quantitative, this study is a qualitative study, however some basic quantitative methods will be utilised to generate the results of the empirical inquiry phase.

Referring to qualitative research, Van Maanen (1985:12) observes the following: "The label qualitative methods has no precise meaning in any of the social sciences. It is at best an umbrella term covering an array of interpretative techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency of certain more or less naturally occurring phenomena in the social world. To operate in the qualitative mode is to trade in linguistic symbols, and by so doing, attempt to reduce the distance between indicated and indicator, between theory and data, between context and action." During the theoretical inquiry a qualitative research methodology was used.

2.2 SETTING THE CONTEXT

The title of this study is: factors impacting on ethical behaviour in organisations. Ethical behaviour in organisations falls under the topic of ethics. The concept of ethics is very broad, and ethics entail a number of different so-called ethical theories, like Deontology, Teleology and Utilitarian ethics, to name but a few. A brief overview of the main theoretical views on ethics will be given in Chapter 3. Once the concept of ethics has been thoroughly defined, the focus of the study will shift to identify the factors impacting on ethical behaviour.

2.3 RESEARCH TECHNIQUES

According to Mouton (1996:36): “At the most concrete and least complex level we find tangible or observable instrumentation (techniques, procedures and skills). Research techniques can be defined as the specific and concrete means that the researcher uses to execute specific tasks.”

2.3.1 The difference between qualitative and quantitative techniques

According to King, Keohane and Verba (1994:11) the difference between qualitative and quantitative research techniques are mainly ones of style and specific technique: “Quantitative research uses numbers and statistical methods. It tends to be based on numerical measurements of specific aspects of phenomena, it abstracts from particular instances to seek general description or to test causal hypothesis; it seeks measurement and analysis that are easily replicable by other researchers. Qualitative research in contrast, covers a wide range of approaches but by definition, none of these approaches relies on numerical measurements.”

However, sometimes there are misconceptions about how scientific quantitative vs. qualitative research is. King et al (1994:7) makes the following statement in this respect: "…we do not regard quantitative research to be any more scientific than qualitative research. Good research, that is, scientific research, can be qualitative or quantitative in style".

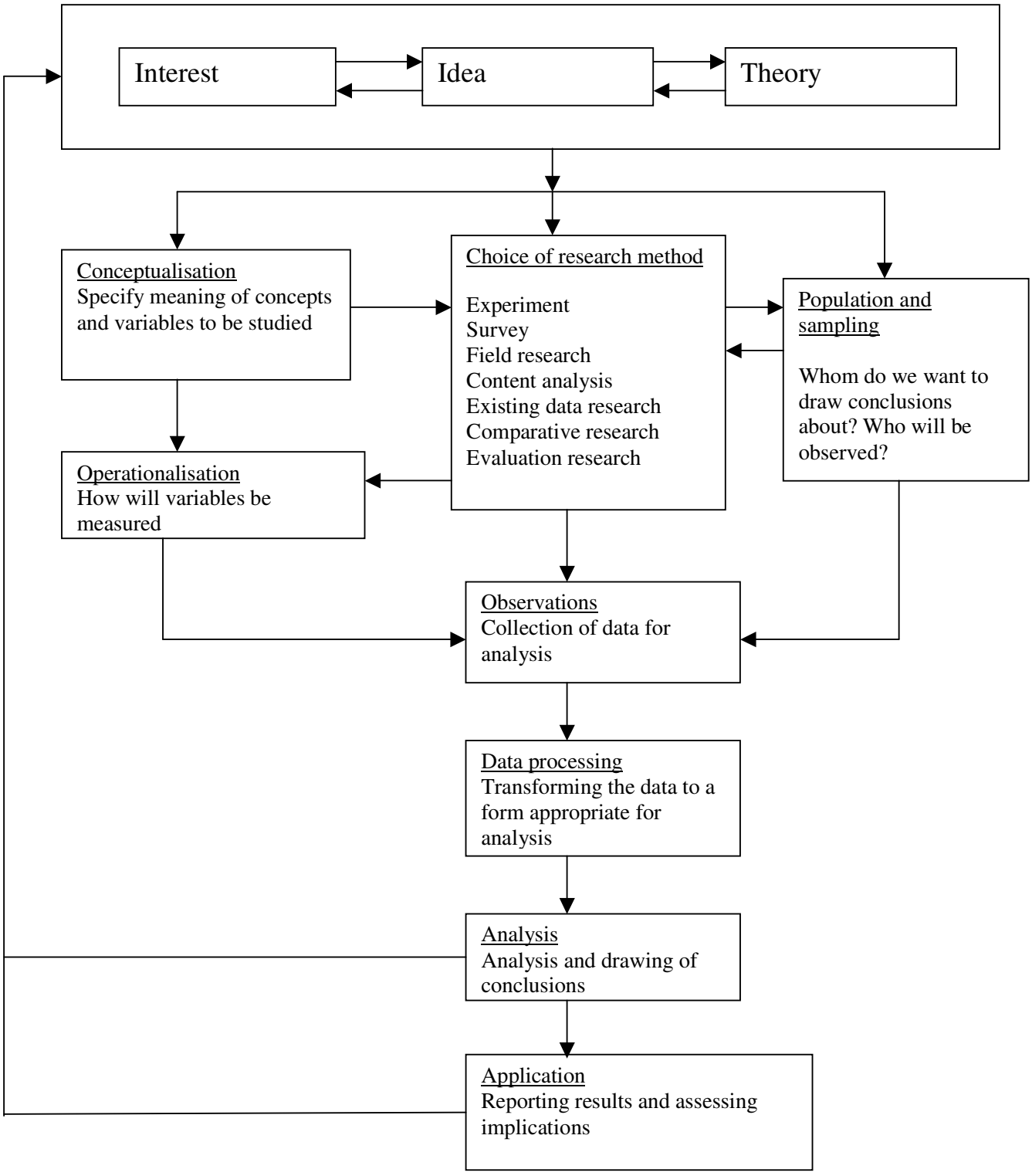
2.3.2 Characteristics of scientific research

According to King et al (1994:7) scientific research has the following characteristics:

a) The goal is inference – the research must be designed to make descriptive or explanatory inferences based on empirical information.
b) The procedures are public – since methods are used that are explicit, codified and public in the generation and analysing of data whose reliability can therefore be assessed.
c) The conditions are uncertain – since reaching perfectly certain conditions from uncertain data is impossible.
d) The content is the method – the validity of research depends on the rules of inference it uses – thus the 'content of the science' is primarily the methods and rules, not the subject matter – since these rules can be used to study virtually anything.

Figure 2.1 below is a graphical presentation of the research process as described by Babbie (1995:101).

Figure 2.1: The research process (based on Babbie 1995:101)



2.4 RESEARCH METHODOLOGY OF THE THEORETICAL INQUIRY

In the following section the research methodology followed in the theoretical inquiry will be discussed.

2.4.1 Research strategy

In this section a discussion of the research strategy will follow.

2.4.1a) Interest, idea and theory

According to the model by Babbie (1995:101) research often starts with an interest, idea or theory. In the case of this study, all these were present to a certain degree. This research study was borne from the researchers interest in causes or influencing factors on unethical behaviour, specifically in the workplace. It came to mind that this interest might be examined to identify the specific factors impacting on ethical behaviour in organisations. In this process existing theory could be examined like the 1967 model of Bartels which identifies that there are certain factors impacting on ethical behaviour, as well as the 1981 model by Cavanagh, Moberg and Velasquez , the1985 model by Ferrell and Gresham, the 1986 model by Hunt and Vitell, the 1986 person-situation interactionist model by Trevino, the 1987 model by Bommer, Gratto, Gavander and Tuttle, the 1989 model by Dubinsky and Loken, the 1989 model by Ferrell, Gresham and Fraedrich, the1990 model by Trevino and Youngblood, the 1990 model by Stead, Worrell and Stead, the 1991 model by Fritzsche, the 1999 model by McDonald and Nijhof and the 2001 paper by Painter-Morland.

2.4.1b) Conceptualisation and Operationalisation

Conceptualisation refers to specifying the meaning of the concepts and variables to be studied (Babbie, 1995:101). While operationalisation refers to the concrete

steps or operations that will be used to measure concepts (Babbie, 1995:101). In order to fully understand and be able to identify factors that impact on ethical behaviour in organisations it is necessary to first ensure a full understanding of exactly what is meant by so-called 'ethical' or 'unethical' behaviour. Therefore the concept of ethics needs to be clarified and the meaning of ethical behaviour operationalised.

A comprehensive literature study was conducted on the concept of ethics. Numerous sources were consulted and the roots of ethics, the different types of theories on ethics and various definitions of ethics were discussed. Which lead to the concluded meaning of ethical behaviour in the context of this study. Once the concept of ethical behaviour in the context of this study was established, a comprehensive literature study was undertaken to determine what factors impacts on ethical behaviour in organisations, specifically in the South African context.

Numerous models in the international and South African literature were researched in order to identify factors. During this in depth literature analysis, a number of factors were presented numerous times as impacting on ethical behaviour in organisations. Since the late 1960's organisational scientists have started researching and identifying the causes of unethical behaviour in organisations. A lot of different approaches was noted, some research focussed purely on specific levels of influencing factors, for example factors impacting on ethical behaviour in the macro, meso and micro level. Where the macro level represents factors in the external environment, like a countries overall economy, the meso level represents the organisational level, here an example of factors are the policies and procedures of the organisation, and the micro level which refers to characteristics of the individual; for instance factors like personality traits. A variety of factors were identified on all three levels. The approach followed in this study was to identify factors on all levels on a continuous basis in order to see how many times a specific factor is cited in the literature as

impacting on ethical behaviour. Therefore factors that were identified numerous times by a number of different authors were documented for the purpose of this study as impacting on ethical behaviour in organisations.

The process of theoretical inquiry was very much an interactive one; the theoretical inquiry can be divided into 2 phases, namely: phase 1 – an inquiry into the concept of ethical and unethical behaviour and phase 2 – an inquiry into the factors impacting on ethical behaviour. The results of these 2 phases can be found in chapter 3 and 4 respectively.

2.5 CHOICE OF RESEARCH METHOD

Content analysis was chosen as the best-suited method to conduct the theoretical inquiry part of the study. Babbie (1995:306) defines content analysis as: "…the process where researchers examine a class of social artefacts, typically written documents". According to Goldenberg (1992:245) content analysis includes the study of private journals, letters, or diaries, textbooks or articles; school, industry; hospital or government records, legislation, billboards and cartoons, television and radio shows, advertisements, newspapers on magazines, films, audiotapes or records and photo's. In this study mainly textbooks and articles were studied.

This is a qualitative study and the content analysis focused on categorising and structuring the content of the body of text (articles) in order to identify factors impacting on ethical behaviour in organisations.

2.5.1 Strengths and weaknesses of content analysis

Goldenberg (1992:246) sites the strengths and weaknesses of content analysis as follows:

Strengths:

- It is unobtrusive and non-reactive. This has definite advantages in ensuring low levels of distortion pertaining to internal validity.
- It is an economical or low cost, method. The cost of collecting data (usually available articles) is low compared to other methods like surveys or participant observation, while there is relatively little waste (data that can't be used).
- It is a method capable of measuring, describing and analysing temporal change. It can be used historically or longitudinally to study or change over time.

Weaknesses:

- Items are selectively deposited or retained (that is, taken from the studied text) and the retained data can therefore not be seen as a representative sample of the original data (text), this makes the generalisation of results to a population difficult.

2.5.2 Data collection, processing, analysis and application

2.5.2a) Data collection

In the context of this study, data collection refers to the collection of information sources, mainly academic articles, textbooks and newspaper articles. As far as factors impacting on ethical behaviour in organisations are concerned, textbooks dedicated to this topic are rare to non-existent and information was mainly found in articles. Articles were mainly of American and British origin, with few being of South African origin. These articles were obtained from academic journals and through the internet. As research progressed, conclusions were made, and reduction of data took place in a logical and systematic manner by choosing

search terms on the specific subject to satisfy the goal of the research. From these results, articles were scan read to determine whether they contained useful information.

In terms of the empirical study, factors were identified from the literature by reading previous research conducted on factors impacting on ethical behaviour. Most of these factors were found in articles in academic journals or the internet. These factors were summarised into different categories (external, organisational and individual factors) and included in a questionnaire that was given to 34 MPA (Masters in Public Administration) and 32 MBA (Masters in Business Administration) students who were representative of the public and private sectors, to complete. The respondents had to indicate to what extent they believed that each factor impacts on ethical behaviour in organisations. A 5-point Likert scale was used. The empirical inquiry is discussed in more detail in the second section of this chapter.

2.5.2b) Data Reduction

Data reduction is described as the process of selecting, focusing, simplifying, abstracting and transforming the so-called raw data (Miles et al, 1991:21). In this study, data reduction was already taking place from the outset. Only models or literature that focussed specifically on factors impacting on ethical behaviour in organisations were researched and included in the study. The systematic organisation of data and the ordering thereof is an important aspect of the methodology which was used, for instance all the factors identified in models and the literature were systematically grouped into 3 levels, macro (external), meso (organisational) and micro (individual) and summarised in a table to indicate how frequently each factor appeared in the literature. In this study, over 50 articles and 18 models were researched and consulted, many of which overlapped with each other in terms of content.

Quantitative research was used to compliment qualitative research only in a limited capacity in this study. It was used for example to determine the frequency with which different factors were identified by different authors as impacting on ethical behaviour in order to determine the relative importance attached to each factor.

2.5.2c) Conclusion drawing and verification

From the onset of the study the researcher has to interpret what the data means, whether any patterns emerge in the data, whether cause-effect relationships can be identified and possible explanations. The competent researcher keeps an open mind and a sceptical approach. Nevertheless, conclusions start to be made early on, even though they may be vague, tentative and incohesive. As the research progresses, these conditions crystallise and become more grounded. However Miles et al (1991:22) state that "…final conclusion may not appear until data collection is over, but they have been prefigured from the beginning, even when the researcher claims to have been proceeding inductively". Miles et al (1991:22) goes on to state that the meaning attached to observations must be tested for plausibility, sturdiness and verifiability.

2.5.2d) Data Presentation

The data presentation process is described as "…an organised assembly of information that permits conclusion drawing and action taking…" (Miles et al, 1991:22). Diagrams, tables, matrixes and other systematic forms of graphic representation have become common since the advent of powerful word-processed software. As far as practicable, these graphic methods of presentation were also utilised in this study, the main body of data representation, for the theoretical inquiry is in text format, supported by tables and diagrams where applicable. In the next section the research methodology utilised in the empirical inquiry will be discussed.

2.6 RESEARCH METHODOLOGY OF THE EMPIRICAL INQUIRY

2.6.1 Research design

Research design is defined as:"… a plan that shows, through a discussion of our model and data, how we expect to use our evidence to make inferences" (King, Keohane & Verba, 1994:118). Babbie (1995:84) explains that research serves many purposes – the most common way of categorising these is to explore, describe and explain phenomena. Explanation is usually the purpose when the subject is relatively new, either in general or to the researcher. Exploring research has the shortcoming that it seldom provides answers to research questions, this is mainly due to issues of representativeness. Exploratory research does however, often give insights into the research methods that could provide the answers to research problems or hint at answers (Kemp, 2000:229). Descriptive research on the other hand is used to describe situations and events. The scientific approach of descriptive research makes these observations a more accurate and precise than causal observation. However the general purpose of research is to explain things. According to Kemp (2000:229) it seldom happens that a research project does not include all the purposes mentioned above. The present study is exploratory in the sense that it seeks to identify specific factors impacting on ethical behaviour in organisations, specifically in within the South African context. The study is descriptive in the sense that it describes the concept of ethics as well as the specific factors impacting on ethical behaviour in organisations.

According to Kerlinger (1986:79) the basic objective of any research design is:

1) to find answers to research problems and;

2) to control variance, through the elimination of factors that might have a differential influence on research results, and thereby ensuring that results are interpreted unambiguously.

Babbie (1996:83) argues that the specific details of every research design vary, but that there are two aspects common to all research design: “First, you must specify precisely what you want to find out. Second, you must determine the best way to do that. Ultimately, scientific enquiry comes down to making observations and interpreting what you have observed. Before one can observe and analyse however, you need to plan.”

In light of the above-mentioned discussion, certain factors need to be considered in research design, they are:

1) rules governing the summary of data;
2) the quality of data.

2.6.1 a) Rules governing the summary of data

Whether the descriptive aspect of a study is seen as the objective of the study or a phase in the research – there are rules that govern the summary or presentation of the data, which are:

a) summaries should focus on the outcomes that we wish to describe or explain;
b) a summary must simplify the information at our disposal, this implies that the summary statistics should be less than the units of original data, otherwise we could as easily present the data without summary at all.

The summary of data in this study focuses on the identified factors that impact on ethical behaviour in organisations. The objective of this study being to identify

specific factors impacting on ethical behaviour in organisations and presenting recommendations to address them.

Graphic presentation and tabulation have been utilised as far as possible to ensure the simple presentation of results.

2.6.1 b) Quality of data

To improve the overall quality of the data used in research, King et al (1994:23) suggested the following guidelines:

a) Record and report the process by which the data is generated. This is necessary to determine whether using standard procedures in analysing data will produce biased inferences. It also makes evaluation of the research and later comparison of similar research possible. King et al (1994:51) is of the opinion that: "…the most important role for all data collection is to report how the data was created and how we come to possess them".
b) In order to better evaluate a theory, collect data on as many of it's observable data as possible, each additional observation of the implication of a theory improves the confidence with which we can make conclusions. When adding data on new observable implications of a theory, we can collect more observations of the same department variable or more additional department variables.
c) Maximise the validity of measurements. Validity refers to the question of whether we are measuring what we think we are measuring or are proposing to measure. Validity can be viewed as a synonym for the best approximation of the truth. In this regard, Mouton (1996:108) remarks: "Although it is seldom possible to plan a project in such detail that all error will be eliminated, it is usually possible to identify typical threats to validity and to adjust one's design accordingly.

d) Ensure that data collection methods are reliable – when we apply the same procedures in the same way and produce the same we have reliability. This aspect, as it relates to this study, is addressed in more detail under the discussion of the research instrument.
e) All data and analysis should, as far as possible be replicable. According to King et al (1994): "…replicability applies not only to data, so that we can see whether our measures are reliable, but to the entire reasoning process used to produce conclusions. In other words, other researchers should be able to duplicate the data and trace the logic that was used to reach conclusions in a study". This aspect ties in with the first guideline offered in this section, namely to record and report the process by which data was generated.

2.6.2 Research strategy

A model of the research process and how it relates to the present study was discussed earlier in section 2.4.2. The aspects of the process that relate to the empirical inquiry are discussed in this section.

2.6.2 a) Conceptualisation

As previously mentioned, conceptualisation as defined by Babbie (1995:101) refers to specifying the meaning of the concepts and variables to be studied, however a thorough discussion of the meaning of concepts has been given in chapter 4 and the proposed means of measuring them has been discussed in detail.

2.6.2b) Population and sample

The terms 'population' and 'universe' are often used interchangeably in the literature. However, Mouton (1996:134) provides the following definitions of a population:

a) "A population is a collection of objects, events or individuals, having some common characteristics that the researcher is interested in studying."
b) "…it is the complete set of elements and their characteristics about which the researcher wants to draw a conclusion on the basis of a sample".
c) "…it is the aggregate of all cases that conform to some designated set of specifications".
d) "…it is the sum total of all the cases that meet the researchers definition of the unit of analysis".
e) "A population is a collection of objects, events or individuals, having some common characteristics that the researcher is interested in studying."
f) "…it is the complete set of elements and their characteristics about which the researcher wants to draw a conclusion on the basis of a sample".
g) "…it is the aggregate of all cases that conform to some designated set of specifications".
h) "…it is the sum total of all the cases that meet the researchers definition of the unit of analysis".

From the definitions above it is clear that a population (in the sampling context) is always a constructed or defined set of elements, and not naturally given entities. In the context of this study, the population consists of (n=66) general managers in the South African work environment which are representative of the private and public sector. Mouton (1996:135) sees the definition of a population as a 2-step process consisting of identifying the target population (the population the researcher wishes to generalise to) and constructing the sampling frame. The sampling frame refers to the set of all cases from which the sample will actually be selected. When defining the target population, the scope of the planned generalisation and practical requirements of drawing the sample has to be considered. According to Mouton (1996:110): "During the process of selecting or sampling the aim is to get a sample that is as representative as possible of the

target population. Representativeness is the underlying epistemic criterion of a 'valid', that is, unbiased sample."

In this study, due to the problem of lack of available subjects, non-probability sampling was used. More specifically the method used can be called 'accidental sampling', 'convenience sampling' or 'reliance on available subjects' as defined by Champion (1981:28), since the sample was taken from what was available to the researcher at the time. There were 2 sample groups in this study, as mentioned before, group 1(MBA's) are representative of the private sector (n=32) and group 2 (MPA's) is representative of the public sector (n=34). It is important to mention that the 2 sample groups does contribute directly to the purpose of this study since they are representative of the private and public sector.

Table 2.1 below summarises the biographical information of the entire population as well as a breakdown of the two groups of respondents.

Table 2.1 Biographical information of all respondents (N =66)

Summary of biographical information for the MBA (private sector) and MPA (public sector) group				
	MBA		**MPA**	
N	32		34	
RESPONDENTS	48.5%		51.5%	
GENDER	MALE	FEMALE	MALE	FEMALE
	81.3%	18.7%	55.9%	44.1%

JOB LEVEL	Lower Mgt.	Mid Mgt.	Snr. Mgt.	Top Mgt.	Lower Mgt.	Mid Mgt.	Snr. Mgt.	CEO	MD
	18.8%	50%	21.9%	9.4%	29.4%	47.1%	17.6%	2.9%	2.9%
YEARS OF CORPORATE EXPERIENCE	0-5 yrs.	6-10 yrs.	11+ yrs.		0-5 yrs.	6-10 yrs.	11+ yrs.		
	59.4%	34.4%	6.3%		17.6%	23.5%	58.8%		
NUMBER OF DIFFERENT INDUSTRIES PRESENTED	18				14 (plus 6 unspecified)				

In the table the biographical information of the entire population was presented, however it is important to note that although the gender, job level, years experience and industry of the respondents were given this is purely to provide more information on the two groups. The only comparison to be made between the two groups in this study is based on the sector they represent.

When the private sector (MBA) group and the public sector (MPA) groups are compared the following can be observed:

a) 68.2% of the respondents were males and 31.8% of the respondents were females.
b) The majority (51.5%) of the respondents were from the public sector and 48.5% of respondents were from the private sector.
c) From the entire group, 24.2% of respondents are on lower management, 48.5% are on the middle management level, 19.7% on senior management, 4.5% on top management and 1.5% on MD and CEO level respectively which means that the majority of the respondents are on middle management level.

d) The majority (37.9%) of the respondents has 0-5 years of corporate working experience, 28.8% has 6-10 years work experience and 33.3% of the entire group of respondents have 11 or more years of work experience.
e) 18 different industries within the private sector and 14 (plus 6 unspecified) departments within the public sector are represented by the two groups.

Table 2.2 below illustrates the different industries represented by the private sector respondents.

Table 2.2 Industries represented by the private sector respondents

INDUSTRY PRESENTED	**NUMBER OF RESPONDENTS**
Industrial	1
Electricity	1
Financial	6
Scientific	1
Manufacturing	1
Healthcare	3
Education	1
Information technology	4
Engineering	2
Steel	1
Petro-chemical	1
Agriculture	1
Export	1
Consulting	1
Motor	2
Research and development	1
Mining	3
Training and Development	1
Total private sector industries represented	18

From the abovementioned table it can be observed that although the number of respondents form the private sector are n = 32, these respondents are not representative of 1 particular industry within the private sector. Therefore, this group of respondents are quite representative of the private sector in South Africa in the sense that the respondents are representative of a wide range of industries within the private sector.

Table 2.3 below illustrates the different sectors of departments represented by the public sector respondents.

Table 2.3 different sectors of departments represented by the public sector respondents

SECTOR PRESENTED	**NUMBER OF RESPONDENTS**
Financial	1
Agriculture	2
Housing	1
Education	8
Government	4
Justice	1
Health	3
Non Profit	1
Mining	1
Parastatal	1
Public admin	2
Municipality	1
Transport	1
Correctional services	1
Unspecified	6
Total public sector industries presented	14 (plus 6 unspecified)

Table 2.3 indicates that the public sector respondents (n=34) are quite representative of the different sectors within the South African Public sector, this observation is evident even though 6 of the respondents did not specifically indicate which department within the public sector they are from.

2.6.2c) The research instrument

The survey was chosen as a method of data collection in this study, using a questionnaire. The questionnaire was developed for the present study by the researcher. The questionnaire was called the 'Moral behaviour questionnaire' or MBQ.

Dooley (1984:234) defines a survey as: "A method for collecting information from a sample of people by the administration of a questionnaire." Questionnaires are a commonly used way of operationalising variables in research. "Questionnaires are essential to and most directly associated with survey research, but they are also widely used in experiments, field research, and other data collection activities." (Babbie, 1995:146) The general procedure for designing a questionnaire according to Berenson and Levine (1989:13) is as follows:

- choosing the broad topics which are to reflect the theme of the survey
- deciding on a mode of response
- formulating the questions
- pilot testing and making final revisions.

Kerlinger (1986:387) identifies certain strengths and weaknesses of survey research these will be briefly discussed below.

- **Strengths and weaknesses of survey research**

Strengths:

- Surveys are particularly useful in describing the characteristics of a large population.
- Surveys are flexible – many questions may be asked on a given topic and operational definitions may be developed from actual observations.
- Standardised questions have an important strength in regard to measurement. Generally it ensures that the same definitions are applied uniformly to all subjects.
- The cost involved is less than that of many other methods.
- The data gathered is accurate, especially where values, attitudes and beliefs of individuals are concerned.
- Anonymity is ensured.

Weaknesses:

- Survey information rarely penetrates deeply.
- It requires a lot of time in development, money, skill and knowledge.
- It is difficult to ensure representativeness, since respondents have a choice not to return questionnaires.
- Individuals may be influenced by family members or colleagues (not relevant in this study).
- Standardised questionnaire items often represent the least common denominator in assessing peoples attitudes, orientations, circumstances and experiences by designing questions that are at least minimally appropriate to all respondents, the researcher may miss what is most appropriate to many respondents.
- Survey research can seldom deal with the context of social life.

- In spite of the flexibility mentioned earlier, the survey method can be inflexible in the sense that it is typically required that the initial study design remains unchanged throughout.
- Surveys are subject to artificiality. Which means the topic may not be amenable to measurement through questionnaires, or the act of studying the topic, an attitude for example, may affect it.

According to Kemp (2000:243) survey research is generally weak on validity and strong on reliability (because of the standardised format). The choice of the survey method in this study was influenced by cost factors, as well as the fact that the survey method is flexible and most importantly because the data gathered is accurate, especially where values, attitudes and beliefs of individuals are concerned.

- **Scale format**

The questionnaire presented in the form of a five-point Likert scale was distributed among the respondents. This format is appropriate as it allows for a wide range of responses from strongly disagreeing to strongly agreeing.

Moral behaviour questionnaire (MBQ)

The questionnaire used for the purpose of this study is discussed in more detail in the following section. As mentioned above the questionnaire was distributed amongst two groups of Masters degree students at the University of Pretoria. The one group of students are representative of general managers in the private sector. The other group of students are representative of general managers in the public sector. The questionnaire titled “Moral Behaviour Questionnaire” or MBQ contained a list of 28 factors impacting on ethical behaviour in organisations as identified in the international and South African literature during the theoretical inquiry. A comprehensive literature study was conducted in order

to identify the list of factors that are said to impact on ethical behaviour in organisations. Respondents had to identify the factors that impact on ethical behaviour in organisations (in their opinion) on a five point rating scale.

The students representative of the private sector was chosen as respondents in this study because they represent different industries, age groups, genders, cultures, races and management levels within the private sector in South Africa. For the same reason, the group of public sector respondents were chosen for this study since they represent different sectors, age groups, genders, races, cultures and management levels within the South African public service. Since the main purpose of this study was a theoretical analysis and due to the sample size, the type of data the data were analysed using descriptive statistics.

The moral behaviour questionnaire consists of two parts, part a and part b. Part a pertains to biographical information of the respondent, where he or she needs to indicate the following:

- The business sector he/she is representing.
- Gender.
- Job level (based on management level).
- Length of service in the corporate environment.

Part b contains the instructions for answering the questionnaire and also includes definitions of crucial terms or concepts referred to in the questionnaire. The following concepts were defined in part b of the moral behaviour questionnaire:

- **Moral:** Is related to principles of right and wrong in behaviour.

- **Ethical:** Standards for determining what behaviour is good and bad, right or wrong.

For the purpose of this study these two definitions will be used interchangeably to refer to the same concept.

- **Values:** Core beliefs – the underlying thoughts that stimulate human behaviour.

- **Ego Strength:** is similar to self-confidence. A person with high ego strength relies more on his own values and is less likely to be influenced by others.

- **Field dependence:** Refers to the extent to which an individual tends to make use of information provided by others to clarify issues when situations are ambiguous. People with high field dependency may make decisions in the workplace that are likely to deviate form similar decisions they would make outside the organisation when they do not have access to others information.

- **Locus of control:** Reflects peoples understanding of the control they have over life's events. An 'external locus of control' believes that 'destiny, fate or luck' controls life's events. People with an 'internal locus of control' are more likely to feel a sense of responsibility for results and are more inclined to rely on personal values to guide their behaviour.

- **Resources:** Time, money, information.

- **Wrong type of behaviour:** Refers to unethical behaviour, things like accepting or giving bribes to clinch a deal.

- **Moral development:** There are different levels of moral development and every human being is on a certain level of moral development which influences the moral/ethical decisions he or she makes.

Stages of moral development:

LEVEL 1: PRE CONVENTIONAL

In this stage the person has an uncritical obedience to the rules set by an external authority who controls rewards and punishment and follows rules only when it is in one's immediate interest.

LEVEL 2: CONVENTIONAL

Stereotypical "good" behaviour – living up to what is expected by people close to you and fulfilling duties and obligations to which you have agreed. Upholding laws except in extreme cases where they conflict with fixed social duties.

LEVEL 3: POST CONVENTIONAL

Being aware that people hold a variety of values. Taking all stakeholders interests into account and following self-chosen ethical principles, when laws violate these principles, to act in accord with principles.

The questionnaire contains 28 so-called factors impacting on ethical behaviour in organisations. Respondents were asked to indicate on a 5 point Likert scale, which factors in their opinion influences ethical behaviour in organisations. Where 1 means the respondent does "not agree at all" that the factor in question impacts on ethical behaviour and a rating of 5 means that the respondent "agrees 100 percent" that the factor in question impacts on ethical behaviour.

The factors listed in the questionnaire were divided into three categories. It makes sense to divide the factors into these three groups since each one of the

28 factors listed in the questionnaire clearly falls on one of the following three categories:

- External factors (EF)
- Organisational factors (OF) and;
- Individual factors (IF).

Where the external factors refer to factors present in the external environment to the organisation and the individual. This includes factors like the state of the economy of the country and how that might impact on ethical behaviour of employees in organisations. The organisational factors refer to factors inside the organisation that can impact on ethical behaviour and the individual factors refer to personality traits or characteristics of the individual. A more detailed description of the three levels of factors is given in chapter 4 of this study.

The 28 factors listed in the questionnaire are:

External factors (EF)

EF1: Economic conditions
EF2: Political environment
EF3: Technological factors
EF4: Community
EF5: Religion
EF6: Legislation
EF7: Competition in the market

Organisational factors (OF)

OF1: Reward systems
OF2: Code of conduct/ethics

OF3: Characteristics of the job/work
OF4: Distribution and availability of resources
OF5: Organisational culture
OF6: Organisational goals
OF7: Manager/leader behaviour
OF8: Organisational climate
OF9: Positional authority
OF10: Performance evaluations

Individual factors (IF)

IF1: Attitude
IF2: Intention
IF3: Peer influence
IF4: Ego strength
IF5: Field dependence
IF6: Locus of control
IF7: Self-control
IF8: Parental influences
IF9: Level of moral development
IF10: Values
IF11: Beliefs

Extra lines were also provided at the end of the questionnaire where respondents could add any additional factors that they believe impacts on ethical behaviour in organisations.

The factors were presented in the form of statements with which the respondent had to agree or disagree.

Interpretation of answers

As mentioned before the MBQ contains a list of 28 factors, therefore there are 28 questions in the questionnaire. In the following section an interpretation of each question will be given. EF refers to external factors, OF refers to Organisational factors and IF refers to individual factors.

Question EF 1: If the respondent agreed with the statement in the question it means that poor economic conditions contribute to unethical behaviour in organisations.
Question EF 2: If the respondent agreed with the statement in the question, it means that the political environment of a country contributes to unethical behaviour in organisations.
Question EF 3: If the respondent agreed with the statement in the question, it means that technological factors (like automisation of the workforce) contribute to unethical behaviour in organisations.
Question EF 4: If the respondent agreed with the statement in the question, it means that the characteristics of the community where the person lives can contribute to unethical behaviour in organisations.
Question EF 5: If the respondent agreed with the statement in the question, it means that people who are not religious might contribute to unethical behaviour in organisations.
Question EF 6: If the respondent agreed with the statement in the question, it means that legislation can contribute to unethical behaviour in organisations.
Question EF 7: If the respondent agreed with the statement in the question, it means that competition in the market can cause unethical behaviour in organisations.

Question OF 1: If the respondent agreed with the statement in the question, it means that incentive and reward systems can cause further unethical behaviour.

Question OF 2: If the respondent agreed with the statement in the question, it means that the absence, or non-communication and non-reinforcement of a code of ethics/conduct can cause unethical behaviour in organisations.

Question OF 3: If the respondent agreed with the statement in the question, it means that the characteristics a person's job can contribute to unethical behaviour.

Question OF 4: If the respondent agreed with the statement in the question, it means that the poor distribution and lack of resources can contribute to unethical behaviour in organisations.

Question OF 5: If the respondent agreed with the statement in the question, it means that the organisational culture can contribute to unethical behaviour in the workplace.

Question OF 6: If the respondent agreed with the statement in the question, it means that organisational goals can contribute to unethical behaviour in organisations.

Question OF 7: If the respondent agreed with the statement in the question, it means that a leader or manager's behaviour can contribute to unethical behaviour in the organisation.

Question OF 8: If the respondent agreed with the statement in the question, it means that the organisational climate can contribute to unethical behaviour in organisations.

Question OF 9: If the respondent agreed with the statement in the question, it means that positional authority can contribute to unethical behaviour in the organisation.

Question OF 10: If the respondent agreed with the statement in the question, it means that performance evaluations that place employees under pressure to perform can contribute to unethical behaviour organisations.

Question IF 1: If the respondent agreed with the statement in the question, it means that the negative attitude of an employee can contribute to unethical behaviour in the organisation.

Question IF 2: If the respondent agreed with the statement in the question, it means that the intention of an employee, can contribute to unethical behaviour in the organisation.

Question IF 3: If the respondent agreed with the statement in the question, it means that the influence of referent others can contribute to unethical behaviour in organisations.

Question IF 4: If the respondent agreed with the statement in the question, it means that a low level of ego strength can contribute to unethical behaviour in organisations.

Question IF 5: If the respondent agreed with the statement in the question, it means that a high level of field dependence can contribute to unethical behaviour in organisations.

Question IF 6: If the respondent agreed with the statement in the question, it means that an external locus of control can contribute to unethical behaviour in organisations.

Question IF 7: If the respondent agreed with the statement in the question, it means that a low level of self-control amongst employees can contribute to unethical behaviour in organisations.

Question IF 8: If the respondent agreed with the statement in the question, it means that parental influence can contribute to unethical behaviour in organisations.

Question IF 9: If the respondent agreed with the statement in the question, it means that a low level of moral development amongst employees can contribute to unethical behaviour in organisations.

Question IF 10: If the respondent agreed with the statement in the question, it means that a lack of values can contribute to unethical behaviour in organisations.

Question IF 11: If the respondent agreed with the statement in the question, it means that a persons beliefs can contribute to unethical behaviour in organisations.

2.7 STATISTICAL METHODS AND TECHNIQUES EMPLOYED

A discussion of the statistical methods and techniques employed in this study follows.

According to Berenson et al (1989:2) descriptive statistics can be defined as those methods involving the collection, presentation, and characterisation of a set of data in order to properly describe the various features of a set of data. Descriptive statistics is therefore concerned with the organising and summarising of data, to render it more comprehensible. In this study descriptive statistics was used to determine the frequency of the factors identified in both the literature study as well as in the empirical inquiry. The factors were also ranked in order to see what factor was identified as most important, thus having the biggest impact on ethical behaviour in organisations.

2.7.1 Descriptive statistics

- **Univariate analysis**

The following univariate descriptive techniques were used in this study:

- Sample mean.
- Standard deviation.
- Mode.
- Median.
- Frequency tables.

2.8 PROCESSING OF DATA

The researcher opted to perform the statistical analysis of the data by utilising SPSS version 11.0. Some of the data was also tabulated using Excel (version 7).

2.9 SUMMARY

In this chapter the research methodology utilised in this study was discussed. It was highlighted that the research in this study was conducted in two phases, a theoretical inquiry and an empirical inquiry. The first section of the chapter dealt with the research methodology for the theoretical inquiry and in the final section the research strategy for the empirical inquiry was discussed. The actual results of the research is presented and discussed in chapter 5.

CHAPTER 3

A DISCUSSION OF THE CONCEPT OF ETHICS

3.1 INTRODUCTION

This chapter is devoted to a theoretical enquiry into the concept of ethics and ethical behaviour. It also serves to operationalise the term ethics since this study is focused on identifying factors impacting on the ethical behaviour in organisations. It is of critical importance that the reader firstly understands exactly what the terms ethics and ethical behaviour means in the context of this study. An outline of the historic development of the term will be presented. Various definitions found in the literature will be presented and reduced to a workable definition. Other relevant terms and concepts associated with the term 'ethics' will also be discussed to indicate the possible differences or similarities in the terms.

This chapter is an investigation, which aims to identify what exactly is meant by the term 'ethics'. The title indicates that this study will be an investigation into the possible causes of unethical behaviour in organisations. It is important to note that there are many forms of unethical behaviour in organisations, it does not only refer to acts like stealing or lying, it can also refer to being dishonest in reports, intimidating fellow employees, using one's positional authority for personal gain, sexual harassment, fraudulent timekeeping and misrepresenting the organisation, to name but a few. The list of different types of unethical behaviour in organisations are endless, therefore it is important to note that when referring to unethical behaviour in the context of this study, it refers to all different types of behaviour that can be classified as such in organisations.

Clearly the key concept involved in this chapter is 'ethical' and a central conceptual issue is how 'ethical behaviour' is identified and in what sense it is

'ethical'. There is a longstanding tradition which holds that 'ethical behaviour' is behaviour which is shown to be objectively morally correct via appeal to a theory of morally correct action, and that it is 'ethical' precisely because it is the behaviour which is required by the specific theory (Bommer et al, 1987:267). However, many ethicists maintain that the question of which ethical theory is correct is itself answered by appeal to certain ethical behaviour, which means, that some behaviours in certain situations are so clearly morally correct that they provide a moral intuition with which any moral or ethical theory must correspond if it is to be considered correct. Therefore, numerous theoretical views on ethics that exist today will be briefly discussed. However it is important to firstly look at the emergence and historical development of ethics in order to create the framework within which all these theoretical views on ethics fits and which it evolved from.

3.2 THE ORIGIN AND EMERGENCE OF THE CONCEPT OF ETHICS

To enable the reader to fully understand the concept of 'ethics' it is of importance to get a clear understanding of how the concept of 'ethics' originated and emerged in civilisation.

Consensus is that primitive tribes did not really need ethics, for a cohesive group tribal law was sufficient regulation to teach tribal members how to behave. Tribes had to survive in the harsh conditions of primitive life, where hasty, foolish or selfish behaviour of one person could lead to extinction of the tribe; this limited the options of behaviour of tribal members. However, as civilisation developed and agriculture created abundance people began to live beyond the confines of tribal groups. Which meant that they required more universal methods of regulation than tribal law could provide. This is where so-called 'ethics' began to evolve (Geocities, not dated). Ethics enabled people or tribal members to carry tribal codes 'inside them' when they left the tribe. Therefore, as tribal life diversified, people could adhere to original teachings even after they travelled

outside their own group (Geocities, not dated). Another view is that ethics did not really begin until the age of agriculture. Humans, like all higher animals, faced choices for millions of years. Initially, the choices were resolved by reflex, with the strongest reflex taking precedence. Later, humans sublimated choice by reflex to choice by learned behaviour, to give choice broader possibilities. Choice was then achieved through tribal codes, controlled by social regulation. Tribal codes were the behavioural regulating mechanism of all Stone Age peoples, and is so even today. However, with the advent of agriculture, this 'naturally evolved' system was thrown into 'chaos'. Agriculture could support such a large population that tribes broke up, and tribal custom became diversified and then subsumed into larger social structures which meant that tribal members started to travel outside the confines of their group.

Kropotkin's (not dated) view similar to the views discussed above explains that the most primitive peoples developed their own mode of social life and evolved their own carefully preserved customs and traditions, their own conceptions about what is good and bad, what is not to be done and what is proper in different situations. In short, they evolved their own morality, their own ethics. Frankena and Granrose's (1974:9) explanation of the emergence of ethics is similar to the one's discussed sofar, they state that morality must have been in existence from the time men began to live in groups. Even after people started to think philosophically, a great deal of relatively unreflective morality continued to exist and to guide human conduct, even in so-called advanced cultures, as it still does.

Every society throughout history has devised for it's members something we might call ethical codes. These are a system of teachings, conveyed as reinforced learning, of how a society expects it's members to behave (Geocities, not dated). Teaching and reinforcement of ethics begins in childhood. Teaching is by example, discipline, religion or moral tale. The reinforcement is granting affection for good behaviour and reprimands for bad behaviour. For adults,

teaching continues as religious or ethical doctrine, while reinforcement is in the form of punishments and rewards in the workplace, in sport and so on. Rewards refer to things like praise, honour, privilege and acclamation. Punishment involves reprimand, deprivation of freedom, wealth or in extreme cases, deprivation of life. Whether they exist as laws, rules, teachings or norms, the ethical codes of society instruct people how to behave (Geocities, not dated).

In today's business world the impact of unethical behaviour is quite different than it was in primitive times. It might be said that only in very extreme cases could the foolish or selfish behaviour of a person lead to the extinction of a civilisation, as it could in primitive times. So-called 'white collar crime' is costing institutions millions of Rands a year according to White, Crafford and Schepers (2001:61). According to Greenberg (2002) nearly any employee might be willing to steal from an employer under certain circumstances – that is, unless the company makes it clear that theft is unethical. Greenberg's (2002) research showed that under certain specific circumstances even employees who are believed to normally behave quite ethically and who are on normal levels of cognitive moral development for adults (moral development stages 3 & 4) which implies that they would normally not easily be tempted to behave unethically – might be willing to steal from an employer under certain circumstances. However, Greenberg's (2002) research also found that there are certain factors that can minimise or stop this unethical behaviour from occurring, in this specific experiment, the fact that the organisation in question had a code of conduct that prohibits stealing – made it stop or not occur at all.

The functional problem of ethics is deciding how it suits society for people to behave without knowing how ethics arose or why it acts as it does. Civilisation however recognises that society requires ethics in order to function. Kant (1879) taught that without ethics society could not work. Modern theorists like Rawls (1999) and Dorff (1986) teach how family, government and commerce all require

ethical norms to function. Whether they exist as laws, rules, teachings or norms, the ethical codes of society instruct people how to behave.

It could be said that ethics has evolved from those tribal codes and so-called 'customary conduct' to the numerous theoretical views on ethics that exist today. Examples of simple ethical homily, that teach people how they ought to behave, even in the absence of specific laws or constraints regulating behaviour are "when in Rome, do as the Romans do" and "Do not do unto others as you would not have them do unto you."

3.2.1 The History of the study of ethics

The formal study of ethics in a serious and analytical sense began with the early Greeks and later Romans. Important Greek and Roman ethicists include the Sophists and Socrates, Plato and Aristotle, who developed ethical naturalism. The study of ethics was developed further by Epicurus and the Epicurean movement, and by Zeno and the Stoics (Wikipedia, not dated). Although not developed in a formal and analytical sense, the subject of ethics was of great concern when the Hebrew Bible was written, and centuries later, the New Testament and the Apocrypha. The formal study of philosophy stagnated until the medieval era, when it gained new strength through the writings of Maimanides, St. Thomas Aquinas, born in 1225 and others. It was at this time that the debate between ethics based on natural law and divine law gained new importance (Wikipedia, not dated). Modern Western philosophy began with the works of philosophers such as Hobbes (1588 – 1679), Hume (1711 – 1776) and Kant (1724 – 1804). Their work was followed up by the utilitarian's which include the work of John Stuart Mill (1806 – 1873). Thereafter, in the work of Nietzsche (1844 – 1900) it is clear that he has little patience for previous views of ethics, and launched an assault on such theories (Wikipedia, not dated). The study of analytical ethics originated with Moore (1873 – 1958) and Ross (1930) followed by the so-called emotivists. Existentialism was developed by writers such as

Sartre. Some modern philosophers who have done serious philosophical writing on ethics include Rawls (1999) and Dorff (1986).

3.3 DIFFERENT THEORETICAL VIEWS ON ETHICS

As mentioned in the previous section the study of ethics is very old indeed. Since the time of ancient Greek philosophers ethics have been studied in the Western world. In this tradition, a number of approaches to the study of ethics came into being.

Philosophers have developed a number of competing systems to explain how to choose what is best for both the individual and for society when faced with ethical dilemmas. No one system has gained universal assent according to Ross (1930:19). The major philosophical doctrines of ethics include:

a) Divine command ethics.
b) Consequentialism.
c) Virtue ethics.
d) Social contract theory.
e) Ethical Scepticism.
f) Ethical Relativism.
g) Ethical subjectivism.
h) Ethical Nihilism.
i) Ethical egoism.
j) Ethical hedonism.
k) Non hedonistic ethical egoism.
l) Utilitarianism.
m) Kant on deontological ethics; amongst others.
n) The utilitarian Kantian principle.

For the purpose of this study the most prominent and well-known theoretical views on ethics will be discussed. Each of these approaches makes an indispensable contribution to the study of ethics and should be regarded as complimentary approaches that provide knowledge about different aspects of ethics. The goal of a theory on ethics is to determine what is good, both for the individual and for the society as a whole. Ethical philosophers have taken different approaches in defining what is good, on how to deal with conflicting priorities of individuals vs. the whole, over the universality of ethics principles vs. 'situation ethics' in which what is right depends on the circumstances rather than on some general law.

The theoretical views on ethics that exist today can be divided into 3 categories (Wikipedia, not dated):

1) Descriptive and explanatory studies such as are made by historians and social scientists;
2) Normative or prescriptive enquiry's about the principles, standards, or methods for determining what is morally right or wrong, good or bad and;
3) 'meta ethical' questions about the meanings of terms like 'right', 'good', 'responsible' and so on, about the meaning of 'morality' itself; or about the justification of ethical judgements.

3.3.1 Descriptive approach

The descriptive approach aims to provide accurate descriptions and explanations of states of ethical affairs. In such descriptions, values and characteristics of ethical situations are described and explained. Descriptive ethics can explain the values upon which people base their judgements. The outstanding feature of descriptive ethics is that it solely focuses on describing and refrains from making value judgements about the phenomena that it describes. In a sense it is the study of what is thought to be right and what a group, society or culture generally

does. In general, descriptive ethics correspond to what is actually done in a society. Ethical theories that can be classified under the descriptive approach is the so-called value theory and Lawrence Kohlberg's (1969) stages of cognitive moral development. It is beyond the scope of this study to go into more detail on these theories (Wikipedia, not dated).

3.3.2 Normative or prescriptive approach

This approach entails making prescriptions or judgements about ethical issues. It means taking a definite stand about what is right and wrong, and providing a theoretical justification for this position. What distinguishes prescriptive or normative ethics from descriptive ethics is the fact that it takes a stand on ethical issues and that it is willing to offer a defence on theoretical grounds. It is thus the study of moral problems which seeks to discover how one ought to act, not how one does in fact act or how one thinks one should act.

Prescriptive ethics usually takes one of two forms, it either provides general guidelines for deciding how morally right or wrong an action is, or it deals with the rightfulness or wrongfulness of a specific course of action. Thus one can distinguish between generic approaches and applied approaches within prescriptive ethics (Wikipedia, not dated).

For the purpose of this study, the emphasis will be on generic theoretical approaches to prescriptive ethics. These generic prescriptions are known as moral theories. A moral theory is intended to provide guidance in decisions about which actions are morally right or wrong. Four important moral theories are:

3.3.2.a) Teleological theories

Virtue theory: The Greek philosopher Aristotle is the figure most closely associated with virtue theory. Hissan Wichomachus compiled Aristotle's theories in the fourth century BC.

Aristotle's ethics is concerned with action. The 'good' in general is conceived teleologically as: "That at which all things aim" (Sumner, 1962:22). A teleological theory holds that the sole basic criterion of what is morally right or wrong is the non-moral value that is brought into being. Thus, we ought to do the action or adopt to the rule that will provide the greatest possible balance of good over evil.

3.3.2.b) Egoistic and deontological theories

According to Frankena and Granrose (1974:39) philosophers generally distinguish two kinds of normative theories of obligation. A teleological theory holds that the sole basic criterion of what is morally right or wrong is the non-moral value that is brought into being. Thus, we ought to do the action or adopt the rule that will provide the greatest possible balance of good over evil.

Ethical egoism holds that one is to promote one's own good, utilitarianism or ethical universalism asserts, on the contrary, that we are to promote the good (the greatest balance of good over evil) of the world as a whole. (Frankena & Granrose, 1974:40). A third kind of view would maintain that one should promote the good of his family, nation or class. A deontological theory denies what teleologists affirm. A deontologist holds that what makes an action right to do or a rule right to adopt is not just the balance of good over evil produced; there are other factors that may make an action or rule right (Frankena & Granrose, 1974:40).

- **Ethical egoism**

According to Frankena and Granrose (1974:41) ethical egoism holds that every individual ought always to do the thing that is most to his interest or for his own greatest good in the long run, or at least not the contrary to it. It implies that it is never wrong for one to do something to another if it is for the one's own long run good or advantage. On ethical egoism Butler (1726:48) says: "It is not a true representation of mankind to affirm that they are wholly governed by self love, the love of power and sensual appetites; since, as on the one hand they are often actuated by these, without any regard to right or wrong, so, on the other hand, it is manifest fact that the same persons, the generality, are frequently influenced by friendship, compassion, gratitude, and even general adherence of what is base and liking of what is fair and just, takes it's turn amongst the other moves of action."

- **Deontology**

Deontological ethics insists that moral action require conformity to moral principles. Deontology stems once again from the Greek word '*deov'* which means 'duty'. Kant (1879) maintained that doing one's duty is the only thing which ethics requires, but it requires that it be done because it is one's duty and not because it coincidentally happens to be what one wanted to do anyway. It is not within the scope of this study to go into more detail on the specific deontological theories, however it should be noted that deontology can be broken down into:

- Act deontological theories and
- Rule deontological theories (Wikipedia, not dated)

3.3.2.c) The divine command theory

Another name for the so-called 'divine command theory' is theological voluntarism. This theory holds that the sole ultimate standard of right and wrong is the will or law of God, i.e. that an action or kind of action is right or wrong if, and only if and because it is commanded or forbidden by God. Religious people (in the west), beginning with the Jews and the Greeks has often taken this position. In support of the 'divine command' theory, Henry (1957) says that: "The good in Hebrew-Christian theistic ethics is not that which is adopted to human nature, but it is that to which the Greater obliges human nature." In Plato's 'Euthyphro' he refers to theological voluntarism where Socrates (in the Apology) said that the god Apollo had appointed him to teach the people of Athens and that he would continue to do so, even if they commanded him not to, because a command of the gods takes precedence over a command of the state (Wikipedia, not dated).

3.3.2.d) Utilitarianism and love

The utilitarian moral theory claims that the morality of actions should be judged by their consequences (Rossouw, 2002). Utilitarianism states that when a person has a choice, the right thing to do is that which brings about the ' greatest happiness for the greatest number'. Three sub-groups of utilitarianism can be distinguished:

- Act utilitarianism.
- General utilitarianism.
- Rule utilitarianism.

3.3.2.e) The ethics of Love

Apart from the ethics theories prevailing under the normative or prescriptive approach there is another ethical theory that has to be recognised, called the

'Ethics of love'. Because it has been so important in the ethics of the Christian world – more important than any other ethical theory, including even utilitarianism, which probably grew out of it, it is desirable to include an exposition and discussion of it (Frankena & Granrose, 1974: 201). The Christian ethics of love has it's source in the following words of Jesus; though these were anticipated in the Old Testament:

"You shall love the Lord your God with all your heart, and with all your soul, and with all your mind. This is the great and first commandment. And a second is like it; you shall love your neighbour as yourself. On these two commandments depend all the law and the prophets. " (Matthew 22:37 – 40.)

According to the 'ethics of love' theory ultimately there is one and only one moral command, obligation or virtue: To love God and mankind.

3.3.3 The meta- ethical approach

The word '*meta*' stems from the Greek and means 'next to' or 'beyond' (Sulaiman, 2000). Meta ethics or, as it is also called; analytical ethics, concerns itself with issues related to ethical judgements, without offering such ethical judgements themselves. It considers the definitions of concepts like good and bad. It also deals with problematic issues related to the making of moral judgements. It can be seen as the discipline concerned with the comparison of ethical theories. As mentioned above, the descriptive approach to ethics can give a picture of how people feel about a certain issue. Prescriptive approaches create an opportunity to debate various points of view on an issue and judge their credibility. The meta ethical approach offers guidance in defining central concepts and can assist us with understanding the process of moral decision making itself.

According to Frankena & Granrose (1974:9): “In the Bible, as traditionally interpreted, morality is typically represented as divinely instituted, once in the 10 commandments and again in the Law and Love, and is thought of as a matter either of divine command or of divine relation. Even in the Judeo-Christian tradition, however, there was a recognition that morality was not entirely dependent on such divine acts, but was to some extent something that men would naturally develop.” Thus St. Paul wrote: “…when gentiles who do not possess the law carry out it’s precepts by the light of nature, then although they have no law, they are their own law, for they display the effect of the law inscribed in their hearts.” (Romans 2: 14-15.) These statements suggest that morality is the work of something natural in man, possibly the expression of an innate knowledge of right and wrong.

Meta ethics is a second order activity according to Rossouw (2002). It usually only comes into play when ordinary moral discourse breaks down or runs into difficulty. An example Rossouw (2002) uses is that if two people differ on whether justice demands that Affirmative Action should be implemented, and one of the people poses the question: “ What is justice?”. Here the debate on Affirmative Action has broken down and the focus shifts instead to responding to the question, “…what is justice?”. Until a satisfactory answer can be found for this question, the debate cannot continue. Thus Meta ethics does not deal with whether a debate is morally right or wrong, but rather with concepts and ideas that define such issues. In the last century the field of meta ethics have been dominated by five kinds of theories (Wikipedia, not dated):

a) Ethical intuitionism which holds that there are objective, irreducible moral properties, and that a person sometimes has intuitive awareness of moral properties or of moral truths;
b) Ethical naturalism, which holds that there are objective moral properties, but that these properties are reducible

c) Ethical subjectivism, which holds that moral statements are made true or false by the attitudes and or conventions of observers
d) Non-cognitivism, which holds that ethical sentences are neither true nor false because they do not assert genuine propositions
e) Moral scepticism, which holds that ethical sentences are generally false. Moral sceptics hold that there are no objective values, but that the claim that there are objective values is part of the meaning of ordinary ethical sentences; that is why, in their view, ethical sentences are false.

3.3.4 Other fields of ethics:

Apart form the theoretical views on ethics discussed so-far there are also 2 other kinds of theories which are:

- Ethics in Religion
- Ethics in the Bible

3.4 ETHICS VS. MORALS

The purpose of this study is to identify from the literature, by means of a comprehensive literature study the factors impacting on ethical behaviour in organisations. However, before these factors can be successfully identified a complete understanding of the term 'ethics' needs to be established. For this reason, it is important to distinguish and clarify the meaning of terms which are closely related to the concept of ethics. To this end it is useful to look at the meaning of the term 'morals'.

The difference between these 2 concepts is complicated by the fact that in popular language no distinction is made between the word, 'ethics' and 'morals'. These words are also related in the fact that we judge certain forms of human behaviour or decisions taken are judged as right or wrong, good or bad,

acceptable or unacceptable. People may naturally differ in terms of the nature and content of the moral norms, which they apply since we don't all have the same belief systems. In South Africa specifically this is the case. Certain modes of behaviour or decisions may be morally acceptable in one culture or time period while they may be unacceptable in another. Therefore, one must be careful no to restrict the definition of what is ethical or moral (specifically with regard to the South African context) too much, so as to allow for it to be applicable to all South Africans.

There are lots of definitions for the terms 'ethics' and 'morals' to be found in the literature. However, mentioning and discussing every definition in the literature is beyond the scope of this study. Therefore, relevant and recent definitions of both terms will be mentioned and briefly discussed so as to familiarise the reader with these concepts.

3.4.1 Discussion of the term: Ethics

According to Sulaiman (2000) the origin of the word ethics is the Greek word *ethos,* meaning habitual or customary conduct. According to Rossouw (2002) ethics concern itself with what is good and right in human interaction. Whereas Navran (2001) states that ethics are basically behaviours, and tell people how to act in ways that meet the standards our values set for us. Although Rossouw's (2002) is a brief and shorter definition than Navran's (2001) definition, the central idea of both definitions seem to be the same in the sense that both identify ethics as having a regulatory function; both definitions also acknowledge the fact that there are certain minimum requirements for the way people interact with one another in society. Looking at other definitions, Ruud (2001) states that: "… the term ethical is used for an abstract system of accepted beliefs that control behaviour". Toffler (1986) defines ethics as: "…rules or standards that govern behaviours". Again, the same concepts as identified in the definitions of Rossouw (2002) and Navran (2001) surface, where it is indicated that ethics has a

regulatory element in terms of governing standards of human behaviour, and this behaviour should be good as opposed to bad.

3.4.2 Discussion of the term: Morals

The word 'morals' originated from the Latin word *mores,* likewise (to the word ethics) meaning 'customary behaviour'. (Sulaiman, 2000).

According to Kidder and Bracy (2001) the term 'moral' is commonly used in two distinct ways:

- It defines those areas of concern that considers questions of right and wrong
- It is also used to determine what is good, right or just.

The above description of morals by Kidder and Bracy (2001) bears a striking resemblance to the definitions of ethics previously discussed, since it also concerns itself with determining what is right and wrong as well as good and just.

Toffler (1986) describes the term moral as: " … relating to principles of right and wrong or arising from one's conscience or a sense of good and evil". After having studied the various different definitions of the terms ethical and moral, it is interesting to note that in essence, all or most of these definitions focus on certain key concepts like regulating behaviour or interaction according to what is believed to be right and good.

Other definitions for the concept of morals are:

"Personal standards or rules of conduct that guide an individual toward making judgements about permissible behaviour with regard to basic human values." (Google, not dated)

" The rules of conduct by which people live." (Google, not dated)

3.5 ETHICS DEFINED

"The initial problem of ethical theory is that of defining the nature of ethics. Any definition of a discipline so long in tradition and so rich in variety is made vague by the demands of inclusiveness." (Albert, 1969:7.) Broadly conceived, ethical theorising is concerned with the construction of a rational system of moral principles, and as we have seen, with the direct and systematic examination of the underlying assumptions of morality. More specifically, we found among the enterprises attempted by ethical theorists:

- The analysis and explanation of moral judgement and behaviour
- The investigation and clarification of the meanings of moral terms and statements
- The establishment of the validity of a) a set of norms or standards for the governing of behaviour, or b) an ideal of human character to be achieved or, c) ultimate goals to be striven for.

According to Albert (1969:8) the more specific the statement of what ethical theory is, the more one finds oneself committed to a particular theoretical view on ethics. To define ethics as the study of the conditions for mans happiness would provide an appropriate description of ethics as Aristotle conceived it, but not as Kant did understand it. Or conversely, if ethics is portrayed as the study of man's irrevocable duties, Kant's theory would be characterised adequately, but a completely misleading notion of the ethics of Aristotle would be presented (Albert, 1969:8). Further, although the classical ethical theories attempt to present systems of moral principles and the reasons why they are valid, there are ethical theorists, the positivists in particular – who deny the logical defensibility of such systems. Therefore, in regard to the definition of ethics, as for the many other unresolved problems of ethical theory, each ethical theorist conceives

ethics in his own way and to obtain a truly meaningful conception of ethics there is no substitute for acquaintance with the ethical theories themselves.

Before attempting to define 'ethics' it is important to note that 'ethics' is a branch of philosophy – namely moral philosophy or philosophical thinking about morality and it's problems. According to Perry (1954:86): "… morality is something which goes on in the world, nothing is more familiar, nothing is more obscure in it's meaning". According to Frankena and Granrose (1974:2) we may say in general that: "Morality is the business of having an action guide of a certain sort different in important ways from other; non moral action guides like the law; etiquette; or self interest." Frankena and Granrose (1974:2) also state that: "We often use 'ethics' as a synonym for 'morality' or 'moral code."

Various definitions given for ethics are:

"Ethics is a branch of philosophy. It's objective is the study of both moral and immoral behaviour in order to make well founded judgements and to arrive at adequate recommendations." (Pratley, 1995.)

"Ethics are behaviours and tell people how to act in ways that meet the standards our values set for us." (Navran, 2001.)

"Rules or standards that govern behaviours." (Toffler, 1986.)

"The term ethics is used for an abstract system of accepted beliefs that control behaviour." (Ruud, 2001.)

"The philosophical study of moral values and rules." (Google, not dated.)

" A system of moral principles, rules or standards that govern the conduct of members of a group." (Google, not dated.)

"A generic term for various ways of understanding and examining the moral conduct of human behaviour and actions." (Google, not dated.)

"Principles of right and good conduct, or a body of such principles, that affect good and bad business practices." (Google, not dated.)

"The branch of philosophy that deals with distinctions between right and wrong and with the moral consequences of human actions." (Google, not dated.)

"The study of standards of conduct and moral judgement; the system or code of morals of a particular person, religion, group, profession." (Google, not dated.)

It is clear that although these definitions aren't exactly the same generally they all have certain key concepts in common, like the concept of 'rules' or 'systems' that govern behaviour. The defining feature of ethics relates to the fact that it aims to govern behaviour in terms of what is considered to be good and right.

Ethics, for the purpose of this study will therefore be defined as:

"Principles or standards that govern good and right behaviour"

The above definition was chosen since the different theoretical views on ethics essentially consist of principles or standards that are taught to individuals with the purpose of governing their behaviour to be good or right in the eyes of the group or community they belong to.

3.5.1 Discussion of the definition of ethics

The definition presented above is very basic and uncomplicated, therefore making it more applicable and relevant to the diverse South African society as

mentioned earlier, care must be taken not to restrict the definition of what is considered to be ethical or moral too much as to allow for it to be applicable in the diverse South African context.

The definition presented above implies the following:

a) The definition as presented implies that ethics refers to some set of principles or standards that guide the individual when faced with making a decision of an ethical or moral nature.
b) These standards or principles govern the behaviour of human beings.
c) Ethical principles or standards distinguish between good or bad, right or wrong behaviour.
d) Ultimately for behaviour to be ethical it must be good or right according to the set principles and standards as determined by society.

3.6 SUMMARY

Because life is a complex matrix in which a wide variety of perspectives is formed, it cannot reasonably be expected to find unanimity in ethics. From the diversity of tradition, circumstance and personality have come alternative and even conflicting moral ideals: the Stoic devotion to self discipline, as well as the Epicurean preference for the pleasant life; Saint Augustine's fervent love of God and Nietzsche's God defying Superman; the Kantian model of the duty bound individual and the socially conscious utilitarian; seeking the happiness of the greatest number (Albert, 1969:392). "The ability to evaluate alternative ethical principles and to understand the connection between theory and the living moral situation calls for mental maturity and independence of a high degree – wisdom is not easily come by." (Albert, 1969:392.) In closing, it is important to bear in mind that, "...the last ethical theory has not yet been written, the last ethical insight has not yet been recorded" (Albert, 1969:394).

The concept of ethics was discussed in this chapter. The concept was explored by looking at the origin and holistic development of ethics as well as different theoretical views on ethics. Both the definitions of the terms ethics and morals were discussed, and based on the content and key concepts included in these definitions it was concluded that for the purpose of this study, the terms ethical and moral can be used to refer to the same concept. The definition of ethics, which was established and discussed serves to conceptualise and operationalise the term.

It is a complex process to discuss and examine theories, thoughts and arguments from Plato (427 BC – 347BC) to the twentieth century. Therefore, it is acknowledged that the purpose of this chapter was to familiarise the reader with certain key concepts in ethics as well as certain prominent theoretical views on ethics since the purpose of this study is to identify the specific factors that impact on ethical behaviour in organisations. It is believed that the reader will only be able to fully understand the impact of these factors if they have a complete understanding of the meaning of the term ethics. The discussion in this chapter is by no means exhaustive as it is beyond the scope of this study to go into more detail of the before mentioned. In closing, consider these words of T.S Elliot:

"…these are only hints and guesses, hints followed by guesses; and the rest; is prayer, observance, discipline, thought and action".

CHAPTER 4

FACTORS IMPACTING ON ETHICAL BEHAVIOUR IN ORGANISATIONS

4.1. INTRODUCTION

Numerous studies involving certain factors or causes impacting on ethical behaviour have been reported, though they vary widely in scope and focus. While these studies aid our knowledge on possible influences on unethical behaviour in organisations, our understanding still suffers from some major gaps. First, most studies focus only on certain levels of influences on ethical behaviour like the external or macro level. An example of a factor impacting on ethical behaviour on the macro level is the economic conditions of a country or the influence of a person's culture. Other studies tend to focus on the so-called meso or organisational level which typically includes factors like an organisations policies and procedures or reward structures. The last level is the micro or individual level which focuses on the employee, this level usually includes factors like personality attributes or beliefs of the individual and how these factors influence ethical behaviour. However, to fully understand how ethical behaviour is influenced a comprehensive approach is needed which includes all possible factors impacting on ethical behaviour on all levels (micro, meso and macro).

Secondly, there is little research illustrating the factors impacting on ethical behaviour in organisations within the South African context. Therefore to identify the specific factors impacting on ethical behaviour in South African organisations, an approach is needed which identifies factors on all levels, macro, meso and micro as well as in different business sectors.

Without knowing which factors impact on ethical behaviour in organisations it is difficult to understand what can be done to reinforce and positively influence the

ethical and overcome the unethical. The question might be asked, why there should be a concern for ethical or unethical behaviour in organisations? A possible response might be that unethical behaviour has such far reaching implications in organisations that it needs urgent attention. Studies have indicated that unethical behaviour in organisations is costing companies millions each year world wide (White, Crafford & Schepers, 2001:61). In South Africa specifically there seems to be an immense problem with unethical behaviour in organisations in both the public and private sectors. In terms of the public service, which includes institutions like municipalities and government departments, reports of unethical behaviour and corruption have become the order of the day. Nearly every major newspaper or television station in the country has reported on claims of unethical behaviour in the public service. The South African government even had to go so far as to implement an Anti corruption Bill to prevent public service employees from getting involved in corruption, which is just one form of unethical behaviour (Cull, 2002).

In the private sector, the problem has reached such proportions that organisations have found it necessary to launch such projects such as 'Business against crime', which among other things focus on establishing strong moral values within organisations (White et al, 2001:61). Furthermore, since 1994 the King report on corporate management has made it compulsory for organisations listed on the Johannesburg Stock Exchange to present an annual report on the state of their ethical codes of conduct and moral culture (Rossouw, 1997).

Therefore, the aim of this chapter is to identify from the international literature by means of a comprehensive literature study the factors that have an impact on ethical behaviour in organisations with specific focus on South Africa. The factors identified in this chapter is not exhaustive, however those factors that were presented on a continuous basis in the literature and in the models researched will be discussed and combined into a new comprehensive model which is applicable to the South African context. To achieve this objective, a number of

different models identifying factors impacting on ethical behaviour will be discussed, the factors derived from the different models that present themselves continuously will be identified and discussed in more detail.

Before discussing the various models, it is useful to briefly explain exactly what is meant by the concept of a 'model' in the context of this study. A model represents an attempt to explain the nature and behaviour of some phenomenon, to show causes and effects in related variables (Bartels, 1967:21). It is important to note that the relevant models will be discussed in chronological sequence, since some of the models elaborate or build on information contained in prior models.

4.2 DISCUSSION OF MODELS

The following models were selected because they all identify factors influencing ethical behaviour. The models were selected by means of a comprehensive literature study on the factors impacting on ethical behaviour. The main source of these models was international and South African academic journals and publications. A few models that are specifically focused on the South African environment were also included however these types of models are not readily available. The models will be discussed in chronological sequence since some of the models elaborate or build on information contained in prior models.

4.2.1 Bartels's (1967) model for ethics in marketing

The first model that attempted to highlight causality in the ethical decision making process was proposed by Bartels (1967:22) where he presented a schematic plan for analysing the variables inherent in the ethics of decision making and proposed a framework for social and personal ethics. Bartels (1967:20) dealt with the determination of ethical standards and decision making consistent with such standards.

Bartels (1967:20) asks the following questions as an introduction to his model; "Is a given action always ethical, never ethical or ethical relative to time, place and circumstances?" and "Upon what logical bases can a person determine what is "right" for him or her to do, not only in domestic but also in international business?" Bartels's (1967) article and model present a schematic plan for analysing the variables inherent in the ethics of decision-making; and a framework for social and professional ethics is proposed.

Bartels's (1967:22) model for ethics in marketing is included in this study, although as the title indicates, it is specifically focused on the marketing profession, it is still, very applicable to the working environment in general. Bartels (1967:22) model identified a number of generic factors impacting on ethical behaviour in organisations. His initial model laid the groundwork for a lot of other models to follow. The following concepts have been incorporated into Bartels's (1967:22) model:

- Ethics is a standard of rightness of behaviour.
- Social interaction is the realm in which ethical judgement is made.
- Non economic and economic institutions influence upon personal behaviour through role participation.
- Role expectations constitute ethical obligations through social sanction
- Social sanctions rather than technology is required as the basis of ethical judgement.

Bartels (1967:22) also shows in his model that cultural influences and non-economic factors like family, religion and role expectations all influence ethical behaviour.

Bartels (1967:23) identifies that attitudes nurtured in family relationships influence behaviour in business relationships. Therefore he states that the non-economic factor of family influence impacts on ethical behaviour in organizations. Bartels (1967:23) also states that religious concepts influence employee's relations with customers, competitors and resources, and therefore also impacts on ethical behaviour.

4.2.2 Cavanagh, Moberg and Velasquez (1981) business ethics model

Cavanagh, Moberg and Velasquez developed a second model focussing on normative business ethics in 1981. The Cavanagh et al (1981) model was slightly modified by Fritzsche (1985). The model portrays the decision-maker or individual with a set of personal values that are mediated by elements of the organizations culture. Therefore, concluding that an individual's personal values as well as the organizations culture influences ethical decision-making.

4.2.3 Ferrell and Gresham's (1985) Multi Stage Contingency Model

Ferrell and Gresham (1985:87) have since developed a more interactionist model, called the Multi Stage Contingency Model, which looks at the variables that impact on ethical decisions in organisations or the work environment. This model identified 3 principle antecedents of ethical behaviour, which are:

a) Individual factors, which include factors like the individuals knowledge, values, beliefs, attitudes and intentions, moral philosophies, education, cultural background.
b) Significant or referent others in the organisational setting, which includes peers and top management, since they have the power to influence the decision maker (Ferrell & Gresham, 1985:88).

Ferrell and Gresham (1985:88) also propose that the environment plays a large role in the process of ethical decision making. The model suggests that the less distance there is between the individual and significant others, the more influence the latter will have on the individuals ethical behaviour. Therefore, when contact between peers is great, the peers will have more influence on the individuals ethical behaviour. Similarly when interaction with top management personnel is great, they will have more influence on the individuals behaviour. According to Ferrell and Gresham (1985:88) individuals who constantly have the opportunity to engage in unethical behaviour may be more likely to do so. Also, the greater the rewards and the less the punishments for unethical behaviour the more likely the individual will practice the unethical behaviour.

c) Opportunity for action, which includes professional codes, corporate policy, rewards and punishment.

Corporate policies and professional codes of ethics may discourage unethical behaviour, especially if these policies and codes are enforced.

4.2.4 Hunt and Vitell (1986) model

Hunt and Vitell (1986:5) have advanced the Cavanagh et al (1981:636) decision model from a prescriptive to a more detailed descriptive form. The authors incorporate two basic types of ethical philosophies, deontological and teleological as precursors leading ethical behaviour or judgement. They identified that intentions, consequences, deontological norms, alternatives and situational constraints can predict and explain ethical behaviour.

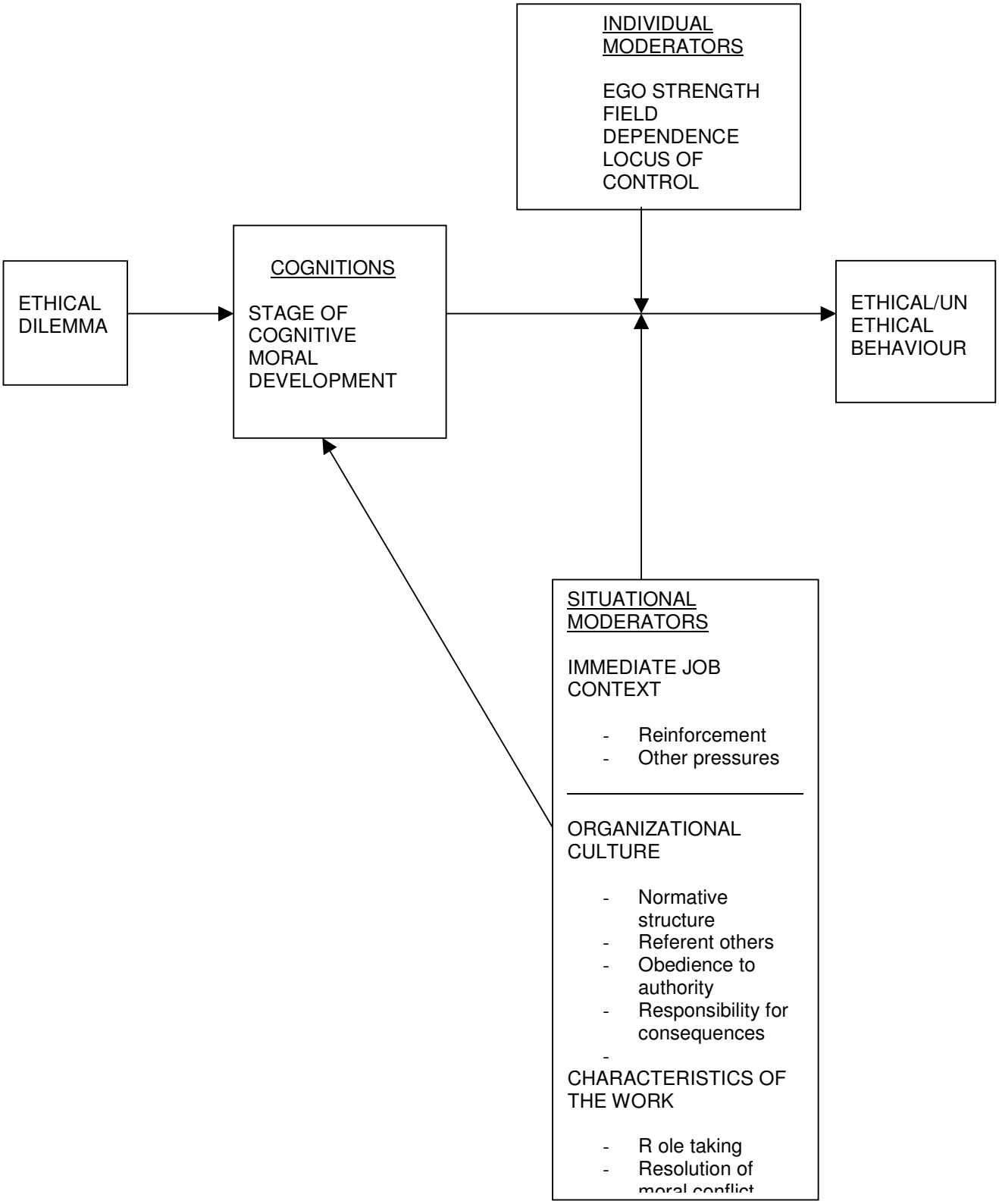
4.2.5 Trevino's (1986) person-situation interactionist model

In Trevino's (1986:602) model an interactionist model of ethical decision making in organisations is proposed. The model combines individual variables with

situational variables to explain and predict the ethical decision making behaviour of individuals in organisations. A major component of the model is based on Kohlberg's (1969:247) model of cognitive moral development which provides the construct definition, measurement tools, and theory base to guide future business ethics research. Research propositions are offered and practical implications are discussed.

Trevino's (1986:602) person-situation interactionist model was included because the model identifies factors on the personal and situational level as impacting on ethical behaviour. It also focuses on the organisation as a whole and not on one specific department or function as Bartels's (1967) model, therefore making it very applicable to the current study. Another reason Trevino's (1986: 602) model was included in this study is because it identifies the individuals level of cognitive moral development as an important factors impacting on ethical behaviour.

Figure 4.1 Person-situation interactionist model



Trevino's (1986:602) model combines individual variables with situational variables to explain and predict the ethical behaviour of individuals in organisations. The individual reacts to an ethical dilemma with cognitions determined by his or her cognitive moral development stage as described by Lawrence Kohlberg (1969:347). The individual's cognitive moral development stage determines how he or she thinks about ethical dilemmas. However Trevino (1986:609) acknowledges in her model that, cognition of right and wrong is not enough to explain or predict ethical behaviour. Additional individual and situational variables interact with the cognitive component to determine how an individual is likely to behave in response to an ethical dilemma (Trevino, 1986: 602). Trevino (1986:602) identified three individual variables, ego strength, field dependence and locus of control which are proposed to influence the likelihood of an individual acting on cognitions of what is right or wrong. Trevino (1986:602) also proposes situational variables arising from the immediate job context and the broader organisational culture, also moderate the cognitive/behavioural relationship.

Situational variables identified by Trevino (1986:610) include the organisations normative structure, referent others, obedience to authority, responsibility for consequences, reinforcement contingencies, and other pressures in the work environment. Trevino's (1986:603) model also states that characteristics of the job itself and the moral content of the organisational culture can have an impact on the moral development of the individual.

a) COGNITIONS

- **Level of cognitive moral development**

Trevino's (1986:603) person situation interactionist model's point of origin is the individuals level of cognitive moral development as described by Kohlberg (1969:347). Kohlberg's (1969:347) model emphasises the cognition or reasoning

aspect of moral decision making. It addresses how the cognition process of moral decision making becomes more complex and sophisticated with development of the individual.

Kohlberg (1969:347) identified 3 levels and 6 stages of cognitive moral development in his research. It is important to familiarise the reader with the stages and levels since Trevino's (1986:603) person-situation interactionist model is based on the individuals level of cognitive moral development.

Table 4.1 Stages of cognitive moral development (Kohlberg,1969:348) :

STAGE	WHAT IS CONSIDDERED TO BE RIGHT
LEVEL ONE – PRE-CONVENTIONAL	
Stage One – Obedience and punishment orientation	Sticking to rules to avoid physical punishment. Obedience for it's own sake.
Stage Two – Instrumental purpose and exchange	Following rules only when it's in one's immediate interest. Right is an equal exchange, a fair deal.
LEVEL TWO – CONVENTIONAL	
Stage Three – Interpersonal accord, conformity,	Stereotypical 'good' behaviour. Living up to what is expected by people close to you.
Stage Four – Social accord and system maintenance	Fulfilling duties and obligations to which you have agreed. Upholding laws except in extreme cases where they conflict with fixed social duties. Contributing to society or the group.

LEVEL THREE – POST CONVENTIONAL	
Stage Five – Social contract and individual rights	Being aware that people hold a variety of values; that rules are relative to the group. Upholding rules because they are the social contract. Upholding nonrelative values and rights regardless of majority opinion.
Stage Six - Universal ethical principled	Following self-chosen ethical principles. When laws violate these principles, act in accord with principles.

Note. Adapted from Kohlberg, L. (1969) Moral stages and moralization: The cognitive-Developmental approach. In T. Lickona (Ed.) *Moral development and behaviour: Theory, Research, and social issues* (pp. 34-35).

Kohlberg's (1969:347) research delineated a structure of moral reasoning and it's transformations from middle childhood to adulthood. His framework provides three broad levels of cognitive moral development, each composed of two stages. Moral development, as such involves the individuals passage from stage to stage in an invariant, irreversible sequence. Of the three levels of cognitive moral development that Kohlberg (1969:348) identified, level 1 is called the pre-conventional level. Level 2 is called the conventional level and level 3 is called the post-conventional level. Each of these levels consists of 2 stages. At stages 1 and 2 of the pre-conventional level, the individual is concerned with concrete consequences, particularly external rewards and punishments and his or her own immediate interests. At stages 3 and 4 of the conventional level, 'right' is that which conforms to the expectations of good behaviour of the larger society or some segment of it like a family or peer group. More specifically in stage 3 the motivation of ethical decisions is fulfilling the expectations of significant others. In stage 4 the individual is capable of taking a broader perspective of society. Kohlberg (1969:349) places most adults in our society in moral development stages 3 and 4. At stages 5 and 6, the post-conventional level, 'right' is

determined by universal values or principles. The individual at this level sees beyond norms, laws, or the authority of groups or individuals.

Apart from an individual's level of moral development, Trevino (1986:609) also identified the following additional variables impacting on ethical behaviour:

b) INDIVIDUAL MODERATORS

- **Ego strength**

Ego strength is a construct related to strength of conviction or self-regulating skills. Individuals with a high measure of ego strength are expected to resist impulses and follow their convictions more than individuals with a low measure of ego strength. Therefore individuals with a high ego strength are expected to be more consistent in the moral cognition/moral action relationship, they are more likely to do what is right (Grim, Kohlberg & White, 1968:239). Therefore, ego strength is seen as a factor on the micro or individual level impacting on ethical behaviour.

- **Field dependence**

Field dependent individuals make greater use of external social referents to guide their behaviour, and field independent people function with greater autonomy, therefore they are not dependent on external social referents to guide their behaviour. In ambiguous situations, the actions of field dependent individuals will be more consistent with the information provided by the external social referent than the actions of field independent individuals. Trevino (1986:610) concludes that field independent individuals will exhibit more consistency between moral judgement and moral action (than field dependent individuals).

- **Locus of control**

Locus of control: According to Trevino (1986:610) another personality characteristic that may hold promise in explaining ethical behaviour is locus of control (Rotter, 1966:609). Locus of control represents an individual's perception of how much control he or she exerts over the events of life. A person with an 'internal' locus of control believes that outcomes are the result of his or her own efforts, while someone with an 'external' locus of control believes that life's events are beyond control and can be attributed to fate, luck or destiny. Therefore an 'external' is less likely to take responsibility for the consequences of ethical/unethical behaviour and is more likely to rely on external forces. An 'internal' is more likely to take responsibility for consequences and rely on his or her internal determination of right and wrong to guide behaviour.

Apart from the individual variables identified in Trevino's (1986:609) model there are also situational variables identified as impacting on ethical behaviour in organizations. "The individual comes to the organization with a particular level of cognitive moral development and other individual characteristics. But moral action takes place in social context and can be influenced heavily by situational variables" Trevino (1986: 610) explains.

Higgins, Power & Kohlberg (1984:74) also support this view by stating that "…ethical or unethical behaviour in practical situations is not simply a product of fixed individual characteristics, but results from an interaction between the individual and the situation". Trevino (1986:611) identified 2 kinds of situational variables.

A brief discussion of the 2 kinds of situational variables identified by Trevino (1986:611) will be discussed to enable the reader to clearly understand how these factors influence unethical behaviour, which forms part of the larger purpose of this study.

c) Characteristics of the job

According to Trevino (1986:611) characteristics of the job itself that may contribute to continued adult moral development are:

- Opportunities for role taking: role taking is defined as taking account of the perspectives of others and
- Responsibility for the resolution of moral dilemmas: individuals whose work holds them responsible for the frequent resolution of moral conflicts are more likely to continue to advance in cognitive moral development stage and if an individual advances in cognitive moral development stage, it necessarily means that he or she will behave more and more ethically. Thus, Trevino's (1986:611) study illustrates that the characteristics of an individual's job can influence ethical behaviour positively.

d) Organisational culture

The organisational culture can also play an important role in the moral development of organisational members (Trevino, 1986:611). Organisational culture can be defined as: "…the common set of assumptions, values, and beliefs shared by organisational members". Organisational culture influences thoughts and feelings and guides behaviour. It manifests itself in norms, rituals, ceremonies, legends, and the organisations choice of heroes and heroines. The culture of an organisation can contribute to an individuals moral development by allowing organisational members decision making responsibilities and by enhancing role taking opportunity. In a democratic culture, members may be encouraged to take responsibility for decisions, to resolve conflicts and to take into account numerous points of view and interests. This type of culture may enhance the individuals cognitive moral development (Trevino, 1986:611). Alternatively in an authoritarian or mechanistic organisation where roles are

strictly prescribed and decisions are based on formal authority, moral development may be arrested or it's expression in the work situation may be repressed (Higgins & Gordon, 1985:241). Therefore it is clear that certain aspects of the organisational culture can influence ethical behaviour in organisations. A sub-factor of the organisation culture also identified by Trevino (1986:612) as impacting on ethical behaviour is 'referent others'. It has been found that referent others significantly influence ethical decision making and behaviour in organisations. This finding by Trevino (1986:612) is consistent with social learning theory. In terms of ethical decision making behaviour, the presence of a model can serve to elicit either ethical or unethical behaviour (Rosehan, Moore & Underwood, 1976:241). Therefore, Trevino (1986:612) identified referent others as being able to significantly influence the ethical behaviour of individuals. Other sub-factors Trevino (1986:612) identified as impacting on ethical behaviour are the organisations normative structure, individual obedience to authority, responsibility for consequences and codes of ethics/conduct.

OTHER VARIABLES

Apart from the individual and situational variables discussed above, Trevino (1986:613) also identified 4 other variables that impact on ethical behaviour, which are:

- **Normative structure**

Organisational culture can provide the collective norms that guide behaviour according to Trevino (1986:613). Collective norms about what is and what is not appropriate behaviour are shared and are used to guide behaviour. In a weak culture, the values, goals, purposes and beliefs of the total organisation are not clear (Trevino, 1986). Diverse subcultures are likely to exist, therefore the

individual is more likely to rely on norms generated by his or her relevant subculture of referent others (Schein, 1984:3).

- **Obedience to authority**

In certain organisations where legitimate authority is an accepted tenet of the work setting, individuals are expected to carry out the orders of those with legitimate authority even if those orders are contrary to the persons determination of what is right. According to Trevino (1986:611) compelling evidence exists for the capacity of individuals to inflict harm on others if asked to do so by an authority figure. Therefore, if the organisation has a culture of obedience to legitimate authority it can impact on ethical behaviour because staff might feel obliged to follow orders that they feel are wrong.

- **Responsibility for consequences**

Research by Schwartz (1968:232) suggests that an awareness of the consequences of one's actions on others, and an ascription of responsibility to self are necessary conditions for the activation of the individual's moral norms and his or her influence on behaviour. Thus if organisations are interested in encouraging moral action they should promote individual responsibility for action consequences at every level of the organization.

- **Codes of ethical conduct**

Organisations also attempt to guide member's behaviour by developing formal codes of ethical conduct. Trevino (1986:611) is of the opinion that codes must be consistent with the organisational culture and must be enforced. Thus codes of ethics have the potential of impacting on ethical behaviour in organisations.

In the person-situation interactionist model, Trevino (1986:603) illustrated that there are certain factors, both individual and situational that impact on ethical behaviour in organisations. Trevino's (1986:603) model has identified the following factors as impacting on ethical behaviour in organisations;

Individual variables:

- Level of cognitive moral development
- Ego strength
- Field dependence
- Locus of control

Situational variables:

- **Characteristics of the job**

Role taking and responsibility for the resolution of moral conflict

- **Organisational culture**

Referent others, normative structures, obedience to authority, responsibility for consequences, codes of ethics/conduct.

Other organisational variables

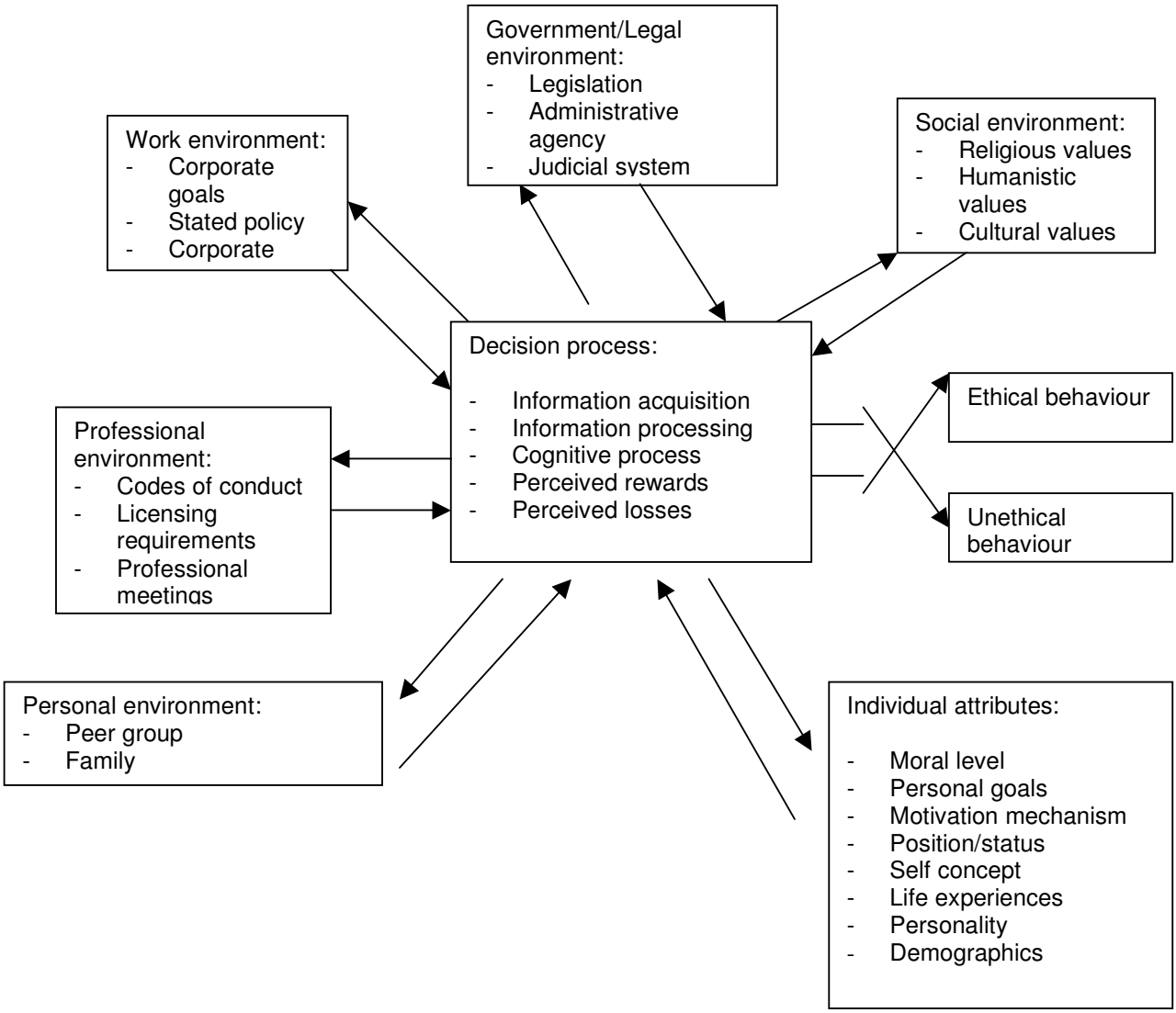
- Normative structure
- Obedience to authority
- Responsibility for consequences
- Codes of conduct

4.2.6 Bommer, Grato, Gravender and Tuttle (1987) Behavioural model of ethical and unethical decision-making

In an effort to overcome the deficits of earlier models, Bommer, Grato, Gravander and Tuttle (1987:266) developed a model which identified and described factors which affect ethical behaviour in organisations, including the social, political, work, professional and personal environments. The model by Bommer et al (1987:266) groups under several categories a wide range of factors, which are listed in the literature as possible influences on ethical behaviour. These categories of factors include a decision makers social environment, government and legal environment, professional environment, work environment, personal environment and individual attributes. The model links these influences with ethical and unethical behaviour via the mediating structure of the individual decision making process.

The behavioural model of ethical and unethical decision making by Bommer et al (1987:266) was included for the purpose of this study because it covers a broad spectrum of factors in numerous environments that impacts on ethical behaviour and therefore takes a holistic approach to identify all possible factors that influence ethical behaviour and thus relates very well to the purpose of this study. A graphic representation of the Bommer et al (1987) model will be presented below and the main factors identified in the model will be discussed thereafter.

Figure 4.2 Bommer, Gratto, Gravander and Tuttle (1987) behavioural model of ethical and unethical decision making



Factors identified by Bommer et al (1987:266) as impacting on ethical behaviour are:

4.2.6a) The factors impacting on ethical behaviour

- **The individuals social environment**

The individual's social environment is the set of humanistic, religious, cultural, and societal values generally shared by the members of his or her society. Bommer et al (1987:268) state that although it is a truism that values affect behaviour, evidence seems to indicate that with respect to ethical and unethical behaviour on the job, many individuals will not adhere to general social values unless these are also incorporated within their professional or work environment and some ethicists have argued that some general social values are not necessarily appropriate guides to behaviour in certain business situations.

In the social environment, Bommer et al (1987:268) include certain sub-factors impacting on ethical behaviour, they are:

- Religious values
- Humanistic values
- Cultural values
- Societal values

- **Government and legal environment**

Bommer et al (1987:269) state that it is important to realise that 'legal' and 'ethical' are not necessarily synonymous. Nevertheless, the legal dimension is an important determinant in many ethical decisions. In general, most individuals feel compelled to refrain from an action that is specifically prohibited by law. However, this is not the case with all individuals. Sometimes the laws themselves might be the factor impacting on ethical behaviour.

- **The professional environment**

In the context of this model, the professional environment refers to the institutionalised professional context within which an employee practices. Fields of activity are properly designated professions only if they are characterised by:

- A professional association
- Established licensing procedures
- Both

Professional associations play an important role in both regulating the professions and controlling entry to them. Professional associations typically have formal and published standards of professional conduct and members have to adhere to these standards. Professional associations also typically demand ethical behaviour via formal codes of ethics; these associations are also increasingly taking to enforcing their codes via expulsion of violators or in some cases legal action. Therefore, professional environment can be a factor impacting on ethical behaviour according to Bommer et al (1987:270).

- **The work environment**

Bommer et al (1987:271) states that several factors in the work environment strongly influence employee's decisions on whether to act ethically or unethically. These factors are:

- Corporate goals
- Policy
- Corporate culture

- **Corporate goals**

Short-term goals for profit and similar measures of performance are often emphasised in companies. These short term, maximum profit in the minimum amount of time goals, can have a very negative impact on ethical behaviour in organisations, since employees might feel so pressured and get so desperate to meet these expectations that they behave unethically (Bommer et al, 1987:271).

- **Policy**

Many business entities have formal policies that prohibit unethical conduct clearly state what kinds of behaviours are seen to be unethical and prescribe punishment for it. According to Bommer et al (1987:270) there is considerable evidence to support the notion that a companies stated policies do in fact foster and increase the frequency of ethical behaviour if certain criteria are met, as will be discussed later in this chapter.

- **Organisational culture**

The organisations culture is reflected in the "…attitudes and values, management styles and problem solving behaviour of it's people" (Bommer, 1987:272). The conduct of the board of directors, CEO and other senior managers can signal subordinate managers as to which behaviours are acceptable which can influence ethical behaviour in organisations.

- **Personal variables**

Bommer et al (1987:272) also identifies variables that relate to the individuals personal life that can impact on ethical behaviour. These variables are; the family and peer groups. It is important to mention that research on how families affect on the job ethical behaviour is very limited. However it is noted that ethicists have

failed to account for the pressure that multiple roles exert on members of modern society when they undertake ethical analysis.

Bommer et al (1987:272) also indicates that peer group pressure seems to be a significant variable in predicting deviant behaviour. Research indicates that there seems to be a strong relationship between peer group attitude and behaviour and the propensity of illegal activity by youthful offenders (Bommer et al, 1987:266). Other research indicates that peer group pressure may cause the group to make faulty and often immoral decisions (Allison, 1971). A large body of literature supports the theory that the individuals family and peers have a big influence on his or her moral development (Bandura, 1971 & 1977). Therefore, Bommer et al (1987:272) acknowledges in their model that family and peer groups or referent others can have an impact on ethical behaviour.

- **Individual attributes**

In their individual component of the model, Bommer et al (1987:273) includes the individuals level of moral development, personal goals, motivation mechanisms, position or status in organisation, self concept, life experiences, personality and demographic variables all as factors impacting on ethical behaviour. Once again like in Trevino's (1986:603) person-situation interactionist model, Kohlberg's (1969:347) influence is found throughout most of the model. Bommer et al (1987:273) also identified the personality characteristic, locus of control as impacting on ethical behaviour. 'Locus of control' refers to the degree on relies on oneself (internal) vs. others (external) for reinforcement. Adams-Weber (1969) have found a significant concentration of internal locus of control individuals in the post-conventional (level 5 & 6) level of moral development which means that people with an 'internal' locus of control generally tend to behave more ethical because they take responsibility for the consequences of their actions.

- **Demographic variables**

Demographic variables are also identified in the Bommer et al (1987:274) model as impacting on ethical behaviour. Variables like gender, age and education have been used to predict moral reasoning in a number of studies. A number of authors, including Braverman (1972:58) have studied the effect of gender differences on level of moral development, which necessarily impacts on ethical behaviour. It was found that females do not tend to progress to post-conventional moral development (stages 5 & 6) as often as males do because of the different social pressures on females. Age and educational level are also related to moral reasoning and ethical behaviour. It has been found that older individuals tend to score lower on moral reasoning scales, while the more educated tend to score higher. Other studies which looked at a persons self concept as a factor impacting on ethical behaviour, found that esteem-motivated individuals do not tend to submit to group pressure, that is, they display consistent moral posture across different situations. Therefore, self esteem as a personality variable can impact on ethical behaviour (Bommer et al, 1987:274).

- **Decision process**

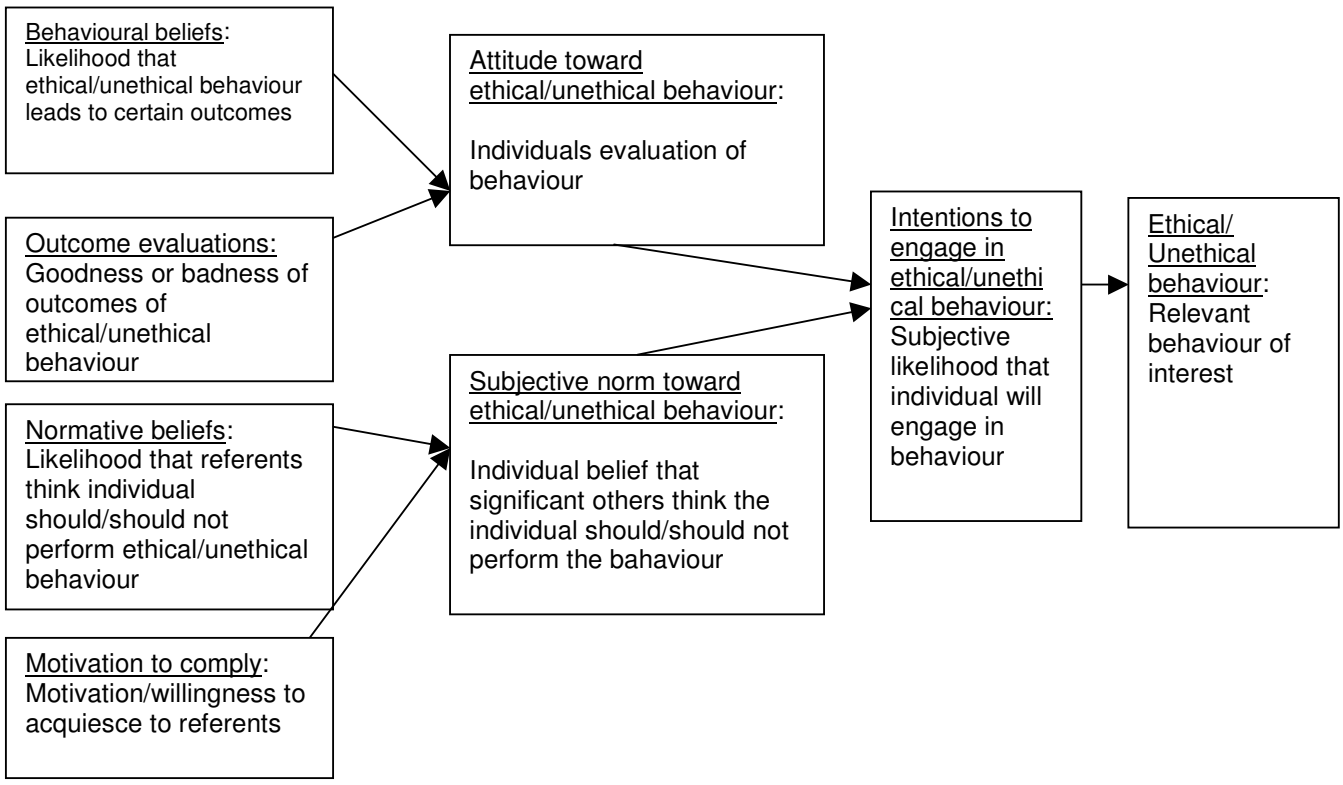
Bommer et al (1987:274) also identified the individual decision process as impacting on ethical behaviour in organisations.

4.2.7 Dubinsky and Loken's (1989) model for analysing ethical decision making

In their 1989 model Dubinsky and Loken utilised an alternate approach (than previous researchers had been using) for analysing ethical decision making in marketing. Their framework for analysing ethical decision making in marketing had it's origins in social psychology, the approach is derived from the theory of reasoned action. Dubinsky and Loken's (1989:87) model for analysing ethical

decision making in marketing was included for the purpose of this study because it focused specifically on the so-called theory of reasoned action which identifies that there is one specific component that influences ethical behaviour, namely intentions of the individual. Other models have also identified this factor as impacting on ethical behaviour and Dubinsky and Loken's (1989:87) model serves as a good framework for explaining this impact.

Figure 4.3 Model for analysing ethical decision making



In 1989 Dubinsky and Loken developed a model with certain components that are similar to those identified in prior models of ethical decision making. This model focuses specifically on unethical behaviour in organisations as it relates to the marketing function. Dubinsky and Loken's (1989:87) model framework has it's origin in social psychology and their approach is derived from the theory of reasoned action. The theory of reasoned action assumes that individuals are usually rational, they utilise information that is available to them when deciding to

engage in a given behaviour, and their behaviour is under volitional control (Azjen & Fishbein, 1980:5).

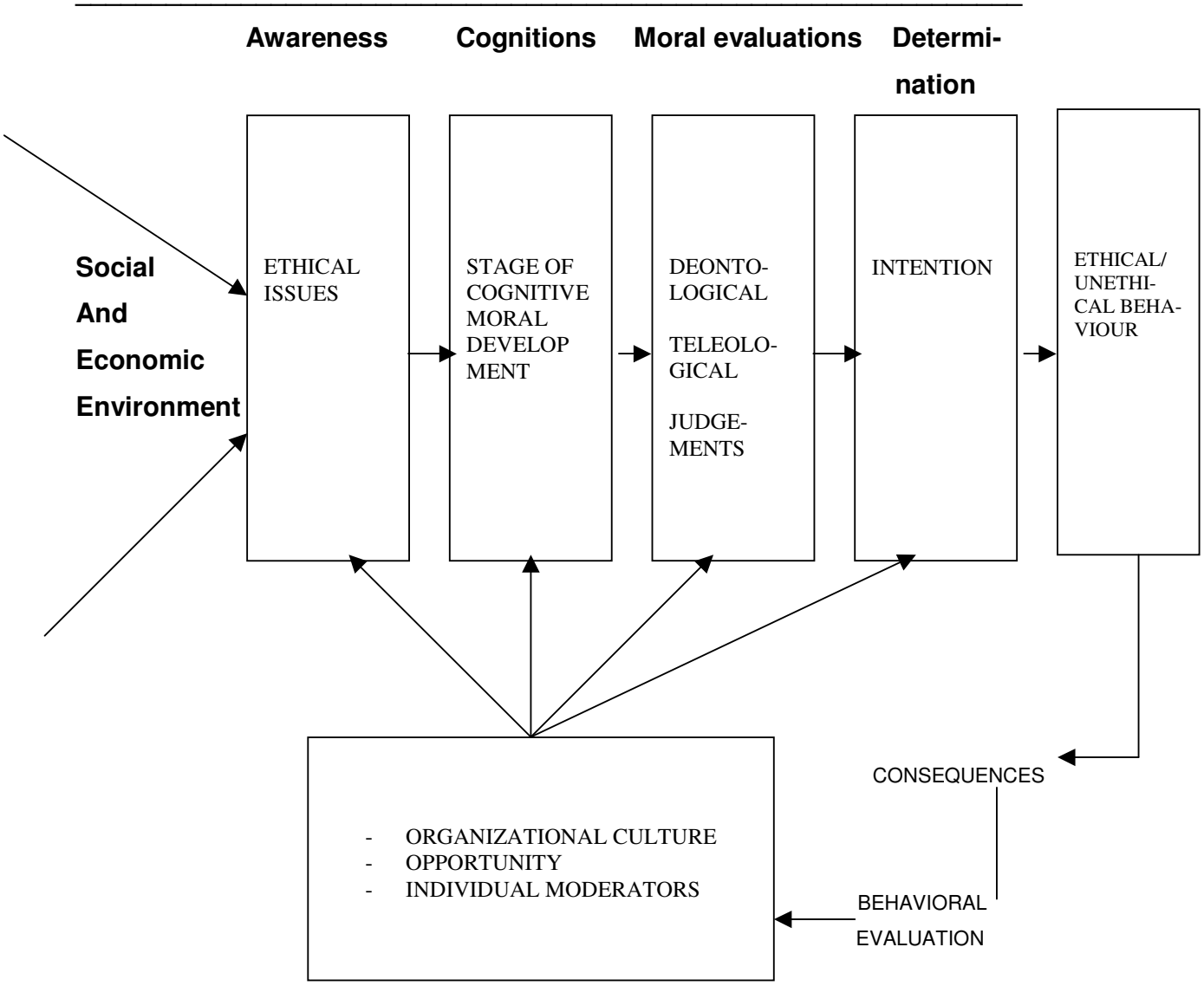
Thus, Azjen and Fishbein (1980:5) argue that people are rational in that they process information systematically. The behaviour that follows from this process is not necessarily ethical or morally defensible. The theory as it applies to ethical decision-making espouses that the immediate determinant of engaging in ethical or unethical behaviour is one's intention to perform the behaviour. Intention is influenced by the individual's attitude towards the behaviour and/or subjective norm (i.e. Perceived social influence or pressure placed on the individual to perform the behaviour). According to Dubinsky and Loken (1989:87) attitude is determined by one's salient behavioural beliefs about the outcomes associated with performing the behaviour and evaluations of those outcomes.

Therefore, the major component of Dubinsky and Loken 's (1989:87) model for analysing ethical behaviour is the individuals intention. Intention is defined as the individuals subjective probability that he or she will engage in the behaviour. Dubinsky and Loken (1989:87) go even further to identify that a person's intention is determined by one or both factors impacting on ethical behaviour in organizations. Of the 2 components a) one's attitude towards the behaviour of interest and b) the subjective norm. Refers to an individual's perception of whether others who are important to the individual think he or she should or should not engage in a given behaviour. The more an individual perceives that important others think he or she should engage in the behaviour the more likely the person intends to do so.

4.2.8 Ferrell, Gresham and Fraedrich's (1989) synthesis integrated model of ethical decision making in business

The Ferrell, Gresham and Fraedrich (1989) synthesis integrated model of ethical decision making is included in this study because it describes and evaluates other models of ethical decision making on a comparative basis. From the synthesis of these frameworks an integrated model is derived. The integrated model combines both cognitive-affect and social-learning theory to produce a more complete perspective of the ethical decision process. This perspective acknowledges that ethical decision making is affected by both external and internal constructs which makes a valuable contribution to the purpose of this study which is to identify the factors impacting on ethical behaviour in organisations. Figure 4.6 presents a graphic presentation of the Ferrell et al (1989) model, thereafter the main factors contained in the model will be discussed.

Figure 4.4 Synthesis integrated model of ethical decision making in business



Following on Dubinsky and Loken's (1989:87) model, Ferrell, Gresham and Fraedrich (1989:60) developed a model that acknowledges that ethical decision-making is affected by both external (environmental, peers and situation) and internal (moral values) constructs. Ferrell et al (1989:60) presented an integrated model that combines both cognitive-affect and social-learning theory to produce a more complete perspective of the ethical decision process. This perspective

acknowledges that ethical decision making is affected by both external (environment, peers and situation) as well as internal (moral value structure) constructs.

Ferrell et al (1989:60) derived the components in their model from a synthesis of the following models: The Kohlberg (1969:247) model of the stages of cognitive moral development which identifies the individuals level of moral development as the factor impacting on ethical behaviour; the Ferrell et al (1985:87) multi stage contingency model which identified significant or referent others; individual factors like knowledge, values, attitudes and intentions and moral philosophies as well as cultural background as factors influencing ethical behaviour; and the Hunt and Vitell model (1986:5) which identifies moral philosophies and intentions as well as cultural norms, industry and the organization as affecting ethical behaviour.

By integrating these models a more complete perspective emerges that better describes the ethical decision making process. Therefore, the synthesized model by Ferrell et al (1989:60) identifies the following factors impacting on ethical behaviour:

a) Social and economic environment.
b) Awareness of ethical issues.
c) Stage of cognitive moral development.
d) Moral philosophies.
e) Intentions.
f) Organisational culture.
g) Opportunity for action.
h) Individual moderators.

Organisational culture in the Ferrell et al (1989:61) model refers to the organisational environment in which decisions are made. Ferrell et al (1989:61) describe that culture as consisting of significant others.
Opportunity in this model is described as: "… the occurrence of this right combination of circumstances to permit ethical or unethical behaviour".
Opportunity is one component of organisational culture according to Ferrell et al (1989:61) other influences are professional codes, corporate policy, rewards and punishment.

Individual moderators: are described as knowledge, values, attitudes and intention as well as personal experiences.

4.2.9 Trevino and Youngblood's (1990) multi-influence causal model

Trevino and Youngblood (1990:378) further developed a multi-influence causal model based on social learning conditions – reward, punishment, and control, with consequential, outcome expectancies; cognitive moral development and locus of control which was identified in their model as factors impacting on ethical behaviour.

4.2.10 Stead, Worrell and Stead's (1990) model of ethical behaviour

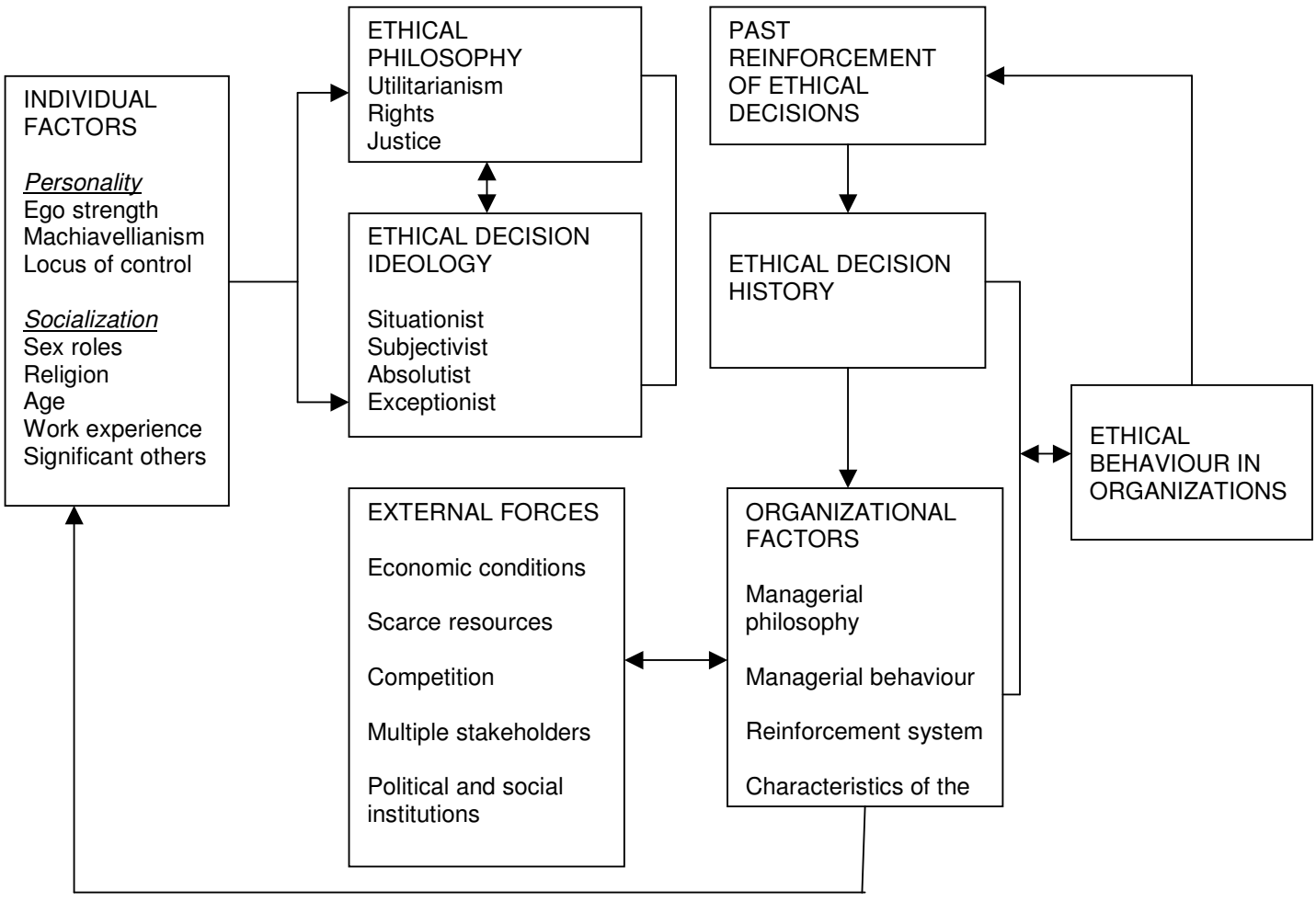
Stead, Worrell and Stead (1990:237) presented an integrative model for understanding and managing ethical behaviour in organisations. In their research, Stead et al (1990) followed the process of firstly reviewing existing literature related to ethical behaviour and then proposed their own model consisting of a number of different factors impacting on ethical behaviour.

The Stead et al (1990:237) model for ethical behaviour was included because Stead et al (1990) strongly accentuates the importance of a manager's role in ethical or unethical behaviour of staff. They specifically state that: "…managing

ethics in business organisations requires that managers engage in a concentrated effort which involves espousing ethics, behaving ethically, developing screening mechanisms, providing ethical training, creating ethics units and reinforcing ethical behaviour". Stead et al (1990:237) do not simply identify factors impacting on ethical behaviour in organisations, they also state that ethical behaviour needs to be managed in organisations and subsequently proposes a number of recommendations.

A graphic presentation of the Stead et al (1990) model will be presented below as well as a discussion of the main factors identified in the model as impacting on ethical behaviour in organisations.

Figure 4.5 Model of ethical behaviour



Another model proposed in 1990, was the so-called integrative model for understanding and managing ethical behaviour in business organisations by Stead, Worrell and Stead. In their model, Stead et al (1990:237) identified a number of factors impacting on ethical behaviour in organisations. These factors and their sub-factors are:

a) Individual personality and socialisation factors

- Ego strength: is defined as "an individuals ability to engage in self-directed activity and to manage these situations" (Crandall, 1973:45).
- Machiavellianism: is a measure of deceitfulness and duplicity according to Robinson (1973:587)
- Locus of control: is a measure of whether a person believes that his or her outcomes in life are determined by his or her own actions (internal) or by luck, fate or powerful others and institutions (externals) according to Levenson (1974:377).

Socialisation also seems to influence a persons ethical system according to Stead et al (1990:234). Socialisation has the following sub-categories:

- Gender role differences
- Religious beliefs
- Age
- Work experience
- Significant or referent others

Since gender role differences, religious beliefs, age and work experience are mostly self explanatory, Stead et al (1990:234) does not go into detail in terms of these factors. However, they discuss the influence of significant or referent others as a critical social factor impacting on ethical behaviour. Research in social learning theory strongly supports the idea that we learn appropriate

behaviour by modelling the behaviour of persons we perceive as important – parents, siblings, peers, teachers, public officials. Managers no doubt represent significant others to employees and thus ethical behaviour of managers will definitely influence the ethical behaviour of employees.

b) Ethical philosophies and decision ideologies

According to Stead et al (1990:234) the content of one's ethical system, the network of ethical principles and norms one holds, constitutes a persons ethical philosophy. Social psychologists have contended for years that these normative structures influence the behavioural decisions made by individuals. Thus an individuals ethical philosophy will likely influence his or her ethical decisions. Stead et al (1990: 235) included three basic ethical philosophies in their model as identified by Cavanagh et al (1981:363) each of which represents a unique part of the total ethical situation faced by individuals in business organisations. The first is utilitarianism, the central concept of utilitarianism is that ethics is best applied by considering the greatest good for the greatest number. The second philosophy is individual rights. The philosophy focuses on protecting individual rights such as the right to be informed, the right to free consent, the right to due process and so forth. The third ethical philosophy is justice, such an ethical system stresses social justice and opportunity for all to pursue meaning and happiness in life. Researchers have concluded that these philosophies accurately represent the ethical normative structures of individuals. Most individuals allow one of these philosophies to dominate their ethical decision behaviour.

c) Ethical decision history

Refers to the view that past decisions plays a key role in future and current decisions. Thus as ethical decisions are made and reinforced over time the individual develops an ethical decision history (Stead et al, 1990:235).

d) Organisational factors

Another set of factors influencing the ethical behaviour of employees according to Stead et al (1990:235) exists in the organisational context. Researchers have concluded that a variety of organisational variables influence ethical behaviour amongst employees. Further, because of their immediate situational impact on employee's behaviour, these variables have been shown to have a strong direct influence on specific ethical decisions made by employees, usually overwhelming individual variables such as personality and socialisation.

The organisational factors identified by Stead et al (1990:235) include:

- Managerial philosophy: according to Stead et al (1990:235) the philosophy of top management as well as immediate supervisors represent a critical organisational factor influencing the ethical behaviour of employees, as shown by the following authors: Arlow and Ulrich (1980:26); Baumhart (1961:26); Brenner and Molander (1977:55); Carroll (1978:4); Hegarty and Sims (1978:451); Posner and Schmidt (1984:206); Touche Ross (1988); Vitell and Festervand (1987:111) and Worrel, Stead, Stead and Spalding (1985:355). Copious research over a period of 25 years clearly supports the condition that the ethical philosophy of management has a major impact on the ethical behaviour of employees.
- Managerial behaviour: Managerial behaviour impacts on the ethical behaviour of employees, since managers represent significant others to employees.
- Reinforcement system: If ethical behaviour is desired, the performance measurement, appraisal and reward systems must be modified to account for ethical behaviour.
- Characteristics of the job: dimensions of the job itself may also influence the ethical behaviour of employees. For instance, Stead et al (1990:236)

believe that the more centrally located a job is in the communication network of the firm, the more ethical decisions will likely have to be made by the occupant of that job.

e) External forces

According to Stead et al (1990:236) there are a variety of external factors that will likely influence the ethical philosophy and behaviour of employees. These include:

- Economic conditions
- Scarce resources
- Competition
- Multiple stakeholders
- Political and social institutions

Stead et al (1990:236) does not go into more detail on these external factors except to identify and acknowledge that they do impact on ethical behaviour. In their model and research Stead et al (1990:238) state that ethical behaviour needs managing and can be managed in organisations.

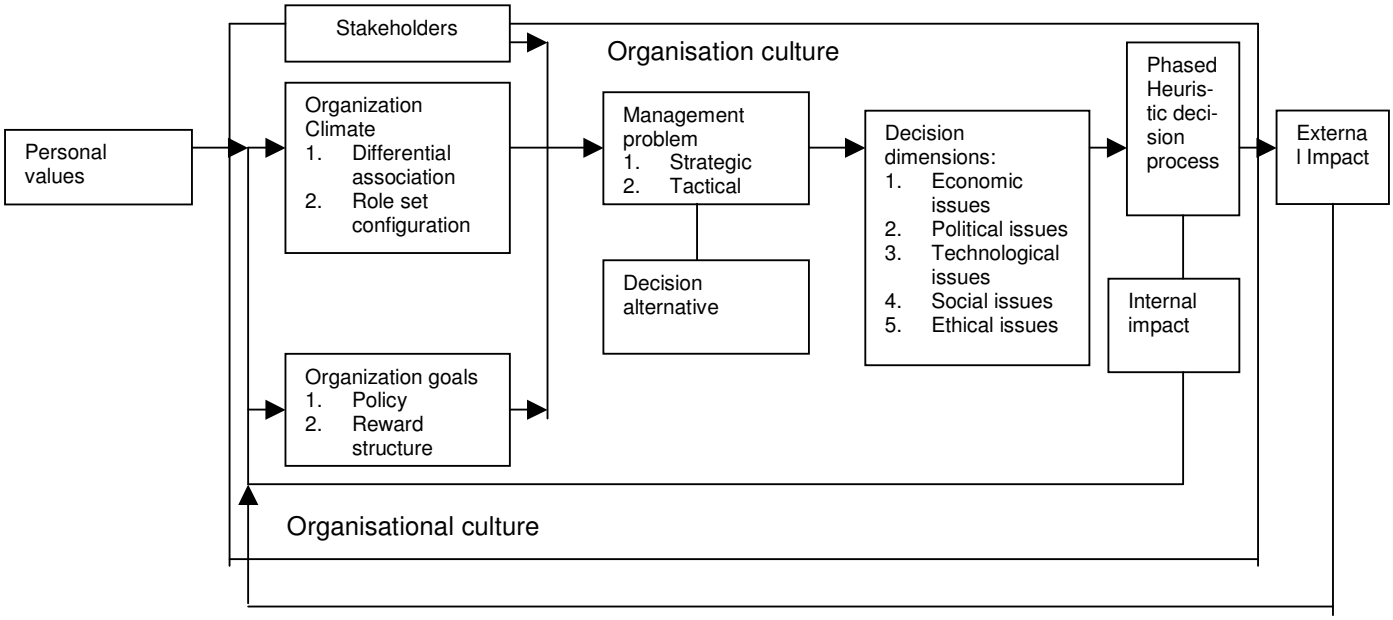
4.2.11 Fritzsche's (1991) model for decision making incorporating ethical values

Fritzsche's (1991:841) presents a model that describes the process decision-makers follow when faced with problems containing ethical dimensions. This model, which is based on the empirical literature, is designed to provide guidance to researchers studying ethical behaviour in business. The model portrays the decision-maker with a set of personal values that are mediated by elements of the organisations culture.

The combination of personal values and organisational influences yields decisions which may be significantly different from those made or based on personal values alone (Fritzsche, 1990:842). Inclusion of the personal values of the decision maker as the dominant individual input and an explicit discussion of the ethical decision process make this model more comprehensive than other recent ethics models. The model is included for the abovementioned reasons.

A graphic representation of the model for decision-making incorporating ethical values will be presented below. Thereafter the main factors identified in this model will be discussed.

Figure 4.6 Model for decision making incorporating ethical values



In 1991 Fritzsche presented a model for decision making incorporating ethical values based upon the empirical literature, which was designed to give guidance to researchers studying ethical behaviour in business. Fritzsche (1991:841) identifies the individual's personal values and the organisations culture as factors impacting on ethical behaviour.

The major components and sub-factors of Fritzsche's (1991:843) model are:

a) Personal values

According to Allport (1981:454) a value is a belief upon which a man acts by preference. Fritzsche (1991:842) states that a value is a prescriptive belief. Thus, ethical values are prescriptive beliefs about what is 'right' and 'wrong'. This model posits that the initial influence upon ethical decision-making comes from the personal values of the decision-maker.

b) Organisational culture

Organisational culture may be referred to as the common set of assumptions, beliefs and values which has developed within the organisation to cope with the external and internal environment and which is passed on to new members to guide their actions with respect to these environments. In this model, organisational culture influences the thoughts and feelings of the decision-maker and provides a guide for behaviour. It is manifested in norms, ceremonies, legends, myths, and rituals within the organisation (Fritzsche, 1991:844).

While organisational culture serves as the overall glue of the organisation, specific aspects of an organisations culture deserve individual treatment to enhance understanding of the role it plays in ethical behaviour. Amongst these are organisational climate and organisational goals.

c) Organisational climate

The organisational climate is thought of as a shared and enduring perception of the psychologically important aspects of the work environment. Two

aspects of organisational climate is; differential association and role set configuration (Fritzsche, 1991:844).

- **Differential association**: refers to the degree to which members of an organisation associate with one another. A simplified explanation of differential association theory posits that a person will tend to adopt the behaviour and beliefs of those he or she associates with according to the ratio of contacts with the individuals (Fritzsche, 1991:844).

- **Role set configuration**: involves the actual role played in the organisation. The role of an individual in an organisation is dependent upon the relationship of the individual to referent others in the organisation. The relative authority aspect in the business setting posits that top management as referent others would have more influence than peers on the decision maker's behaviour. Thus Fritzsche (1991:845) found that perceived behaviour of superiors to be the most important factor influencing unethical decisions and behaviour in organisations.

d) Organisational goals

The literature indicates that in addition to the organisational climate, organisational goals also impact the ethical dimension of decision making. Specifically, policy and reward structures have been shown to have an impact on ethical behaviour. Organisational goals may be viewed as "Socially shared cognitive representations of institutional goals and demands." (Fritzsche,1991:845).

Policy: according to Fritzsche (1991:845) there seems to be substantial evidence indicating that certain types of organisational policy can significantly effect the ethical behaviour of employees; like a code of conduct.

Reward structure: Fritzsche (1991: 845) identifies the reward structure of a company as impacting on ethical behaviour. For instance, it was found by Hegarty and Sims (1978:451) that if rewards accrue for unethical behaviour, a higher incidence of such behaviour is likely to occur.

e) Stakeholders

Fritzsche (1991:845) describes stakeholders as: "Those groups of individuals, both internal and external to the firm who can affect or who are affected by the organization specifically; stockholders; employees; regulatory bodies; public interest groups; competitors and suppliers may all exert influence on the employee which will affect ethical behaviour." Fritzsche (1991:846) goes on to mention that an important stakeholder, whose influence is little known, is the spouse. A good example of a stakeholder's influence on ethical behaviour is when a supplier may offer significant personal benefit to the employee, like a procurement officer, if the employee commits the firm to a contract with the supplier.

f) Management problem

According to Fritzsche (1991:846) certain types of problems faced in organisations can also have an impact on ethical behaviour.

g) Decision alternatives

Certain decision alternatives found to be acceptable in some organisations may be considered unacceptable in others, according to Fritzsche (1991:846) and this can also lead to unethical behaviour.

h) Decision dimensions

Each decision alternative has certain dimensions to it, like economic; political; technological; social and ethical. Each of these dimensions is briefly discussed below:

- Economic issues: Economic issues refer to the short term or long term profitability impact a decision will have.
- Political issues: These issues refer to the impact which a decision alternative has upon the decision makers present and future political actions within the organisation.
- Technological issues: According to Fritzsche (1991:847) technology applies to a number of areas in the business environment, for example: new composite materials for manufacturing products or new communication technology for promotion of productivity and ways of communicating.
- Social issues: The potential impact of the decision on both local society and the society at large as well as the reaction of these groups to the decision comprise the relevant social issues.
- Ethical issues: These types of issues focus on what is morally right and wrong with a decision alternative.

4.2.12 McDonald and Nijhof's (1999) model for stimulating morally responsible behaviour in organisations

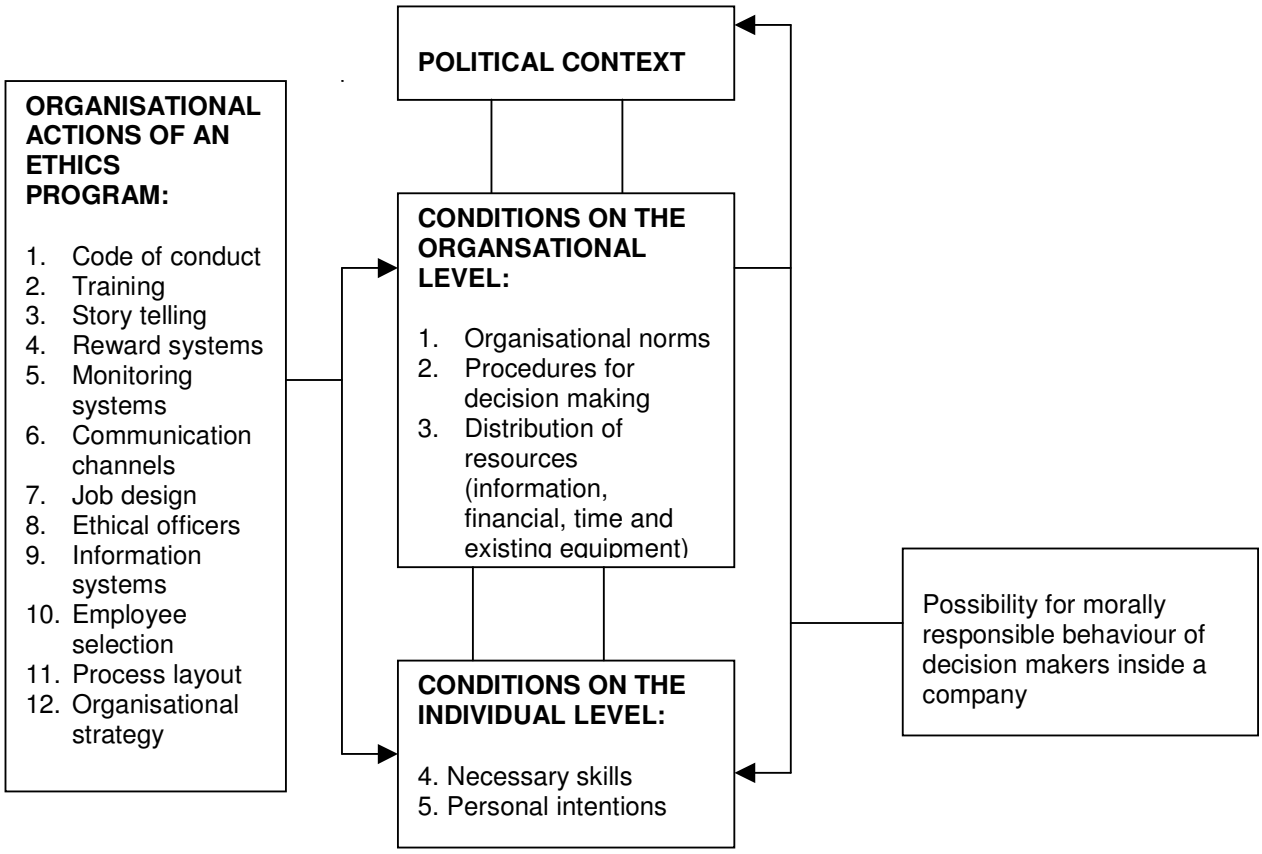
This paper by McDonald and Nijhof (1999:134) contributes to the study of ethics by building a theoretical model or framework for implementing an ethics program in organisations. Ethics programs aim at stimulating ethical behaviour in the organisation and assisting employees to act in a morally responsible way.

The McDonald and Nijhof (1999:134) integrated framework for stimulating morally responsible behaviour in organisations was included in this study

because a very practical framework is presented that can be used not only do identify but also to address the factors impacting on ethical behaviour in organisations. McDonald and Nijhof (1999:137) also suggest specific organisational activities that should be taken to combat unethical behaviour.

Figure 4.7 below, is a graphical representation of the McDonald and Nijhof (1999:136) model. A discussion of the main factors identified in the model will follow after the figure.

Figure 4.7 McDonald & Nijhof (1999) integrated framework for stimulating morally responsible behaviour



In 1999 McDonald and Nijhof proposed in their model for stimulating morally responsible behaviour in organisations that the following factors can impact on ethical behaviour:

a) Organisational norms

At organisational level McDonald and Nijhof (1999:135) stress that it is important to identify the norms and values that are central to the organisation and to determine whether these values are promoting or discouraging ethical behaviour. It is also important to note that communicating ethical codes to staff can influence these organisational norms.

b) Procedures for decision making

This factor refers to the official distribution of tasks, authorities and responsibilities. The organisations internal decision structure has an influence on the degree to which employees can bear moral responsibility (McDonald & Nijhof, 1999:136).

c) Distribution of resources

the ability to act ethically can be significantly mitigated in the absence of resources according to McDonald and Nijhof (1999:135).

d) Necessary skills

A employee needs to have the necessary skills to make an ethical decision according to McDonald and Nijhof (1999:135).

e) Intentions

The decision-maker or employee also needs to possess the intention to act morally. Ego strength and field dependence of the individual also plays an important role here.

4.2.13 Painter-Morland's (2001) framework for weaving the moral fabric of the South African workforce

According to Painter-Morland (2001:15) our involvement with various cultures, groups, organisational environments, political ideals and religious commitments forms an integral part of our moral identity. In her paper Painter-Morland (2001:15) attempts an analysis of the moral fabric of the South African workforce in order to develop an understanding of the individual variables, as well as the institutional aspects that support, or in some cases undermine morality in the South African workplace.

Painter-Morland's (2001) article is one of the few frameworks that identified factors impacting on ethical behaviour specifically in the South African context. Therefore it is included for the purpose of this study, which is to identify factors impacting on ethical behaviour in organizations with specific focus on the South African working environment.

In her model, Painter-Morland (2001) identified a number of factors impacting on ethical behaviour in organizations and on the moral fabric of the South African workforce. Painter-Morland (2001:15) acknowledges that there are numerous different factors impacting on ethical behaviour in the following statement: "Our involvement with various cultures, groups, organisational environments, political ideals, and religious commitments forms an integral part of our moral identity." These factors can be grouped into two main categories; personal and institutional factors.

4.2.13a) Factors identified by Painter-Morland

- **Personal factors**

There are a number of personal or individual factors impacting on ethical behaviour in organisations as acknowledged by Painter-Morland (2001:15), which includes:

- Level of moral development: Looking at personal factors, Painter-Morland (2001:15) acknowledges Kohlberg's (1969:347) levels of moral development, which states that an individual's level of moral development will influence his or her ethical behaviour.
- Religion: According to Painter-Morland (2001:17) international research indicates that only 16% of the worlds population indicates no religious affiliation, therefore if this trend is also reflected in the South African population religious affliction should be acknowledged as an important component of people's moral configurations. Painter-Morland (2001:17) goes on to state that the relationship between religious and ethical considerations in business has been confirmed by a survey of the interests of members of the council for Ethics and Economics at Columbus, Ohio, United states. The study found that virtually all business people involved in the study felt that religious belief had a very important role in business decision making. Therefore, Painter-Morland (2001:17) acknowledges that an individual's religion has an impact on ethical behaviour at work.
- Culture: research by Lane, Distefano and Maznefski (1999:37) indicates that cultural factors exert a significant influence on the value orientation of individual employees, which in turn can influence their ethical behaviour, since prior studies have proven that a persons values is a very important determinant of ethical behaviour.

- Peer group pressure and referent others: The influence of peers or referent others on the ethical behaviour of individuals are acknowledged by Painter-Morland (2001:19).
- Personality: Painter-Morland (2001:19) states that certain personality traits may influence ethical behaviour. These traits include, ego strength, machiavellianism and locus of control:

Ego strength: is actually another term for self-confidence and is strongly associated with personal beliefs. A person with high ego strength relies more on his or her own values and is therefore less likely to be influenced by others (Fritzsche, 1997:89).

Field dependence: refers to the extent to which an individual tends to make use of information provided by others to clarify issues when situations are ambiguous. People with a high field dependency may therefore make decisions in the workplace that are likely to deviate from similar decisions they would make outside the organisation when they do not have access to others information (Fritzsche, 1997:89).

Locus of control: reflects peoples understanding of the control they have over life's events. An 'external' locus of control believes that destiny, fate or luck controls life's events. An 'internal' locus of control believes that he or she can control life's events by his or her own actions (Fritzsche, 1997:89).

Painter-Morland (2001:19) goes on to state that these events cannot explain an individuals moral decision making on their own. They always function in interaction with a variety of other factors that influence the individual. Another factor identified by Painter-Morland (2001:120) is:

- The nature of a position in a company: According to Painter-Morland (2001:20) the seniority of the position a person occupies and the measure

of authority he or she exercises influences the risk of unethical behaviour. The more discretion a person has to exercise in the course of his or her work, the easier it will be for this person to commit corruption and thus behave unethically.

- **Institutional factors**

James (2000:44) argues that corporate culture and the formal structure of the organisation have a significant impact on the moral conduct of individual employees. An organisations culture is constituted by shared values and beliefs of it's members, as well as group norms, embedded skills, heroes, rituals and myths, and the language of the organisation.

James (2000:45) identifies a number of aspects that require specific attention under the factor of organisational structure, which include:

- Reward structure: the structure of monetary and non-monetary rewards in the company should not inadvertently reward the kinds of behaviour the organisation wants to avoid.
- Performance evaluation, monitoring and control processes used: unreasonable pressure and expectations lead to unethical conduct.
- System of partitioning and assigning decision making rights and responsibility to workers, including job design and level of empowerment.

Painter-Morland (2001:21) goes on to give a number of suggestions to improve the moral fabric of the South African workplace, which will be discussed in the model in chapter 5.

4.3 DISCUSSION OF THE MEANING OF FACTORS IMPACTING ON ETHICAL BEHAVIOUR IN ORGANISATIONS

In the previous section various models found in the international literature that identified factors impacting on ethical behaviour was discussed. The specific factors identified in each model were mentioned. Interestingly a number of the models researched identified similar factors as impacting on ethical behaviour in organisations. For example, a number of models identified certain personality factors like ego strength and locus of control. This section will attempt to define and discuss the factors identified in more detail to ascertain that the same factor identified by different authors in actual fact does refer to the same concept. As far as the inherent meaning of the concept is concerned.

The factors identified in the models that were researched will be divided into different categories or levels for the purpose of this study. These levels or categories as mentioned previously are:

a) Macro level – which refers to factors in the external environment to the organisation
b) Meso level – refer to the organisational level
c) Micro level – refers to the individual level

Factors that resort under each level are:

4.3a) Macro level factors: factors on this level include culture; economy; political environment; technological environment; community; religion and legislation.

- **Culture**

This term refers to the culture that a person forms part of and usually links strongly to an individuals race. For instance, black South Africans will most

probably be influenced by the African culture which is strongly influenced by beliefs in forefathers and certain African traditions like Ubuntu. Whereas a white, Afrikaans South African will most probably be influenced by the so-called 'Afrikaner' culture, which traditionally includes being quite conservative, religious, and eating traditional foods like biltong and Bobotie.

In South Africa, with so many diverse cultures and 11 official languages, this factor has an even more important role to play in ethical behaviour in the workplace than it would internationally and therefore requires definite recognition as a factor impacting on ethical behaviour in the South African context.

Culture includes factors like respect for individuality, nature of power and authority, rights for property, concept of deity, relation of the individual to the state, national identity and loyalty, values customs, and mores (Bartels, 1967:23). Bartels (1967:23) also states that contrasting cultures of different societies produce different expectations and become expressed in the dissimilar ethical standards of those societies.

- **Economy**

Economic conditions in a country can impact on unethical behaviour in the sense that if people are struggling financially it might give rise to more unethical behaviour in organisations. Economic issues in decision making refer to short term and long term profitability. In general, longer-term economic criteria tend to correlate more closely with ethical decisions (Fritzsche, 1985: 847). According to Stead et al (1990:236) there are a variety of external forces which will likely influence the ethical behaviour of employees. Stead et al (1990:236) found in a study that the ever increasing competitive pressure to concentrate on short-term earnings affect ethical behaviour in organisations. They go on to state that volatile economic conditions may also serve to undermine ethical behaviour in organisations.

- **Political environment**

Fritzsche (1985:847) acknowledges that political issues have an impact on ethical behaviour. If there is great political tension in a country (as was the case in South Africa during the Apartheid era), these volatile political conditions can impact on ethical behaviour. The racial discrimination that was at the order of the day during the Apartheid era is a good example.

- **Technology**

Sometimes the technology at our disposal in this day and age might give rise to unethical behaviour in organisations, a simple example is an organisations capacity to monitor and read it's employees personal e mails and listen to and record phone calls.

- **Religion**

According to Painter-Morland (2001:17) religious affiliation should be acknowledged as an important component of people's moral configurations. Research done by Childs (1995:6) proves that people have a need to integrate their faith and daily work. Religion does indeed impact on ethical behaviour at work since actions like stealing and lying are regarded as sins in some or most religions, employees who practice such a religion will probably not partake in such actions as taking home office supplies or taking money from the petty cash bin at work.

- **Legislation**

In some cases laws can be vague and ambiguous and they do not necessarily apply to every ethical situation a person might find himself or herself in. Certain laws raise questions amongst individuals as to how ethical they really are, like

the Employment Equity Act of 1998 might give rise to unethical behaviour in organisations. “Legislation can affect ethical behaviour. It is placed as a situational variable in the model because laws can change over time and vary from market to market causing ethical decisions to be adjusted or at least reconsidered accordingly.” (Wotruba, 1990:37.) Westing (1967:161) noted that the law is usually the lowest common denominator of ethical behaviour and many persons believe they are ethical if they do not violate the law. In support of the above statement above, Bommer et al (1987:269) state that ‘legal’ and ‘ethical’ are not necessarily synonymous. Nevertheless, the legal dimension is an important determinant in many ethical decisions. Most individuals feel compelled to refrain from an action, which is specifically prohibited by law. Some individuals are not dissuaded from a course of action because of its illegality, but they are the exception.

4.3 b) Meso or organisational level factors: Factors on this level include: competition, reward systems, the organisations code of conduct, job characteristics, resources, organisational culture, organisational goals, managers behaviour, organisational climate, positional authority, performance appraisals and referent others.

- **Competition**

According to Wotruba (1990:36) competitor’s actions seem intuitively to be a possible moderator of ethical decision making and behaviour since questionable behaviour may be considered more necessary under intense competition.

- **Reward system**

If the structure of monetary (salaries, cash, bonuses, prizes, stock options) and non-monetary rewards (promotions, public recognition, non-monetary prizes) reward unethical behaviour those types of behaviour will increase. Hegarty and

Sims (1978:451) discovered that if rewards accrue for unethical behaviour a higher incidence of such behaviour is likely to occur. Ferrell and Gresham (1989:59) also state that the greater the rewards and the less the punishment for unethical behaviour the more likely the individual will practice the unethical behaviour. Thus subjects can be conditioned to behave unethically by their reward systems (Hegarty & Sims, 1978:451).

- **Code of conduct**

Hegarty and Sims (1979:331) found in a laboratory experiment that an organisations ethics policy (code of conduct) significantly reduced unethical decisions. According to Brenner and Molander (1977:57) "… the mere existence of a code, specific or general, can raise the ethical level of business behaviour because it clarifies what is meant by ethical conduct". According to Fritzsche (1985: 845) "… there appears to be substantial evidence indicating that certain types of organisational policy can significantly affect the ethical behaviour of employees. Policy may take the form of a code of conduct". Ferrell and Gresham (1985:87) posit that corporate policies and professional codes of ethics may discourage unethical behaviour.

- **Job characteristics**

According to Trevino (1986:603) "… several dimensions of the job itself also influence the ethical behaviour of employees". Researchers believe that the more centrally located a job is in the communication network of the company the more ethical decisions will likely have to be made by the incumbent of that job. It is also believed that jobs involving external contacts have more potential for ethical dilemmas than jobs with purely internal contacts.

- **Resources**

According to Stead et al (1990: 236) "…resource scarcity and pressures from stakeholders may also serve to undermine ethical behaviour in organizations. The ethical trap provided by external forces such as these is obvious. It places the firm in a position of having to choose between being an ethical role model for it's industry and the environment in general or succumbing to the situational pressures and engaging in unethical practices". McDonald and Nijhof (1999:5) state that: "The ability to act responsibly can be significantly mitigated by the absence of resources." These resources can be divided into four categories namely information, money, time and existing equipment. Decision-makers need to have access to relevant information, be aware of the different alternatives available, and to have knowledge of possible consequences and the risks attached to them. Sufficient financial resources to choose the most responsible alternative, as well as adequate existing equipment and the availability of enough time, are also needed in order to act in a morally responsible way.

- **Organisational culture**

Schein (1984:3) state that organisational culture may be referred to as: "The common set of assumptions, beliefs and values which has developed within the organisation to cope with the external and internal environment and which is passed on to new members to guide their actions with respect to these environments." Smircich (1983: 339) states that culture has several important functions. Firstly it provides a sense of identity amongst organisational members, second; it promotes a commitment of the members to do something larger than self, third; culture provides for stability of the organisations social system; fourth; culture provides rationale and direction for behaviour. In the model, culture serves as the glue binding the organisation together to resolve conflicts at lower organisational levels, and to take into account numerous points of view and interests. This type of culture actually may enhance the individual's cognitive

moral development. Alternatively, in an authoritarian or mechanistic organisation where roles are strictly prescribed and decisions are based on formal authority, moral development may be arrested or it's expression in work situations may be repressed (Higgins & Gordon, 1985).

Trevino (1986: 611) states that: "…it is expected that most adults, because they operate at the conventional level of moral development (stages 3 & 4) are susceptible to the influence of these cultural variables". Trevino (1986: 612) also states that culture can also provide the collective norms that guide behaviour. In organisations collective norms about what is and what is not appropriate behaviour are shared and are used to guide behaviour. According to Higgins and Gordon (1985:241) organisational members share values and the goals and purposes and beliefs of the organisation are clear. These help individuals judge what is right in a particular situation.

According to Bommer et al (1987:271) "… several factors in the work environment strongly influence managers decisions on whether to act ethically or unethically. These include corporate goals, stated policy and organisational or corporate culture". Organisations have their own 'cultures' just as societies do (Bommer et al, 1987:272). The culture is reflected in the attitudes and values, management styles and problem solving behaviour of it's people, according to Schwartz & Davis (1981:36). Ferrell, Gresham and Fraedrich (1989:61) state that organisational culture refers to the organisational environment in which managers make decisions. Ferrell et al (1989:61) describe the culture as consisting of significant others, including the affect of differential association and individual role set configuration within the organisation. Therefore, organisational culture can be described as the prevailing normative structure, referent others, obedience to authority, and respect for consequences. It also includes symbols and an informal understanding about appropriate behaviour. Painter-Morland (2001: 20) acknowledges that corporate culture and the formal structure of the organisation have a significant impact on the moral condition of individual

employees. According to Painter-Morland (2001:20) organisational culture or 'informal ethics' is constituted by the shared values and beliefs of it's members, as well as group norms, embedded skills, heroes, rituals and myths and the language of the organisation taking the definitions listed above for corporate culture into consideration, it seems that they generally refer to the same concept.

- **Organisational goals**

According to Fritzsche (1985:845) in addition to organisation culture, the literature indicates that organisational goals impact on the ethical dimension of decision making. Fritzsche (1985:845) state that as there are a great many organisational goals which are not likely to influence the ethical aspect of decisions, this discussion is limited to those which have been shown have an impact: policy and reward structures. Organisational goals may be viewed as being akin to organisational terminal values. Bommer et al (1987:271) state that several factors in the work environment strongly influence managers decisions on whether to act ethically or unethically. These factors include corporate goals. Short term goals for profit and similar measures of performance are often emphasised in companies. When an acceptable rate of return on investment or similar monetary measure is the dominant goal, being ethical will be an important sub-goal only insofar that it does not detract from the primary goal.

- **Manager behaviour**

Bartels (1967:22) says that: "If a manager sets a high quota for a salesman, that expectation may have no ethical implications. Whether the salesman fails or succeeds in meeting the quota may be of no ethical importance. However, if the sales manager puts such pressure on the salesman to meet the quota that the salesman must resort to reprehensible practices to accomplish this, then ethical implications of the sales managers expectations occur." Thus, Bartels (1967:22) identifies manager's behaviour as impacting on ethical behaviour. Chonko and

Hunt (1985: 341) acknowledge that top management activities can help reduce ethical conflicts experienced by employees. From the above mentioned 3 conclusions are drawn:

- Top management can serve as a role model by not sending ambiguous messages (i.e. verbally endorsing one set of standards while practising another).
- Top managers should discourage unethical behaviour by promptly reprimanding unethical conduct.
- Corporate and industry codes of conduct should be developed, promoted and enforced.

Concerning the actions of top management, several researchers who will be mentioned below have stated that top management sets the ethical tone for the organisation. Superiors have a strong impact on the ethics of their subordinates, as demonstrated in a variety of studies (Baumhart, 1961:26; Bowman, 1976; Brenner & Molander, 1977:55; Carroll, 1975:4; Hunt, Chonko & Wilcox, 1984:304; Stratton, Flyn & Johnson, 1981:35). One study showed that persons in moral development stages 3 & 4 were more likely to follow their superior in ethically questionable behaviour than were persons in stages 5 or higher (Candee, 1975:183). Aronson (2001: 245) also supports the above by stating that: “Ethical behaviour on the part of the leader would appear to be a necessary condition for the establishment of an ethical organisation.” Therefore a number of studies have proven that a managers unethical behaviour influences staff to also behave unethically. Posner and Schmidt (1984:202) found managers to perceive unethical behaviour as being especially dependent upon the actions of one’s immediate boss and peers. Thus the superior’s behaviour is particularly important as a guidepost for ethical behaviour.

- **Organisational climate**

Organisational climate or atmosphere may be thought of as "… a shared enduring perception of the psychologically important aspects of the work environment". (Ashforth, 1985: 837).

- **Positional authority**

Involves the level in the organisational hierarchy. Chonko and Hunt (1985:342) found that people in higher level positions (presidents and vice presidents) were less likely to perceive ethical problems than those in lower level positions. Laczniak (1983:23) reasoned that this occurred because the areas of responsibility of middle managers are often evaluated as profit centres, so great pressure exists to resolve decision problems in favour of the most profitable action regardless of the ethical implications. According to Painter-Morland (2001:20) "… the seniority of the post a person occupies and the measure of authority he or she exercises influences the risk for unethical behaviour". Therefore, "… the more discretion a person has to exercise in the course of his or her work, the easier it will be for the person to commit corruption".

- **Performance Appraisals**

James (2000:45) states that: "… performance objectives must be feasible, verifiable, clearly communicated and reflect ethical standards. Unreasonable pressure and expectations lead to unethical conduct".

- **Referent others**

According to Trevino (1986:612) "… it has been found that referent others significantly influence ethical decision making in organisations". Zey-Ferrell,

Weaver and Ferrell (1979;557) found that perceptions of what peers did had the greatest influence on self reported unethical behaviour. This research suggests that if organisations are interested in influencing the ethical behaviour of it's members, they should focus on identifying appropriate referent others, who actually portray the types of behaviour the organisation is trying to enforce. Grasmick and Green (1980:325) stare that: "…peer group pressure seems to be a significant variable in predicting deviant behaviour". Other research indicates that peer group pressure may cause the group to make faulty and often immoral decisions (Painter-Morland,2001:19). The research of Dubinsky and Loken (1989:88) supports the view that an individual is likely to perform a certain behaviour to the extent that he or she believes important referents want him or her to perform the specific behaviour. Superiors have a strong impact on the ethics and ethical behaviour of their subordinates as demonstrated in the studies of Baumhart (1961:6); Bowman (1976:48); Brenner and Molander (1977:57); Carroll, (1975:75); Hunt, Chonko & Wilcox, (1984:304) and Stratton, Flyn and Johnson, (1981:35). One study showed that persons in moral development stages 3 & 4 were more likely to follow their superiors in morally questionable action than were persons in stage 5 and 6. According to Stead et al (1990:234) "…a critical socialisation factor for business managers is the influence of significant others". Research in social learning theory strongly supports the idea that we learn appropriate behaviour by modelling the behaviour of persons we perceive as important – parents, siblings, peers, teachers, managers, colleagues. Managers no doubt represent significant others to employees, and thus the ethical behaviour of managers will certainly influence the ethical behaviour of employees.

In terms of what influences character development and ethical behaviour, Campbell and Bond (1982:3) propose that among others, peer influence is one of the major factors that influences ethical behaviour. In support of this statement, Painter-Morland (2001:19) also acknowledges that some empirical studies conclude that the behaviour of a persons peers is the best predictor of his or her

ethical conduct. It is also believed that individual's perceptions with regard to their peer's behaviour influence their unethical behaviour even more than their own ethical beliefs.

4.2.13c) Micro level factors: factors on the micro or individual level include: attitude, intentions, ego strength, locus of control, field dependence and values.

- **Attitude**

Attitude towards unethical behaviour, according to Fishbein and Azjen (1975) refers to an individuals judgement concerning whether engaging in a certain behaviour is good or bad. The more favourably one evaluates performing a particular behaviour; the more likely the person intends to perform the behaviour. The performance of some ethical or unethical behaviour may be primarily a function of attitudes. Conceivably, attitudes should be germane in an ethical decision making context.

- **Intentions**

Hunt and Vitell (1986:5) postulate that ethical judgements affect behaviour through the intervening variable of intentions (the probability that any particular alternative will be chosen). According to Trevino (1986:605): "…when decision makers have the ability to act in a morally responsible way, there is no guarantee that these individuals actually will act in a morally responsible way. Therefore, they also need to possess an intention to act morally". Fishbein and Azjen (1975) support this view by stating that an immediate determinant of one's ethical behaviour is one' s intention to perform the behaviour. Intention is defined as the individuals subjective probability that he or she will engage in the behaviour.

- **Ego strength**

Trevino's (1986:609) model proposes that certain individual variables influence the likelihood of an individuals acting on the choice of what is thought to be right or wrong. These include ego strength. Ego strength is a construct related to strength of conviction or self-regulating skills (Trevino, 1986:609). Individuals high on a measure of ego strength are expected to resist impulses and to follow their convictions more than individuals with low ego strength. Therefore, subjects with high ego strength are expected to be more consistent in the moral cognition/moral action relationship. Therefore these individuals are more likely to do what they think is right.

- **Locus of control**

Locus of control measures an individuals perception of how much control he or she exerts over the events in life (Rotter, 1966:609). An 'internal' locus of control believes that outcomes are the result of his or her own efforts; while an 'external' believes that life's events are beyond control and can be attributed to fate, luck or destiny. An 'external' locus of control is less likely to take responsibility for consequences and rely on his or her internal determination of right and wrong to guide behaviour. Maqsud (1980:1243) found a significant concentration of internal locus of control individuals in the post conventional (higher order) level of moral reasoning. In support of the above, Levinson (1974:377) states that locus of control is a measure of whether or not a person believes that his or her outcomes in life are determined by his or her own actions (internal) or by luck, fate or powerful others and institutions (externals).

- **Field dependence**

Field dependent individuals make greater use of external social referents to guide their behaviour, and field independent people function with greater autonomy, therefore they are not dependent on external social referents to guide their behaviour. In ambiguous situations, the actions of field dependent individuals will be more consistent with the information provided by the external social referent than the actions of field independent individuals. Trevino (1986:610) concludes that field independent individuals will exhibit more consistency between moral judgement and moral action (than field dependent individuals).

- **Demographics**

Demographic variables, like gender, age and education, have been used to predict moral reasoning in a number of studies. A number of authors including Lyons (1982), and Braverman et al (1972:58) have studied the affect of sex differences on moral level. They found that females tend not to progress to post-conventional morality as often as males because of differential societal pressures on females, even though at younger ages females tend to be more advanced in terms of moral reasoning. Age and educational level also are related to moral reasoning. Older individuals tend to score lower on moral reasoning scales, while the more educated tend to score higher (Coder, 1975; Crowder, 1976; Dortzbach, 1975; Rest, 1976). According to Stead et al (1990:234) researchers have identified sex role differences, religious beliefs, age, work experience, and nationality as factors which may influence the ethical decisions made by individuals.

- **Parental Influence**

In terms of what influences character development, Campbell and Bond (1982:3) propose that, among others; modelling by important adults like parents, influence the moral development and behaviour of individuals.

- **Level of Moral Development**

According to Trevino (1986:602) a person's level of moral development strongly influences the person's decisions regarding what is right or wrong. Trevino (1986:602) bases her findings on Kohlberg's (1969:347) model of cognitive moral development, his framework provides three broad levels of cognitive moral development, which is each composed of two stages. Moral development involves the individual's passage from stage to stage in an invariant irreversible sequence. At stage 1 and 2 (labelled the pre-conventional level) an individual is concerned with concrete consequences, particularly external rewards and punishments, and his or her own immediate interests. At stages 3 and 4 (the conventional level) 'right' is that which conforms to the expectations of good behaviour of the larger society or some segment like a family or peer group. In stage 3, the motivation for ethical behaviour is fulfilling the expectations of significant others. In stage 4, the individual is capable of taking a broader perspective on society. Kohlberg (1969:347) places most adults in society on stage 3 and 4 of moral development. At stage 5 & 6, 'right' is determined by universal values or principles. The individual at this level sees beyond norms, laws or the authority of groups or individuals.

- **Values**

Fritzsche (1991:842) identifies personal values as a factor that impacts on ethical behaviour. According to Rokeach (1973): "…the underlying antecedents of behaviour are values, and as such values are the linchpin of ethical decision

making". "A value is a belief upon which a man acts by preference." (Allport, 1961:454.) In addition to the definition of Allport (1981), Rokeah (1973) states that a value is a prescriptive belief. Thus ethical values are prescriptive beliefs about what is "right". Fritzsche's (1991:843) model of decision-making incorporating ethical values posits that the initial influence upon decision-making comes from the personal values of the decision maker. Fritzsche (1991:843) also states that: "While a decision makers personal values provide the underpinnings for ethical decisions in private life, in professional life, personal values are mediated by other forces inside organisational structures which may alter the role played by personal values in decision making."

- **Beliefs**

Refer almost to a type of faith, a conviction. It represents an almost unshakeable faith in something. Sometimes beliefs exist because a person in an authoritative role taught that belief to another person. Beliefs are closely related to religion, but the main difference is that a belief in general does not only refer to religious beliefs, it can refer to beliefs in many different things but with the same type of commitment and conviction that a person would have in their religion.

4.4 IDENTIFICATION AND DISCUSSION OF FREQUENTLY IDENTIFIED FACTORS

In the previous section the factors identified in international models and South Africa as impacting on ethical behaviour were discussed. From that section a certain trend or pattern emerged in that certain factors were presented on a continuous basis and were identified by numerous researchers as impacting on ethical behaviour. These factors will be summarised below:

Throughout the comprehensive literature study, 21 articles and models ranging from as far back as 1967 to 2003 were researched, during this process certain

factors that have an impact on ethical behaviour at work and in organisations were identified time and time again throughout history as impacting on ethical behaviour. These factors are listed below, in order of most sighted to least sighted:

4.4.1 Referent others
4.4.2 Manager behaviour
4.4.3 Reward systems
4.4.4 Code of conduct
4.4.5 Organisational culture

Clearly most models and articles identified the factor – referent others – as impacting on ethical behaviour in organisations. Second, a managers behaviour was identified as impacting on ethical behaviour in organisations. Thereafter, the factors, reward system, code of conduct and organisational culture were all identified an equal number of times. Therefore, it can be said that the majority of models and articles over the last thirty years, internationally and in South Africa identified the abovementioned factors as impacting on ethical behaviour in organisations.

The table below serves to illustrate the most cited factors:

Table 4.2 Factors impacting on ethical behaviour identified in the literature analysis

FACTORS IMPACTING ON ETHICAL BEHAVIOUR IN ORGANISATIONS	THE FOLLOWING RESEARCHERS IDENTIFIED THE FACTOR AS IMPACTING ON ETHICAL BEHAVIOUR
Referent others	• Bartels (1967) • Campbell and Bond (1982) • Trevino (1986) • Bommer et al (1987) • Dubinsky and Loken (1989) • Wotruba (1990) • Stead et al (1990) • Fritzsche (1991) • Painter-Morland (2001) • CACE report (2002)
Manager Behaviour	• Baumhart (1961) • Bartels (1967) • Brenner and Molander (1977) • Chonko and Hunt (1985) • Wotruba (1990) • Stead et al (1990) • Nijhof (1999) • Aronson (2001) • Mafunisa (2002)
Reward system	• Hegarty and Sims (1978) • Chonko and Hunt (1985) • Ferrell et al (1989) • Wotruba (1990) • Fritzsche (1991) • Kurland (1995) • Mafunisa (2002)
Code of conduct	• Chonko and Hunt (1985) • Trevino (1986) • Bommer et al (1987) • Ferrell et al (1989) • Campbell and Bond (1982) • Fritzsche (1991) • Mafunisa (2002)

Organisational Culture	• Trevino (1986) • Bommer et al (1987) • Ferrell et al (1989) • Wotruba (1990) • Fritzsche (1991) • Nijhof (1999) • Painter-Morland (2001)
Level of moral development	• Trevino (1986) • Bommer et al (1987) • Ferrell and Gresham (1989) • Wotruba (1990)

4.5 RECOMMENDATIONS TO ADDRESS THE FACTORS IMPACTING ON ETHICAL BEHAVIOUR IN ORGANISATIONS

In the following section a number of recommendations will be made to address each one of the factors identified above.

4.5.1 Recommendation to address the factor – Referent others

To address the negative impact referent others can have on the ethical behaviour in organisations, the organisation must identify appropriate and ethical referent others, who will lead with a good, ethical example and portray the types of behaviours the organisation is trying to enforce. According to Stead et al (1990:239) since individuals are likely to face ethical issues most of their lives, there is little doubt that potential employees have significant ethical decision histories when they apply to join the company. Thus the first line of defence against unethical behaviour in the organisation is the employment process. There are several methods available to organisations for ethical screening. One method is psychometric and integrity testing. The organisation can purchase and assess all potential new employees on integrity and moral level assessments. There are a number of assessments on the market that can be used, for instance:

- Social reflection questionnaire (Gibs & Widaman, 1982)

- Standard issue scoring (Kohlberg, 1969)
- Defining issues test (Rest, 1979)

Background investigations, which can range in scope from simply checking curriculum vitae information, calling references and requiring transcripts to hiring investigators can be valuable tools in screening employees. Full-blown investigations can be very expensive and time consuming and are cost effective only in cases of very sensitive positions. Further, before conducting such an investigation, the organisation should inform the applicant and get his or her permission.

This could mean that organisations might need to go back to the drawing board and re-look some of their processes, starting with their recruitment strategy. Since this is where so-called 'referent others' first enters the company. If the organisation can succeed in ensuring as far as possible in only recruiting employees with high levels of integrity and ethics – it will go a long way in curbing the negative impact referent others can have on ethical behaviour in the organisation. The organisation can purchase and assess all new employees on integrity and moral level assessments as mentioned above.

Other means of screening the ethics of employees are:

To require all potential employees to read and sign a statement as part of the recruitment process, obliging them to abide by the companies values and ethical standards as part of the application process.

Apart from ensuring that the organisation only recruits more ethical employees in their recruitment drive, they will also need to pay attention to the 'referent others' that are already employed by the company. In this case organisations must

ensure that they only choose 'referent others' who portray the correct behaviour the organisation is trying to enforce.

A manager's behaviour is indicated as the factor with the second highest impact on ethical behaviour in the organisation. There are cases where managers put such pressure on subordinates to perform that the employee feels that they have no choice but to resort to unethical behaviour to meet the manager's expectations. One study proved that employees with lower levels of cognitive moral development are more likely to follow their managers in ethically questionable behaviour (Candee, 1975:183). For example, if an employee sees a manager behaving unethically, the chances are that the employee think it is acceptable and emulate it, especially if the employee has a low level of cognitive moral development and if the manager represents a 'referent other' to the employee.

4.5.2 Recommendations to address the factor – A Managers behaviour

Ranken (1987:634) points out that it is not the corporation itself that exerts moral responsibility but rather, the individual members of the corporation. Therefore, the institutionalisation of high ethical standards in corporations "…stems from the character of persons who occupy the relevant positions". Managers cannot expect ethical behaviour from employees if they do not behave ethically themselves, managers are the most significant role models in the organisational setting in Ranken's (1987:634) view; thus they have a major socialising influence. The key to being an efficient ethical role model for employees is to demonstrate consistency between one's ethical philosophy and ethical behaviour. Behaving ethically may mean that a manager refuses to carry out unethical policies, threatens to blow the whistle and actually blows the whistle (Stead et al, 1990: 239). Clearly, engaging in ethical behaviour may require a great deal of courage from the individual.

One recommendation to address a manager's behaviour is that the organisation can review their recruitment strategy as mentioned before, by incorporating stricter recruitment practices where potential employees are assessed in terms of their integrity and ethics, the appointment of new managers who will behave unethically can be minimised. In terms of addressing the behaviour of existing managers, the organisation could provide training to all it's managers and supervisors to sensitise them towards behaving more ethically. According to Stead et al (1990:239) managers need to have an experiential awareness of the types of ethical dilemmas they may face, and they need to know what actions to take in these dilemmas. Providing ethics training for managers is the key to increasing awareness. Ethics training usually starts with orientation sessions and open discussions of the firms code of ethics or conduct. Managers should be encouraged to participate at a high level in these sessions. This is often followed by the use of fictitious ethical scenario's that simulate situations that managers may face on the job (Otten, 1986:23).

Secondly the organisation could go even further and demand and enforce ethical behaviour from managers by rewarding such behaviour. The organisation could include a reward or incentive into managers annual increases and performance bonuses for displaying ethical behaviour.

An organisations reward system has been shown by a number of studies to have a significant impact on ethical behaviour as discussed in Chapter 4 (Ferrell & Gresham, 1989:59; Hegarty & Sims, 1978:451). Research has proven that if the structure of reward systems rewards unethical behaviour, those types of behaviour will increase. Therefore, Hegarty and Sims (1978:451) state that subjects can be conditioned to behave unethically by their reward system.

4.5.3 Recommendation to address the factor – Reward system

In order for organisations to address this factor, they need to design a reward system that rewards the employee for ethical behaviour. For instance, in the sales environment, sales representatives are mostly focussed on quantity as opposed to quality. Which means they tend to be rewarded for the amount of sales they make and not necessarily the quality of service they provide. If a sales representative's target is too high, the quality of their service or product might be jeopardised. Therefore, organisations should look at determining sales targets which not only incentivises the sales representative on the number of sales made but also on the quality of service and after sales support delivered to the client.

Organisations should also review the targets and expectations they set for employees. If organisations put too much pressure on employees to meet challenging, short-term financial goals, employees might resort to unethical behaviour to achieve these targets.

An organisations code of conduct can also impact on ethical behaviour. Studies have proven that in the absence of a code of conduct, employees might actually be tempted to behave unethically (Greenberg, 2002). "The mere existence of a code, specific or general, can raise the ethical level of business behaviour because it clarifies what is meant by ethical behaviour." (Brenner & Molander, 1977:57.) In chapter 4 more studies of this kind have been documented that indicate that the mere existence of a code of conduct can raise the level of ethical behaviour.

4.5.4 Recommendation to address the factor – Code of conduct

To address this factor, organisations must have a code of conduct as well as implement and communicate it to all staff. This will clarify exactly what types of behaviour are considered to be unethical and therefore encourage staff to avoid

it. The code must also be enforced for it to be effective. Thus staff who transgress the code of conduct should be disciplined.

According to Stead et al (1990:239) in order for a code of conduct to be meaningful it must realistically focus on the potential ethical dilemmas which may be faced by employees, it must be communicated to all employees, and it must be enforced. Further, a meaningful code of conduct cannot rely on blind obedience, it must be accepted and internalised by the employees who are required to implement it. This means that managers must attend, not only to the content of the code of ethics but also to the process of determining that content. A code should be developed and disseminated in an open, participative environment involving as many employees as possible. Ways of doing this is to give codes of conduct to new employees as part of their selection and orientation program. Other ways include, conducting seminars or in-house training on the codes and required communication of the codes to all levels in the organisation. Stead et al (1990:239) stress that communication of the code should take place in open discussion environments where employees are encouraged to ask questions and make suggestions concerning the codes. For example, many successful organisations encourage separate business units to develop their own specific codes, which dealt with the unique ethical dilemmas they faced.

Lastly, an organisations culture was also identified as a factor impacting on ethical behaviour. Organisational culture refers to organisational heroes and heroines, shared assumptions, beliefs and values, which has developed within the organisation. These beliefs are used to guide the behaviour of staff and therefore have the capacity to negatively impact on ethical behaviour if the values and beliefs that form part of the organisational culture do not support ethical behaviour. This can lead employees to think unethical behaviour is acceptable because it's part of the organisational culture.

4.5.5 Recommendation to address the factor – Organisational culture

Trevino (1986:611) states that "…the culture of an organisation can contribute to an individuals moral development by allowing organisational members decision making responsibility and by encouraging role-taking opportunities". For example, in a democratic culture, members may be encouraged to take responsibility for decisions, to resolve conflicts at lower organisational levels, and to take into account numerous points of view and interests. This type of culture actually may enhance the individuals cognitive moral development. Alternatively, in an authoritarian or mechanistic organisation where roles are strictly prescribed and decisions are based on formal authority, moral development may be arrested or it's expression in work situations may be repressed (Higgins & Gordon, 1985:241). Therefore, if organisations want to create a more ethical culture, they should create a more democratic culture where employees are encouraged to take responsibility for decisions and resolve conflict on lower levels, which gives them the opportunity to develop their level of moral development.

Another aspect of the organisations culture which can impact on ethical behaviour is it's choice of heroes and heroines. To address this factor, organisations must be selective in who they choose as organisational heroes and heroines. They must be people who will enforce and support an ethical culture in the organisation. The organisation must also conduct an audit or review of their current culture, which includes their rituals, beliefs, and values to establish if they are ethical or unethical. If the organisations culture is shown to encourage unethical behaviour work must be done to change the culture to be more ethical. To change an organisations culture is easier said than done and to ensure buy in from the whole organisation, three conditions need to be met:

a) It needs to be a top-down initiative where management adopts the new values, beliefs and rituals they wish to enforce;

b) There must be constant communication to staff about the changes and the process;
c) Involve the staff in establishing acceptable values, beliefs and rituals for the organisation, in this way staff take ownership of the new culture.

To support the initial change process in the organisation, management can have incentives or rewards which could be awarded monthly to employees who have portrayed the new values, beliefs and rituals the organisations is trying to enforce. For instance, if the organisation is trying to create a culture which is very focussed on customer service and going the extra mile, they could reward an employee who has delivered excellent customer service.

4.6 SUMMARY

"Ethical behaviour needs managing and can be managed in organisations." Stead et al (1990:238.) However, influencing ethical behaviour in organisations is a multi-faceted problem with many traps and pitfalls. In developing a system for managing ethical behaviour, a firm may have to modify it's structure, selection and training procedures, reporting system, reward system, communication system, and internal auditing process. According to Nielson (1989:123) these modifications cannot be made in organisations unless those who spearhead the effort have adequate leadership skills, a reasonable period of time and support from the organisations authority structure and culture.

In this chapter a number of factors impacting on ethical behaviour in organisations were discussed and various recommendations to address the negative impact on ethical behaviour were given. The factors identified in the model are by no means exhaustive, however they were identified in the majority of models to be found in the literature. The recommendations given to address these factors are also not exhaustive however they are meant to be very practical and geared towards the South African working environment.

CHAPTER 5

RESULTS AND CONCLUSIONS OF EMPIRICAL INQUIRY

5.1 INTRODUCTION

In the previous chapters a comprehensive literature study was conducted. These chapters serve as a theoretical background to the empirical inquiry to be discussed in this chapter. The concept of unethical behaviour in organisations was explored. Specific attention was given to defining the concepts and the identification and description of specific criteria. Where the research in previous chapters was mainly qualitative in nature, the research to follow will be of a quantitative nature. In this chapter the frequency with which factors were presented in the literature and survey questionnaire as impacting on ethical behaviour in organisations will be discussed. Specific attention will be given to the statistical methods and techniques employed and to drawing conclusions from the results presented.

5.2 RESULTS AND DISCUSSION OF THE EMPIRICAL INQUIRY

5.2.1 Introduction

In the following section the results of the empirical enquiry will be discussed. The results of the empirical inquiry will be presented with the aid of descriptive statistics, mainly frequency tables. In conclusion the factors identified as impacting on ethical behaviour in organisations will be discussed and interpreted and the results of the empirical inquiry will be compared with the results of the theoretical inquiry. It will also be determined what factors were identified by the entire group and the two sample groups respectively to arrive at the most important factors impacting on ethical behaviour in organisations. In chapter two

the research instrument used in this study was discussed in detail, it was mentioned there that the factors being tested as impacting on ethical behaviour in organisations was divided into three groups namely external factors (EF), organisational factors (OF) and individual factors (IF) for practical purposes.

5.3 RESULTS OF ENTIRE POPULATION

In the next section the results generated from the responses of the entire population of respondents (n = 66) will be graphically presented and discussed, thereafter the population will be broken down into the two groups (private sector and public sector) and the results for the private sector will be presented, followed by the results for the public sector.

5.3.1 Graphic presentation of the factors identified by entire population as impacting on ethical behaviour

Table 5.1 Frequency: external factors

		EF1	EF2	EF3	EF4	EF5	EF6	EF7
N	**Valid**	66	64	65	65	65	65	64
	Missing	0	2	1	1	1	1	2
Mean		3.56	3.53	2.74	3.25	2.66	3.08	3.17
Median		4	4	3	3	3	3	3
Mode		4	4	3	4	1	4	3
Std. Deviation		1.178	1.168	1.108	1.311	1.44	1.22	1.22

Table 5.1 illustrates the results of the external factors where:

EF 1 = Economic conditions

EF 2 = Political environment

EF 3 = Technological factors

EF 4 = Community

EF 5 = Religion

EF 6 = Legislation

EF 7 = Competition

From the results in table 5.1 it shows that the mean value for factor EF 1 (economic conditions) is the highest of all the external factors and the mean for factor EF 2 (political environment) is the second highest. Normally the mean value is enough of an indication of the impact of a specific factor which would mean in this case that factor EF 1 (economic conditions) has the biggest impact on ethical behaviour. However to be able to truly see which factor(s) were rated as most important in terms of impacting on ethical behaviour in organisations the standard deviation must be deducted from the mean value. This new value will give an indication as to the actual importance of each factor. The results of these calculations (mean – std. Deviation) are presented in table 5.2 below.

Table 5.2 Rank order: external factors

	EF 1	EF 2	EF 3	EF 4	EF 5	EF 6	EF 7
Mean	3.56	3.53	2.74	3.25	2.66	3.08	3.17
Standard Deviation	1.178	1.168	1.108	1.311	1.44	1.22	1.22
Mean – Std. Deviation	1.178	2.362	1.632	1.939	1.22	1.86	1.95
Rank Order	7	1	5	3	6	4	2

1 = most important and 7 = least important

From table 5.2 the following observations can be made:

- The factor EF 2 (political environment) has the highest value (2.362), which indicates that it is the external factor with the biggest impact on ethical behaviour in organisations according to the entire population.
- The factor ranked second is EF 7 (competition) with a value of 1.954 therefore it has the second biggest impact on ethical behaviour.
- It is important to note that although the external factors can be ranked from 1-7, none of the values (mean – standard deviation) are higher than 2.5, which means that none of the external factors have a significant impact on ethical behaviour according to the entire population.

Table 5.3 Frequency: organisational factors

		OF1	OF2	OF3	OF4	OF5	OF6	OF7	OF8	OF9	OF10
N	**Valid**	66	66	65	66	66	66	66	66	65	66
	Missing	0	0	1	0	0	0	0	0	1	0
Mean		3.65	3.95	3.43	3.18	3.59	3.3	4.02	3.11	2.89	3.06
Median		4	4	4	3	4	3.5	4	3	3	3
Mode		4	4	4	4	4	4	4	3	2	3
Std. Deviation		1.116	0.952	1.172	1.176	1.12	1.1	0.92	1.1	1.17	1.14

Table 5.3 illustrates the results of the organisational factors where:

OF 1 = Reward system

OF 2 = Code of ethics

OF 3 = Characteristics of the job

OF 4 = Resources

OF 5 = Organisational culture

OF 6 = Organisational goals

OF 7 = Leadership behaviour

OF 8 = Organisational climate

OF 9 = Nature of the position

OF 10 = Performance evaluations

From the results in table 5.3 it looks like factor OF 7 (leader/manager behaviour) with a mean value of 4.02 is the most important factor impacting on ethical behaviour in organisations amongst the organisational factors. Followed by factor OF 2 (code of conduct) with a mean value of 3.95. However, as was previously mentioned in the discussion of table 5.1, the mean value is not a true reflection of the importance of the factor. To determine the true importance, the standard deviation must be deducted from the mean, the results of this calculation is presented in table 5.4 below.

Table 5.4 Rank order: organisational factors

	OF 1	OF 2	OF 3	OF 4	OF 5	OF 6	OF 7	OF 8	OF 9	OF 10
Mean	3.65	3.95	3.43	3.18	3.59	3.30	4.02	3.11	2.89	3.06
Standard deviation	1.116	.952	1.172	1.176	1.12	1.1	.920	1.1	1.174	1.14
Mean – Std. Deviation	2.534	2.998	2.258	2.004	2.47	2.2	3.1	2.01	1.716	1.92
Rank order	3	2	5	8	4	6	1	7	10	9

From table 5.4 the following observations can be made:

- Factor OF 7 (leader/manager behaviour) is the organisational factor with the biggest influence on ethical behaviour in organisations with a value of 3.1.
- The factor with the second highest value of 2.998 is OF 2 (code of conduct).
- Other important organisational factors with a value higher than 2.5 (average) is factor OF 1 (reward system) with a value of 2.534.
- All other factors in table 5.7 do not have a significant impact on ethical behaviour in organisations since their values are lower than 2.5 (which is the average).

Table 5.5 Frequency: individual factors

		IF1	IF2	IF3	IF4	IF5	IF6	IF7	IF8	IF9	IF10	IF11
N	**Valid**	66	64	66	65	66	66	66	66	65	66	66
	Missing	0	2	0	1	0	0	0	0	1	0	0
Mean		3.26	3.42	3.56	3.14	3.18	3.55	3.3	3.62	3.25	3.82	3.82
Median		4	4	4	3	3	4	3.5	4	3	4	4
Mode		4	4	4	4	3	4	4	4	3	4	4
Std. Deviation		1.293	1.096	1.01	1.102	1.02	1.1	1.08	1.11	0.94	1.14	1.15

Table 5.5 illustrate the results of the individual factors where:

IF 1 = Attitude

IF 2 = Intention

IF 3 = Referent others/peers

IF 4 = Ego strength

IF 5 = Field dependence

IF 6 = Locus of control

IF 7 = Self control

IF 8 = Parental influence

IF 9 = Level of moral development

IF 10 = Values

IF 11 = Beliefs

From the results in table 5.5 it appears as if factors IF 10 and IF 11 are the most important since they have the highest mean scores of 3.82 respectively. However, the mean score as it is presented in table 5.8 is not a true indication of the impact of each factor in terms of it's impact on ethical behaviour. To determine the actual importance of each factor, the standard deviation must be deducted from the mean. These calculations are presented in table 5.6 below.

Table 5.6 Rank order: individual factors

	IF 1	IF 2	IF 3	IF 4	IF 5	IF 6	IF 7	IF 8	IF 9	IF 10	IF 11
Mean	3.26	3.42	3.56	3.14	3.18	3.55	3.30	3.62	3.25	3.82	3.82
Standard deviation	1.293	1.096	1.01	1.102	1.02	1.1	1.08	1.11	.94	1.14	1.15
Mean – Std. Deviation	1.1969	2.324	2.55	2.038	2.16	2.45	2.22	2.51	2.31	2.68	2.67
Rank order	11	6	3	10	9	5	8	4	7	1	2

The results in table 5.6 indicate that:

- Factor IF 10 (values) is the individual factor with the biggest influence on ethical behaviour in organisations.
- The second most important factor amongst the individual factors is IF 11 (beliefs) with a value of 2.671.
- Factors IF 3 (referent others) is also important in terms of impacting on ethical behaviour with a value of 2.55 and;
- Lastly factor IF 8 (parental influence) was also identified as important by the entire group of respondents with a value of 2.514.

Looking at the results presented in table's 5.1 to 5.6 there are certain factors amongst the external factors, organisational factors and individual factors as

identified by the entire group of respondents that have a significant impact on ethical behaviour in organisations this is indicated with a value higher than 2.5 when the standard deviation is deducted from the mean, according to the entire population. A summary of these important factors are presented in table 5.7.

Table 5.7 Most important factors impacting on ethical behaviour

FACTOR	VALUE (Mean – Std. Deviation)
OF 7 (Leader/manager behaviour)	3.1
OF 2 (Code of conduct)	2.998
IF 10 (Values)	2.684
IF 11 (Beliefs)	2.671
IF 3 (Referent others)	2.55
OF 1 (Reward system)	2.534
IF 8 (Parental influence)	2.514

5.3.2 Graphic presentation of results of the private sector

In the following section the results of the responses by the private sector group will be graphically presented and discussed.

Table 5.8 Frequency: external factors by private sector

		EF1	EF2	EF3	EF4	EF5	EF6	EF7
N	**Valid**	32	32	32	32	32	32	32
	Missing	0	0	0	0	0	0	0
Mean		3.72	3.59	2.59	3.50	2.63	2.97	3.34
Median		4.00	4.00	2.50	4.00	2.50	3.00	3.50
Mode		4	4	2	4	1	4	4
Std. Deviation		.991	1.160	1.073	1.270	1.431	1.092	1.096

From the results in table 5.8 the following observations can be made:

- The results indicated that factor EF 1 (economic conditions) has the biggest impact on ethical behaviour in organisations since it has the highest mean value (3.72) of all the external factors presented in table 5.11.

- However, as discussed in the previous section to be able to determine the true value of each factor in terms of impacting on ethical behaviour, the standard deviation must be deducted from the mean. The results of these calculations are summarised in table 5.9.

Table 5.9 Rank order: external factors as rated by the private sector

	EF 1	EF 2	EF 3	EF 4	EF 5	EF 6	EF 7
Mean	3.72	3.59	2.59	3.50	2.63	2.97	3.34
Std. Deviation	.991	1.160	1.073	1.270	1.431	1.092	1.096
Mean-std. Dev.	2.729	2.43	1.517	2.23	1.199	1.878	2.244
Rank order	1	2	6	4	7	5	3

The results in table 5.9 indicate that:

- Factor EF 1 (economic conditions) has the biggest impact on ethical behaviour in organisations as indicated by the private sector respondents.
- Only factor EF1(economic conditions) has a value which is higher than 2.5 (average) and is therefore the only external factor identified by the private sector as having a significant impact on ethical behaviour.
-

Table 5.10 Frequency: organisational factors by private sector

		OF1	OF2	OF3	OF4	OF5	OF6	OF7	OF8	OF9	OF10
N	**Valid**	32	32	32	32	32	32	32	32	32	32
	Missing	0	0	00	0	0	0	0	0	0	0
Mean		3.44	3.81	3.34	3.09	3.88	3.25	3.84	3.03	2.56	2.91
Median		4.00	4.00	3.00	3.00	4.00	3.00	4.00	3.00	2.00	3.00
Mode		4	4	4	4	4	3	4	4	2	3
Std. Deviation		.982	.859	.971	1.058	.942	.984	.954	.999	.878	.893

From the results in table 5.10 the following observations can be made:

- Mean scores indicate that factor OF 5 (organisational culture) has the biggest influence on ethical behaviour.

- However, as previously discussed the mean value is not sufficient indication of the importance a factor has in terms of influencing ethical behaviour. Therefore, the standard deviation must be deducted from the mean value. The results of these calculations are presented in table 5.14 below.

Table 5.11 Rank order: organisational factors as rated by the private sector

	OF 1	OF 2	OF 3	OF 4	OF 5	OF 6	OF 7	OF 8	OF 9	OF 10
Mean	3.44	3.81	3.34	3.09	3.88	3.25	3.84	3.03	2.56	2.91
Std. Deviation	.982	.859	.971	1.058	.942	.984	.954	.999	.878	.893
Mean-std. Dev.	2.458	2.951	2.369	2.032	2.938	2.266	2.886	2.031	1.682	2.017
Rank order	4	1	5	7	2	6	3	8	10	9

The results in table 5.11 illustrate that:

- Factor OF2 (code of conduct) with a value of 2.951 is the organisational factor with the biggest impact on ethical behaviour in organisations as indicated by the private sector.
- The factor with the second highest impact on ethical behaviour according to the private sector is factor OF 5 (organisational culture) with a value of 2.938.
- Factor OF 7 (leader/manager behaviour) is indicated as the third most important factor impacting on ethical behaviour.
- The rest of the organisational factors in table 5.12 is not significant enough in terms of their values to be discussed any further.

Table 5.12 Frequency: individual factors by private sector

		IF1	IF2	IF3	IF4	IF5	IF6	IF7	IF8	IF9	IF10	IF11
N	**Valid**	32	30	32	32	32	32	32	32	32	32	32
	Missing	0	2	0	0	0	0	0	0	0	0	0
Mean		2.97	3.30	3.34	2.97	3.03	3.69	3.38	3.78	3.28	4.00	3.91
Median		3.00	4.00	3.50	3.00	3.00	4.00	4.00	4.00	3.00	4.00	4.00
Mode		4	4	4	3	3	4	4	4	3	4	4
Std. Deviation		1.092	1.119	.865	.933	.822	.965	.976	.906	.683	.984	.995

The results in table 5.12 indicate that:

- Factor OF 10 (values) has the biggest impact on ethical behaviour in organisations since it has the highest mean value (4.00).
- However, as mentioned before to calculate the true impact of a factor the standard deviation must be deducted from the mean, the results of this calculation is presented in table 5.13.

Table 5.13 Rank order: individual factors by private sector

	IF 1	IF 2	IF 3	IF 4	IF 5	IF 6	IF 7	IF 8	IF 9	IF 10	IF 11
Mean	2.97	3.30	3.34	2.97	3.03	3.69	3.38	3.78	3.28	4.00	3.91
Std. Deviation	1.092	1.119	.865	.933	.822	.965	.976	.906	.683	.984	.995
Mean – Std. Deviation	1.878	2.181	2.475	2.037	2.208	2.725	2.404	2.874	2.597	3.016	2.915
Rank order	11	9	6	10	8	4	7	3	5	1	2

The results in table 5.13 indicate that:

- Factor IF 10 (values) has the highest value, and therefore the biggest impact on ethical behaviour in organisations.
- Factor IF 11(beliefs) with a value of 2.95 was identified as the individual factor with the second highest impact on ethical behaviour, and factor IF 8 (parental influence) as the third.
- Factor IF 6 (locus of control) has a score of 2.725 which ranks it as the fourth most important factor impacting on ethical behaviour in organisations.
- Lastly, factor IF 9 (level of moral development) with a value of 2.597 was also identified as impacting significantly on ethical behaviour.

Table 5.14 is a summary of the external, organizational and internal factors identified by the private sector as impacting on ethical behaviour in order of importance.

Table 5.14 summary of important factors as rated by the private sector

FACTOR	VALUE (Mean – Std. Deviation)
IF 10 (values)	3.016
OF 2 (code of conduct)	2.951
OF 5 (organisational culture)	2.938
IF 11 (beliefs)	2.915
OF 7 (leader/manager behaviour)	2.886
IF 8 (parental influence)	2.874
EF 1 (economic conditions)	2.729
IF 6 (locus of control)	2.725
IF 9 (level of moral development)	2.597

Table 5.14 above indicates that the private sector identified the factor IF 10 (values) as having the biggest impact on ethical behaviour in organizations and factor OF 2 (code of conduct) as having the second biggest impact.

5.3.3 Graphic presentation of the results of the public sector

In the next section the results of the public sector group will be presented.

Table 5.15 Frequency: external factors by the public sector

		EF1	EF2	EF3	EF4	EF5	EF6	EF7
N	**Valid**	34	32	33	33	33	33	32
	Missing	0	2	1	1	1	1	2
Mean		3.41	3.47	2.88	3.00	2.70	3.18	3.00
Median		4.00	4.00	3.00	3.00	3.00	3.00	3.00
Mode		4	4	3	3	1	4	3
Std. Deviation		1.328	1.192	1.139	1.323	1.468	1.334	1.320

From table 5.15 it can be observed that:

- Factor EF 2 (political environment) has the highest mean value of 3.41 which could be construed as it having the biggest impact on ethical behaviour amongst all the external factors.

- However, to determine the true impact of each factor on ethical behaviour, the standard deviation must be deducted from the mean. The results of these calculations are presented in table 5.16 below.

Table 5.16 Rank order: external factors as identified by the public sector

	EF 1	EF 2	EF 3	EF 4	EF 5	EF 6	EF 7
Mean	3.41	3.47	2.88	3.00	2.70	3.18	3.00
Std. Deviation	1.328	1.191	1.139	1.323	1.468	1.334	1.320
Mean – std. Deviation	2.082	2.279	1.741	1.677	1.232	1.846	1.68
Rank order	2	1	4	5	6	3	7

From the results in table 5.16 the following observations can be made:

- Factor EF 2 (political environment) was identified by the public sector group as the external factor with the biggest impact on ethical behaviour in organisations.
- However, it is important to note that the value of factor EF 2 (political environment) is only 2.279, which is less than the average of 2.5. Therefore, none of the external factors were identified by the public sector group as having a significant impact on ethical behaviour in organisations.

Table 5.17 Frequency: organisational factors by the public sector

		OF1	OF2	OF3	OF4	OF5	OF6	OF7	OF8	OF9	OF10
N	**Valid**	34	34	33	34	34	34	34	34	33	34
	Missing	0	0	1	0	0	0	0	0	1	0
Mean		3.85	4.09	3.52	3.26	3.32	3.35	4.18	3.18	3.21	3.21
Median		4.00	4.00	4.00	3.00	4.00	4.00	4.00	3.00	3.00	3.00
Mode		4	4	5	3	4	4	4	3	3	3
Std. Deviation		1.209	1.026	1.349	1.286	1.224	1.203	.869	1.193	1.341	1.321

From table 5.17 above which illustrate the results of the public sector group, the following observations can be made:

- The mean value of factor OF 7(leader/manager behaviour) is 4.18 which indicates that it has the biggest influence amongst the organizational factors on ethical behaviour in organisations.
- However, the mean values in table 5.20 are not a true reflection of the impact a factor has on ethical behaviour in organisations. To determine the true impact, the standard deviation must be deducted from the mean, the results of this calculation is summarised in table 5.18 below.
-

Table 5.18 Rank order: organisational factors as rated by the public sector

	OF 1	**OF 2**	**OF 3**	**OF 4**	**OF 5**	**OF 6**	**OF 7**	**OF 8**	**OF 9**	**OF 10**
Mean	3.85	4.09	3.52	3.26	3.32	3.35	4.18	3.18	3.21	3.21
Std. Deviation	1.209	1.026	1.349	1.286	1.224	1.203	.869	1.193	1.341	1.321
Mean – std. Dev.	2.641	3.064	2.171	1.974	2.096	2.147	3.311	1.987	1.869	1.889
Rank order	3	2	4	8	6	5	1	7	10	9

From table 5.18 the following observations can be made:

- Factor OF 7(leader/manager behaviour) has the biggest influence on ethical behaviour in organisations amongst the organizational with a value 3.311, which is the highest of all the organisational factors.
- Factor OF 2 (code of conduct) is ranked second with a value of 3.064 which means that it has the second biggest impact on ethical behaviour in organizations according to the public sector.
- The organisational factor with the third biggest impact on ethical behaviour is factor OF 1(reward system) with a value of 2.641.

Table 5.19 presents the results of importance of the individual factors as indicated by the public sector group.

Table 5.19 Frequency: individual factors as identified by the public sector

		IF1	IF2	IF3	IF4	IF5	IF6	IF7	IF8	IF9	IF10	IF11
N	**Valid**	34	34	34	33	34	34	34	34	33	34	34
	Missing	0	0	0	1	0	0	0	0	1	0	0
Mean		3.53	3.53	3.76	3.30	3.32	3.41	3.24	3.47	3.21	3.65	3.74
Median		4.00	4.00	4.00	4.00	3.00	4.00	3.00	4.00	3.00	4.00	4.00
Mode		4	4	4	4	3	4	4	4	3	4	4
Std. Deviation		1.419	1.080	1.103	1.237	1.173	1.209	1.182	1.261	1.139	1.252	1.286

From table 5.19 it can be observed that:

- Factor IF 3 (referent others) has the highest mean value of 3.62
- However, to be able to see the true impact of the individual factors on ethical behaviour in organisations the standard deviation must be deducted from the mean, the results of this calculation is presented in table 5.23.

Table 5.20 Rank order: individual factors as rated by the public sector

	IF 1	IF 2	IF 3	IF 4	IF 5	IF 6	IF 7	IF 8	IF 9	IF 10	IF 11
Mean	3.53	3.53	3.76	3.30	3.32	3.41	3.24	3.47	3.21	3.65	3.74
Std. Dev.	**1.419**	1.080	1.103	1.237	1.173	1.209	1.182	1.261	1.139	1.252	1.286
Mean – Std. Dev.	**2.111**	2.45	2.657	2.063	2.147	2.201	2.058	2.209	2.209	2.398	2.454
Rank order	**8**	3	1	10	7	6	11	5	9	4	2

The results in table 5.20 indicate that:

- Factor IF 3 (referent others) has the biggest impact on ethical behaviour in organisations, according to the public sector.
- Factor IF 3 (referent others) is the only factor with a value higher than the average of 2.5, which means that the other individual factors were not

identified as impacting significantly on ethical behaviour in organizations by the public sector.

Table 5.21 below summarises the external, organizational and internal factors identified by the public sector as impacting on ethical behaviour.

Table 5.21 Summary of important factors as rated by the public sector

FACTOR	VALUE (Mean – Std. Deviation)
OF 7 (leader/manager behaviour)	3.311
OF 2 (code of conduct)	3.064
IF 3 (referent others)	2.657
OF 1 (reward system)	2.641

Table 5.21 above indicates that the public sector identified factor OF 7 (leader/manager behaviour) as the most important factor impacting on ethical behaviour in organizations. The factor with the second biggest impact on ethical behaviour as identified by the public sector is OF 2 (code of conduct).

5.3.4 Graphic presentation of results of the empirical inquiry for entire group vs. the results of the literature analysis

In the following section the results of the theoretical inquiry (refer to chapter 4) and the empirical inquiry will be compared.

Table 5.22 Matching the factors identified in the literature analysis with the question numbers that measure the same factor in the Moral Behaviour Questionnaire

Factor identified in literature analysis	Corresponding factor number in the MBQ
Referent others	IF 3
A Leader/manager's behaviour	OF 7
Reward systems	OF 7
Code of conduct	OF 2
Organisational culture	OF 5

The most important factors impacting on ethical behaviour as identified in the literature analysis is presented in table 5.22 in the left hand column. The column on the right represents the corresponding number of the same factor as listed in the MBQ.

Table 5.23 below illustrates a link between the factors identified in the literature analysis as impacting on ethical behaviour in organisations and the factors identified by the entire population (N=66) in the empirical inquiry.

Table 5.23 Comparison between the factors identified during the theoretical inquiry (literature analysis) vs. the factors identified in the empirical inquiry

Factors identified in the theoretical inquiry as impacting on ethical behaviour in organisations	Factors identified in the empirical inquiry as impacting on ethical behaviour in organisations
Referent others	Leader/manager behaviour
Leader/Manager behaviour	Code of conduct
Reward system	Values
Code of conduct	Beliefs
Organisational culture	Referent others

Level of Moral development	Reward system

From the results in the abovementioned table it is evident that there is a definite link between certain factors identified in the literature as impacting on ethical behaviour and between the same factors identified in the empirical inquiry as impacting on ethical behaviour in organisations.

Table 5.23 indicates that in the literature study the factor 'referent others' was identified most frequently as impacting on ethical behaviour, then the factor 'leader/manager behaviour', 'reward systems', 'code of conduct', 'organisational culture' and 'level of moral development'. The results of the empirical inquiry presented in the right hand column indicate that the most important factor impacting on ethical behaviour in organisations is 'leader/manager behaviour', then the 'code of conduct', the individuals 'values' and 'beliefs', 'referent others' and 'reward systems'. All the factors identified in the empirical inquiry had a score (Mean – Std. Deviation) higher than 2.5, which indicate that it does indeed have a significant impact on ethical behaviour in organisations.

Another observation that can be made from the contents of table 5.23 is that there are four factors that were identified in both the theoretical inquiry and the empirical inquiry as impacting on ethical behaviour in organisations. These factors are:

- Leader/manager behaviour
- Code of conduct
- Reward systems
- Referent others

The table below serves to illustrate the statistical significance or value of each of the four factors identified in both the theoretical inquiry and the empirical inquiry. (The factors: values and beliefs were left out since they were only identified as

impacting on ethical behaviour in organisations in the empirical inquiry but not during the theoretical inquiry).

Table 5.24 Values and rank order of the most important factors identified in the theoretical inquiry and empirical inquiry

Rank	Factor	Mean-Std. Deviation
1	A managers behaviour	3.1
2	Code of conduct	2.998
3	Referent others	2.55
4	Reward systems	2.534

From table 5.24 it can be observed both inquiries (theoretical and empirical) indicated that a leader/managers behaviour is the most important factor impacting on ethical behaviour in organisations. The second most important factor being a code of conduct, then referent others and finally the reward systems of the organisation.

From the abovementioned section it can be observed that there are four factors that were identified in the literature analysis and the empirical inquiry as impacting on ethical behaviour in organisations. There were two factors identified in the empirical inquiry as impacting on ethical behaviour that were not identified in the theoretical inquiry as impacting on ethical behaviour in organisations, these two factors were: values and beliefs of the individual.

Seemingly, the respondents to the questionnaire thought these two factors have an impact on ethical behaviour in organisations, whereas the majority of the models researched in the literature did not identify these two factors as having a significant impact on ethical behaviour in organisations. However, it is important to note that there are four factors that were identified by the models researched during the theoretical inquiry and in the empirical inquiry. For the purpose of this study, the focus will be on these four factors as impacting on ethical behaviour in

organisations since they were identified as impacting on ethical behaviour in both phases of the study.

5.4 SUMMARY OF RESULTS

In table 5.2, 5.4 and 5.6 the rank order of the factors impacting on ethical behaviour in organisations was presented. From these three tables it became evident that the following factors were identified by the entire population as impacting on ethical behaviour:

- Leader/manager behaviour
- Code of conduct
- Values
- Beliefs
- Referent others
- Reward systems

These six factors all had a value higher than 2.5 (average), which means that it significantly impacts on ethical behaviour in organisations.

In table 5.9, 5.11 and 5.13 the rank order of factors as indicated by the group of private sector respondents was presented. The results in these three tables indicated that the following factors were identified by the private sector group as impacting on ethical behaviour:

- Economic conditions
- Code of conduct
- Leader/manager behaviour
- Organisational culture
- Values
- Beliefs

- Parental influence
- Ego strength
- Level of moral development

The nine factors identified by the private sector respondents as impacting on ethical behaviour all had a value higher than 2.5 which indicates that these factors have a significant impact on ethical behaviour in organisations. Factor IF 10 (values) has the biggest or most significant impact on ethical behaviour according to the private sector.

In table 5.16, 5.18 and 5.20 the rank order of the factors impacting on ethical behaviour in organisations as rated by the public sector group was presented. The results in these three tables indicate that the following factors were identified by the public sector as impacting on ethical behaviour in organisations:

- Leader/manager behaviour
- Code of conduct
- Reward systems
- Referent others.

The four factors identified as impacting on ethical behaviour in organisations by the public sector all had a value higher than 2.5, which indicates that according to the public sector these factors have a significant impact on ethical behaviour in organisations.

In table 4.2 (chapter 4) the results of the literature analysis was presented where the factors that were identified most frequently in the literature as impacting on ethical behaviour were listed. These factors are:

- Referent others
- Leader/manager behaviour

- Reward systems
- Code of conduct
- Organisational culture
- Level of moral development

From all the models researched during the theoretical inquiry phase these six factors were identified most frequently as impacting on ethical behaviour.

5.5 CONCLUSIONS

a) From the results generated from the responses of the entire population the following conclusions can be made:

- There were six factors identified by the entire population as impacting on ethical behaviour in organisations.
- None of the six factors identified as impacting on ethical behaviour falls under the category of external factors.
- Amongst the six factors identified as impacting on ethical behaviour, a leader or managers behaviour was identified as having the biggest impact on ethical behaviour in organisations of all the factors. This refers to the negative aspects of a manager or leaders behaviour. Thus, if a manager behaves unethically, for example leaves work early on a regular basis to go home, but lies to his/her manager about the reason for leaving early and staff are aware of this, they will also start to exhibit the same behaviour, or if a manager does false reporting to make his/her department seem more productive, and staff are aware of this, they will also start to feel it is acceptable to misrepresent the facts in order to gain the upper hand and start to exhibit the same type of behaviour. There are many types of unethical behaviour and it is impossible to list them all here, however the core concept of this factor is that if a manager or leader behaves unethically and staff are aware of this behaviour

taking place and nothing is being done about it, they will also tend to behave unethically.

- The factor with the second biggest influence on unethical behaviour is a code of conduct. This factor implies that in the absence of a code of conduct staff will tend to behave more unethically because there is no specific set of rules or code guiding their behaviour and telling them what type of behaviour is wrong. Or in cases where there is a code of conduct but it is not communicated to staff or enforced, staff will also tend to behave unethically. Therefore, a code of conduct can only be successful in managing unethical behaviour if employees are made aware that a code exists, the contents of the code is communicated to them and if the cod is enforced within the organisation.
- The factor with the third biggest impact on ethical behaviour is the individuals' values. Values are the beliefs a person has and which that person acts on by preference. Thus a person with strong values will act according to those values. Therefore, if people from a certain culture believe that all people are supposed to share their wealth with those less fortunate, then taking something (stealing) from someone who is more wealthy than you is not wrong in their eyes, since they believe in the value that wealth should be shared.
- A belief is the factor with the fourth biggest impact on ethical behaviour according to the responses of the entire sample group. A belief is a conviction a person has about something. Therefore depending on what a person believes, it might lead them to behave either ethically or unethically. A good example is the kawasaki or suicide bombers of the east – who live by the conviction that their life purpose is to sacrifice their own lives for a cause they believe to be greater than themselves (whether we believe it to be unethical does not matter to them).
- Referent others (peers) is the fifth highest factor impacting on ethical behaviour according to the entire population. This factor implies that a person can be influenced to behave unethically by referent others or peers whom

they see as important. If a person they look up to (referent other) behaves unethically, an individual might also behave in this manner because they want to please the referent other and wants to be like them.

- The last factor identified by the entire population as impacting on ethical behaviour is reward systems. This factor implies that if reward systems (monetary or non-monetary) are structured in such a way that it rewards unethical behaviour, that behaviour will increase. For instance if a sales person is rewarded for the number of sales he/she makes, irrespective if he/she used bribes and threats to clinch the deal, such behaviour will persist because the employees see it is being rewarded.

b) From the results of the private sector the following can be concluded:

- The private sector group identified nine factors as impacting on ethical behaviour in organisations.
- One of these factors falls under the category of external factors. Three of the factors were amongst the organisational factors and five of the factors can be classified under the individual factors.
- Amongst the factors identified, values were identified as having the biggest impact on ethical behaviour in organisations. As mentioned in the section above, if a person has very strong values about something, that individual will act according to their values.
- The factor with the second biggest impact is a code of conduct/ethics. As mentioned before the absence of a code of conduct/ethics, non-communication of the code and non-reinforcement of the code can lead to unethical behaviour.
- Organisational culture is the factor with the third biggest impact on ethical behaviour in organisations. This means that if the organisation has a culture of condoning unethical behaviour or behaving unethically (to add to the bottom line) unethical behaviour in the organisation will increase. Therefore, if the organisation has a culture where they turn a blind eye to unethical

behaviour by staff as long as targets are met and organisational goals achieved, it will encourage more unethical behaviour.

- Beliefs is the factor identified by the private sector with the fourth biggest impact on ethical behaviour in organisations. This factor implies that if an individual has a very strong belief about something, they will act on it – irrespective if someone else 9or the organisation) might see it as unethical. Therefore, a persons beliefs can cause unethical behaviour.
- The factor with the fifth biggest impact on ethical behaviour according to the private sector is a managers' behaviour. As mentioned before, if a manager behaves unethically or immorally staff will tend to follow the managers example (especially if some other factors impacting on ethical behaviour are also present – for instance, if the staff have a low level of ego strength and a low level of moral development and weak values and beliefs in what is morally right).
- Parental influence is the factor with the sixth biggest impact on ethical behaviour according to the private sector. This implies that if an individual's parents set a bad example and behaved unethically it influences ethical behaviour in organisations negatively.
- Economic conditions were identified as the factor with the seventh biggest impact on ethical behaviour in organisations. If the economic conditions in a country are bad and people are poor and struggling financially it can impact on ethical behaviour in organisations in the sense that staff might justify stealing from the organisation in order to improve their financial well being.
- The factor with the eighth biggest impact on ethical behaviour in organisations as identified by the private sector is the individual's ego strength. This means that a person with low ego strength will be easily influenced by others to behave unethically.
- The individual's level of moral development is the last factor identified by the private sector as impacting on ethical behaviour. This means that the lower the a persons level of cognitive moral development, the more it contributes to unethical behaviour in the organisation since research by Kohlberg (1969)

has proven that a person with a low level of moral development tends to behave less ethically than a person with a high level of moral development.

A comparison between the results of the private sector with the results of the entire population

In a comparison between the factors identified by the entire population and the private sector the following can be observed:
- There are four factors that were identified by both the entire population and the private sector respondents as impacting on ethical behaviour in organisations:

- leader/manager behaviour
- code of conduct
- values
- beliefs

- Two factors were identified by the entire population as impacting on ethical behaviour that were not identified by the private sector, these factors are: referent others and reward systems.

- Five factors were identified by the private sector as impacting on ethical behaviour that were not identified by the entire population, these five factors are: Economic conditions, organisational culture, parental influence, ego strength, level of moral development.

c) From the results of the public sector the following conclusions can be made:

- Four factors were identified by the public sector as impacting on ethical behaviour.
- None of these four factors fall under the factors on the external level.

- A leader/manager's behaviour was identified by the public sector as the factor with the biggest impact on ethical behaviour in organisations.
- A code of conduct was identified as the factor with the second biggest impact on ethical behaviour in organisations. As mentioned before, the absence of, or non-communication and non-reinforcement of a code of conduct can contribute to unethical behaviour in organisations.
- The factor, referent others was identified by the public sector as having the third biggest impact on ethical behaviour in organisations. As previously explained, referent others can influence employees to behave unethically.
- The last factor identified by the public sector as impacting on ethical behaviour is the reward systems of an organisation. This implies that if an organisations reward system, rewards unethical behaviour this type of behaviour will increase.

A comparison between the results of the public sector and the results of the entire population

In a comparison between the results of the of the public sector and the entire population, the following can be observed:

- There are two factors that were identified by the entire population and not by the public sector respondents as impacting on ethical behaviour, these two factors are: values and beliefs of the individual.
- All four factors that were identified by the public sector were also identified by the entire population as impacting on ethical behaviour. These four factors that were identified by both groups are: leader or manager behaviour, a code of conduct, referent others, reward systems.
- Another comparison that can be made between the two groups is that both identified a leader or manager's behaviour as having the biggest impact on ethical behaviour of all the factors.

A comparison between the results of the private sector and the public sector

Taking the results of the private sector and public sector into account the following can be concluded:

- Seven factors were identified by the private sector as impacting on ethical behaviour that were not identified by the public sector, these factors are: economic conditions, organisational culture, values, beliefs, parental influence, ego strength and level of moral development.
- There are two factors that were identified by both the private and public sectors as impacting on ethical behaviour, these two factors are: a leader or manager's behaviour and a code of conduct.
- There were also two factors identified by the public sector that was not identified by the private sector, these two factors are: reward systems, referent others.

A final conclusion on the factors that were identified by all the respondents

Taking all the abovementioned results into consideration, it becomes evident that there are seven factors that have an impact on ethical behaviour in organisations, as identified by the entire population. These seven factors in order of importance are:

1) Leader or manager behaviour
2) Code of conduct
3) Values
4) Beliefs
5) Referent others
6) Reward systems
7) Parental influence.

A comparison between the results of the empirical inquiry and the theoretical inquiry

As mentioned above there were seven factors identified in the empirical inquiry as impacting on ethical behaviour. During the literature analysis phase six factors were identified as impacting on ethical behaviour in organisations, these six factors in order of importance are:

1) Referent others
2) Leader or manager behaviour
3) Reward systems
4) Code of conduct
5) Organisational culture
6) Level of moral development.

When comparing the factors identified in the empirical inquiry phase and the theoretical inquiry phase, four factors emerge that have been identified in both segments of the study as impacting on ethical behaviour in organisations. These four factors are:

- Referent others
- Leader or manager behaviour
- Reward systems
- Code of conduct.

It can therefore be concluded that these four factors have an impact on ethical behaviour in organisations.

5.6 RECOMMENDATIONS

In chapter 4, section 4.5 a number of detailed recommendations were made to address the factors identified as impacting on ethical behaviour in organisations. Therefore, the following section will only be a brief summary of some of the recommendations made to address the four factors identified in this study as impacting on ethical behaviour in organisations.

- Recommendation to address the factor: referent others

To address the negative impact referent others can have on ethical behaviour in organizations, the organization must identify appropriate and ethical referent others, who will lead with a good, ethical example and portray the types of behaviours the organization is trying to enforce. According to Stead et al (1990:239) since individuals are likely to face ethical issues most of their lives, there is little doubt that potential employees have significant ethical decision histories when they apply to join the company. Thus the first line of defence against unethical behaviour in the organization is the recruitment process. There are several methods available to organizations for ethical screening to ensure that they appoint more ethical people. One method is psychometric and integrity testing. The organization can purchase integrity and moral level assessments and assess all potential new employees on these assessments. There are a number of assessments on the market that can be used, for instance:

- Social reflection questionnaire (Gibs & Widaman, 1982)
- Standard issue scoring (Kohlberg, 1969)
- Defining issues test (Rest, 1979).

Another method is background investigations, which can range in scope from simply checking curriculum vitae information, calling references and requiring transcripts to hiring investigators. Background checking can be valuable tools

in screening employees. Full-blown investigations can be very expensive and time consuming and are only cost effective in cases of very sensitive positions. Further, before conducting such an investigation, the organization should inform the applicant and get his or her permission.

To address the issue of appointing more ethical referent others the organization might need to go back to the drawing board and re-look some of their processes, starting with their recruitment strategy. Since this is where so-called 'referent others' first enters the company. If the organization can succeed in ensuring as far as possible in only recruiting employees with high levels of integrity and ethics – it will go a long way in curbing the negative impact referent others can have on ethical behaviour in the organization. Other means of screening the ethics of employees are:

To require all new employees to read and sign a statement obliging them to abide by the companies values and ethical standards, as part of the application process.

Apart from ensuring that the organization only recruits more ethical employees during their recruitment drive, they also need to pay attention to the 'referent others' that are already employed by the company. In this case organizations must ensure that they only choose 'referent others' who portray ethically correct behaviour that the organisation is trying to enforce.

- Recommendation to address the factor: A leader or managers behaviour

There are cases where managers put such pressure on subordinates to perform that the employee feels that they have no choice but to resort to unethical behaviour to meet the manager's expectations. One study proved that employees with lower levels of cognitive moral development are more likely to follow their managers in ethically questionable behaviour (Candee, 1975:183).

Ranken (1987:634) points out that it is not the corporation itself that exerts moral responsibility but rather, the individual members of the corporation. Therefore, the institutionalisation of high ethical standards in corporations "…stems from the character of persons who occupy the relevant positions". Managers cannot expect ethical behaviour from employees if they do not behave ethically themselves, managers are the most significant role models in the organizational setting in Ranken's (1987:634) view; thus they have a major socialising influence. The key to being an efficient ethical role model for employees is to demonstrate consistency between one's ethical philosophy and ethical behaviour. Behaving ethically may mean that a manager refuses to carry out unethical policies, threatens to blow the whistle and actually blows the whistle (Stead et al, 1990: 239). Clearly, engaging in ethical behaviour may require a great deal of courage from the individual.

One recommendation to address a manager's behaviour as a factor impacting on ethical behaviour is that the organization can review their recruitment strategy as mentioned before, by incorporating stricter recruitment practices where potential employees are assessed in terms of their integrity and ethics, the appointment of new managers who will behave unethically can be minimised. In terms of addressing the behaviour of existing managers, the organization could provide ethics training to all it's managers and supervisors to sensitise them towards behaving more ethically. According to Stead et al (1990:239) managers need to have an experiential awareness of the types of ethical dilemmas they may face, and they need to know what actions to take in these dilemmas. Providing ethics training for managers is the key to increasing awareness. Ethics training usually starts with orientation sessions and open discussions of the firm's code of ethics/conduct. Managers should be encouraged to participate at a high level in these sessions. The orientation sessions are often followed by the use of fictitious ethical scenario's that simulates situations that managers may face on the job (Otten, 1986:23).

Secondly the organization could go even further and demand as well as enforce ethical behaviour from managers by rewarding such behaviour. The organization could include a reward or incentive into managers annual increases and performance bonuses for displaying ethical behaviour.

- Recommendations to address the factor: reward system

In order for organizations to address this factor, they need to design a reward system that rewards the employee for behaving ethically. For instance, in the sales environment, sales representatives are mostly focussed on quantity as opposed to quality. Which means they tend to be rewarded for the amount of sales they make and not necessarily the quality or level of ethical conduct they provide during each sale. If a sales representative's target is too high, the quality of their service or product might be jeopardized. Therefore, organizations should look at determining sales or other targets, which not only incentivises the sales representative on the number of sales made but also on the quality of service, ethical conduct and after sales support delivered to the client.

Organizations should also review the targets and expectations they set for employees. If organizations put too much pressure on employees to meet challenging, short-term financial goals, employees might resort to unethical behaviour to achieve these targets.

- Recommendations to address the factor: code of conduct

A study by Greenberg (2002) has proven that in the absence of a code of conduct, employees might actually be tempted to behave unethically. "The mere existence of a code, specific or general, can raise the ethical level of business behaviour because it clarifies what is meant by ethical behaviour." (Brenner & Molander, 1977:57.) In chapter 4 more studies of this kind have been

documented that indicate that the mere existence of a code of conduct can raise the level of ethical behaviour.

To address this factor, organizations must have a code of conduct as well as implement, communicate and reinforce it. This will clarify exactly what types of behaviour are considered to be unethical and therefore encourage staff to avoid it. Staff who transgress the code of conduct should be disciplined.

According to Stead et al (1990:239) in order for a code of conduct to be meaningful it must realistically focus on the potential ethical dilemmas, which may be faced by employees, it must be communicated to all employees, and it must be enforced. Further, a meaningful code of conduct cannot rely on blind obedience, it must be accepted and internalised by the employees who are required to implement it. This means that managers must pay attention, not only to the content of the code of ethics but also to the process of determining that content when they are writing a code of ethics for the organisation. A code should be developed and disseminated in an open, participative environment involving as many employees as possible. One way of doing this is to give codes of conduct to new employees as part of their selection and orientation program. Other ways include, conducting seminars or in-house training on the code of conduct and to communicate it to all levels in the organisation. Stead et al (1990:239) stress that communication of the code should take place in open discussion environments where employees are encouraged to ask questions and make suggestions concerning the codes. For example, many successful organizations encourage separate business units or departments to develop their own specific codes, which deals with the unique ethical dilemmas they faced.

Lastly, an organizations culture was also identified as a factor impacting on ethical behaviour. Organizational culture refers to organizational heroes and heroines, shared assumptions, beliefs and values, which has developed within

the organization. These beliefs are used to guide the behaviour of staff and therefore have the capacity to negatively impact on ethical behaviour if the values and beliefs that form part of the organizational culture do not support ethical behaviour. This can lead employees to think unethical behaviour is acceptable because it's part of the organizational culture.

5.7 FUTURE STUDIES

The aim of the present study was to identify the factors impacting on ethical behaviour in organisations, specifically in the South African context. However, in future investigations several limitations of the study would need to be considered. First, respondents from various organisations within a specific industry or sector could be used to obtain a more representative sample within specific industries. Second, more data focusing specifically on unethical behaviour in the South African work environment need to be researched and verified, in the present study very little information on factors impacting on unethical behaviour in South African organisations could be obtained.

Future studies could include:

- Some of the over 28 factors identified as impacting on ethical behaviour could be selected and their impact on ethical behaviour in specific organisations could be measured.
- One of the factors identified as impacting on ethical behaviour in organisations is an individuals level of cognitive moral development, a study could investigate how this factor actually influences a person to behave unethically.
- In this study a number of practical recommendations were made to address the four main factors impacting on ethical behaviour. A study could focus on implementing these recommendations in an organisational setting and

measuring their success in addressing the causes (factors) of unethical behaviour.

- Both groups of respondents in this study identified different sets of factors as impacting on ethical behaviour in their opinion, a study could focus on determining why these two sectors identified such different sets of factors as impacting on ethical behaviour.

In conclusion, these findings present a number of factors impacting on ethical behaviour in organisations. Others are encouraged to examine both theoretically and empirically these and other factors impacting on ethical behaviour in organisations.

5.8 SUMMARY

This chapter focused on the results and conclusions of the empirical inquiry. It also contains a number of recommendations to address the factors impacting on ethical behaviour in organisations. Descriptive statistics in the form of frequency tables were used to present the results of the empirical inquiry. The results were presented in three stages, firstly the results of the entire population were presented, interpreted and discussed. Then the results of the private and public sector's were presented in the same way and also interpreted and discussed. Finally conclusions were drawn and recommendations were made. In the final section recommendations for future studies were made.

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ATTACHMENT A

Results of the entire population

In the following section all the results of the entire population will be presented in the form of frequency tables which indicates how frequently each factor in the questionnaire was identified by the respondents as impacting on ethical behaviour in organisations.

A list of all the factors is available in chapter 2.

Frequency Table

EF 1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	10.6	10.6	10.6
	2	3	4.5	4.5	15.2
	3	15	22.7	22.7	37.9
	4	28	42.4	42.4	80.3
	5	13	19.7	19.7	100.0
	Total	66	100.0	100.0	

EF2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	9.1	9.4	9.4
	2	6	9.1	9.4	18.8
	3	11	16.7	17.2	35.9
	4	30	45.5	46.9	82.8
	5	11	16.7	17.2	100.0
	Total	64	97.0	100.0	
Missing	System	2	3.0		
Total		66	100.0		

EF3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	15.2	15.4	15.4
	2	17	25.8	26.2	41.5
	3	21	31.8	32.3	73.8
	4	14	21.2	21.5	95.4

	5	3	4.5	4.6	100.0
	Total	65	98.5	100.0	
Missing	**System**	1	1.5		
Total		66	100.0		

EF4

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	**1**	8	12.1	12.3	12.3
	2	12	18.2	18.5	30.8
	3	14	21.2	21.5	52.3
	4	18	27.3	27.7	80.0
	5	13	19.7	20.0	100.0
	Total	65	98.5	100.0	
Missing	**System**	1	1.5		
Total		66	100.0		

EF5

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	**1**	20	30.3	30.8	30.8
	2	11	16.7	16.9	47.7
	3	15	22.7	23.1	70.8
	4	9	13.6	13.8	84.6
	5	10	15.2	15.4	100.0
	Total	65	98.5	100.0	
Missing	**System**	1	1.5		
Total		66	100.0		

EF6

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	**1**	10	15.2	15.4	15.4
	2	9	13.6	13.8	29.2
	3	18	27.3	27.7	56.9
	4	22	33.3	33.8	90.8
	5	6	9.1	9.2	100.0

	Total	65	98.5	100.0	
Missing	**System**	1	1.5		
Total		66	100.0		

EF7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	8	12.1	12.5	12.5
	2	9	13.6	14.1	26.6
	3	20	30.3	31.3	57.8
	4	18	27.3	28.1	85.9
	5	9	13.6	14.1	100.0
	Total	64	97.0	100.0	
Missing	**System**	2	3.0		
Total		66	100.0		

Frequency Table

OF 1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	4	6.1	6.1	6.1
	2	7	10.6	10.6	16.7
	3	11	16.7	16.7	33.3
	4	30	45.5	45.5	78.8
	5	14	21.2	21.2	100.0
	Total	66	100.0	100.0	

OF2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	1	1.5	1.5	1.5
	2	7	10.6	10.6	12.1
	3	4	6.1	6.1	18.2
	4	36	54.5	54.5	72.7
	5	18	27.3	27.3	100.0
	Total	66	100.0	100.0	

OF3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	7.6	7.7	7.7
	2	8	12.1	12.3	20.0
	3	19	28.8	29.2	49.2
	4	20	30.3	30.8	80.0
	5	13	19.7	20.0	100.0
	Total	65	98.5	100.0	
Missing	System	1	1.5		
Total		66	100.0		

OF4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	12.1	12.1	12.1
	2	9	13.6	13.6	25.8
	3	19	28.8	28.8	54.5
	4	23	34.8	34.8	89.4
	5	7	10.6	10.6	100.0
	Total	66	100.0	100.0	

OF5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	7.6	7.6	7.6
	2	6	9.1	9.1	16.7
	3	12	18.2	18.2	34.8
	4	31	47.0	47.0	81.8
	5	12	18.2	18.2	100.0
	Total	66	100.0	100.0	

OF6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	7.6	7.6	7.6
	2	10	15.2	15.2	22.7
	3	18	27.3	27.3	50.0
	4	26	39.4	39.4	89.4
	5	7	10.6	10.6	100.0

	Total	66	100.0	100.0	

OF7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	1	1.5	1.5	1.5
	2	4	6.1	6.1	7.6
	3	9	13.6	13.6	21.2
	4	31	47.0	47.0	68.2
	5	21	31.8	31.8	100.0
	Total	66	100.0	100.0	

OF8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	7	10.6	10.6	10.6
	2	10	15.2	15.2	25.8
	3	23	34.8	34.8	60.6
	4	21	31.8	31.8	92.4
	5	5	7.6	7.6	100.0
	Total	66	100.0	100.0	

OF9

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	7	10.6	10.8	10.8
	2	20	30.3	30.8	41.5
	3	18	27.3	27.7	69.2
	4	13	19.7	20.0	89.2
	5	7	10.6	10.8	100.0
	Total	65	98.5	100.0	
Missing	**System**	1	1.5		
Total		66	100.0		

OF10

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	7	10.6	10.6	10.6
	2	12	18.2	18.2	28.8
	3	24	36.4	36.4	65.2
	4	16	24.2	24.2	89.4

	5	7	10.6	10.6	100.0
	Total	66	100.0	100.0	

Frequency Table

IF 1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	7	10.6	10.6	10.6
	2	16	24.2	24.2	34.8
	3	7	10.6	10.6	45.5
	4	25	37.9	37.9	83.3
	5	11	16.7	16.7	100.0
	Total	66	100.0	100.0	

IF2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	3	4.5	4.7	4.7
	2	12	18.2	18.8	23.4
	3	13	19.7	20.3	43.8
	4	27	40.9	42.2	85.9
	5	9	13.6	14.1	100.0
	Total	64	97.0	100.0	
Missing	**System**	2	3.0		
Total		66	100.0		

IF3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	3	4.5	4.5	4.5
	2	7	10.6	10.6	15.2
	3	15	22.7	22.7	37.9
	4	32	48.5	48.5	86.4
	5	9	13.6	13.6	100.0
	Total	66	100.0	100.0	

IF4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	4	6.1	6.2	6.2

	2	17	25.8	26.2	32.3
	3	16	24.2	24.6	56.9
	4	22	33.3	33.8	90.8
	5	6	9.1	9.2	100.0
	Total	65	98.5	100.0	
Missing	**System**	1	1.5		
Total		66	100.0		

IF5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	5	7.6	7.6	7.6
	2	9	13.6	13.6	21.2
	3	26	39.4	39.4	60.6
	4	21	31.8	31.8	92.4
	5	5	7.6	7.6	100.0
	Total	66	100.0	100.0	

IF6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	5	7.6	7.6	7.6
	2	4	6.1	6.1	13.6
	3	19	28.8	28.8	42.4
	4	26	39.4	39.4	81.8
	5	12	18.2	18.2	100.0
	Total	66	100.0	100.0	

IF7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**1**	6	9.1	9.1	9.1
	2	7	10.6	10.6	19.7
	3	20	30.3	30.3	50.0
	4	27	40.9	40.9	90.9
	5	6	9.1	9.1	100.0
	Total	66	100.0	100.0	

IF8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	6.1	6.1	6.1
	2	7	10.6	10.6	16.7
	3	12	18.2	18.2	34.8
	4	30	45.5	45.5	80.3
	5	13	19.7	19.7	100.0
	Total	66	100.0	100.0	

IF9

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	6.1	6.2	6.2
	2	5	7.6	7.7	13.8
	3	32	48.5	49.2	63.1
	4	19	28.8	29.2	92.3
	5	5	7.6	7.7	100.0
	Total	65	98.5	100.0	
Missing	System	1	1.5		
Total		66	100.0		

IF10

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	6.1	6.1	6.1
	2	5	7.6	7.6	13.6
	3	10	15.2	15.2	28.8
	4	27	40.9	40.9	69.7
	5	20	30.3	30.3	100.0
	Total	66	100.0	100.0	

IF11

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	9.1	9.1	9.1
	2	2	3.0	3.0	12.1
	3	8	12.1	12.1	24.2
	4	32	48.5	48.5	72.7

	5	18	27.3	27.3	100.0
	Total	66	100.0	100.0	

ATTACHMENT B

Results of the private sector and public sector groups where MBA = private sector and MPA = public sector respondents

In the following section the results in the form of frequency tables are represented for the private sector and public sector respondents.

A list of all the factors can be found in chapter 2.

EF1

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	1	3.1	3.1	9.4
		3	6	18.8	18.8	28.1
		4	18	56.3	56.3	84.4
		5	5	15.6	15.6	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	5	14.7	14.7	14.7
		2	2	5.9	5.9	20.6
		3	9	26.5	26.5	47.1
		4	10	29.4	29.4	76.5
		5	8	23.5	23.5	100.0
		Total	34	100.0	100.0	

EF2

EF2

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	5	15.6	15.6	21.9
		3	3	9.4	9.4	31.3
		4	16	50.0	50.0	81.3
		5	6	18.8	18.8	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	12.5	12.5
		2	1	2.9	3.1	15.6
		3	8	23.5	25.0	40.6
		4	14	41.2	43.8	84.4
		5	5	14.7	15.6	100.0
		Total	32	94.1	100.0	
	Missing	System	2	5.9		
	Total		34	100.0		

EF3

EF3

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	5	15.6	15.6	15.6
		2	11	34.4	34.4	50.0
		3	9	28.1	28.1	78.1
		4	6	18.8	18.8	96.9
		5	1	3.1	3.1	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	5	14.7	15.2	15.2
		2	6	17.6	18.2	33.3
		3	12	35.3	36.4	69.7
		4	8	23.5	24.2	93.9
		5	2	5.9	6.1	100.0
		Total	33	97.1	100.0	
	Missing	System	1	2.9		
	Total		34	100.0		

EF4

EF4

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	7	21.9	21.9	28.1
		3	4	12.5	12.5	40.6
		4	11	34.4	34.4	75.0
		5	8	25.0	25.0	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	6	17.6	18.2	18.2
		2	5	14.7	15.2	33.3
		3	10	29.4	30.3	63.6
		4	7	20.6	21.2	84.8
		5	5	14.7	15.2	100.0
		Total	33	97.1	100.0	
	Missing	System	1	2.9		
	Total		34	100.0		

EF5

EF5

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	10	31.3	31.3	31.3
		2	6	18.8	18.8	50.0
		3	6	18.8	18.8	68.8
		4	6	18.8	18.8	87.5
		5	4	12.5	12.5	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	10	29.4	30.3	30.3
		2	5	14.7	15.2	45.5
		3	9	26.5	27.3	72.7
		4	3	8.8	9.1	81.8
		5	6	17.6	18.2	100.0
		Total	33	97.1	100.0	
	Missing	System	1	2.9		
	Total		34	100.0		

EF6

EF6

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	5	15.6	15.6	15.6
		2	4	12.5	12.5	28.1
		3	10	31.3	31.3	59.4
		4	13	40.6	40.6	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	5	14.7	15.2	15.2
		2	5	14.7	15.2	30.3
		3	8	23.5	24.2	54.5
		4	9	26.5	27.3	81.8
		5	6	17.6	18.2	100.0
		Total	33	97.1	100.0	
	Missing	System	1	2.9		
	Total		34	100.0		

EF7

EF7

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	5	15.6	15.6	21.9
		3	9	28.1	28.1	50.0
		4	12	37.5	37.5	87.5
		5	4	12.5	12.5	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	6	17.6	18.8	18.8
		2	4	11.8	12.5	31.3
		3	11	32.4	34.4	65.6
		4	6	17.6	18.8	84.4
		5	5	14.7	15.6	100.0
		Total	32	94.1	100.0	
	Missing	System	2	5.9		
	Total		34	100.0		

OF1

OF1

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	5	15.6	15.6	18.8
		3	8	25.0	25.0	43.8
		4	15	46.9	46.9	90.6
		5	3	9.4	9.4	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	3	8.8	8.8	8.8
		2	2	5.9	5.9	14.7
		3	3	8.8	8.8	23.5
		4	15	44.1	44.1	67.6
		5	11	32.4	32.4	100.0
		Total	34	100.0	100.0	

OF2

OF2

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	2	4	12.5	12.5	12.5
		3	3	9.4	9.4	21.9
		4	20	62.5	62.5	84.4
		5	5	15.6	15.6	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	1	2.9	2.9	2.9
		2	3	8.8	8.8	11.8
		3	1	2.9	2.9	14.7
		4	16	47.1	47.1	61.8
		5	13	38.2	38.2	100.0
		Total	34	100.0	100.0	

OF3

OF3

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	5	15.6	15.6	18.8
		3	11	34.4	34.4	53.1
		4	12	37.5	37.5	90.6
		5	3	9.4	9.4	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	12.1	12.1
		2	3	8.8	9.1	21.2
		3	8	23.5	24.2	45.5
		4	8	23.5	24.2	69.7
		5	10	29.4	30.3	100.0
		Total	33	97.1	100.0	
	Missing	System	1	2.9		
	Total		34	100.0		

OF4

OF4

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	3	9.4	9.4	9.4
		2	6	18.8	18.8	28.1
		3	9	28.1	28.1	56.3
		4	13	40.6	40.6	96.9
		5	1	3.1	3.1	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	5	14.7	14.7	14.7
		2	3	8.8	8.8	23.5
		3	10	29.4	29.4	52.9
		4	10	29.4	29.4	82.4
		5	6	17.6	17.6	100.0
		Total	34	100.0	100.0	

OF5

OF5

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	2	6.3	6.3	9.4
		3	4	12.5	12.5	21.9
		4	18	56.3	56.3	78.1
		5	7	21.9	21.9	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	11.8	11.8
		2	4	11.8	11.8	23.5
		3	8	23.5	23.5	47.1
		4	13	38.2	38.2	85.3
		5	5	14.7	14.7	100.0
		Total	34	100.0	100.0	

OF6

OF6

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	4	12.5	12.5	18.8
		3	12	37.5	37.5	56.3
		4	12	37.5	37.5	93.8
		5	2	6.3	6.3	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	3	8.8	8.8	8.8
		2	6	17.6	17.6	26.5
		3	6	17.6	17.6	44.1
		4	14	41.2	41.2	85.3
		5	5	14.7	14.7	100.0
		Total	34	100.0	100.0	

OF7

OF7

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	2	6.3	6.3	9.4
		3	5	15.6	15.6	25.0
		4	17	53.1	53.1	78.1
		5	7	21.9	21.9	100.0
		Total	32	100.0	100.0	
MPA	Valid	2	2	5.9	5.9	5.9
		3	4	11.8	11.8	17.6
		4	14	41.2	41.2	58.8
		5	14	41.2	41.2	100.0
		Total	34	100.0	100.0	

OF8

OF8

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	8	25.0	25.0	31.3
		3	10	31.3	31.3	62.5
		4	11	34.4	34.4	96.9
		5	1	3.1	3.1	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	5	14.7	14.7	14.7
		2	2	5.9	5.9	20.6
		3	13	38.2	38.2	58.8
		4	10	29.4	29.4	88.2
		5	4	11.8	11.8	100.0
		Total	34	100.0	100.0	

OF9

OF9

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	16	50.0	50.0	56.3
		3	8	25.0	25.0	81.3
		4	6	18.8	18.8	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	5	14.7	15.2	15.2
		2	4	11.8	12.1	27.3
		3	10	29.4	30.3	57.6
		4	7	20.6	21.2	78.8
		5	7	20.6	21.2	100.0
		Total	33	97.1	100.0	
	Missing	System	1	2.9		
	Total		34	100.0		

OF10

OF10

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	8	25.0	25.0	31.3
		3	13	40.6	40.6	71.9
		4	9	28.1	28.1	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	5	14.7	14.7	14.7
		2	4	11.8	11.8	26.5
		3	11	32.4	32.4	58.8
		4	7	20.6	20.6	79.4
		5	7	20.6	20.6	100.0
		Total	34	100.0	100.0	

IF1

IF1

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	12	37.5	37.5	43.8
		3	4	12.5	12.5	56.3
		4	13	40.6	40.6	96.9
		5	1	3.1	3.1	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	5	14.7	14.7	14.7
		2	4	11.8	11.8	26.5
		3	3	8.8	8.8	35.3
		4	12	35.3	35.3	70.6
		5	10	29.4	29.4	100.0
		Total	34	100.0	100.0	

IF2

IF2

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.3	3.3
		2	9	28.1	30.0	33.3
		3	3	9.4	10.0	43.3
		4	14	43.8	46.7	90.0
		5	3	9.4	10.0	100.0
		Total	30	93.8	100.0	
	Missing	System	2	6.3		
	Total		32	100.0		
MPA	Valid	1	2	5.9	5.9	5.9
		2	3	8.8	8.8	14.7
		3	10	29.4	29.4	44.1
		4	13	38.2	38.2	82.4
		5	6	17.6	17.6	100.0
		Total	34	100.0	100.0	

IF3

IF3

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	4	12.5	12.5	15.6
		3	11	34.4	34.4	50.0
		4	15	46.9	46.9	96.9
		5	1	3.1	3.1	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	2	5.9	5.9	5.9
		2	3	8.8	8.8	14.7
		3	4	11.8	11.8	26.5
		4	17	50.0	50.0	76.5
		5	8	23.5	23.5	100.0
		Total	34	100.0	100.0	

IF4

IF4

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	10	31.3	31.3	34.4
		3	11	34.4	34.4	68.8
		4	9	28.1	28.1	96.9
		5	1	3.1	3.1	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	3	8.8	9.1	9.1
		2	7	20.6	21.2	30.3
		3	5	14.7	15.2	45.5
		4	13	38.2	39.4	84.8
		5	5	14.7	15.2	100.0
		Total	33	97.1	100.0	
	Missing	System	1	2.9		
	Total		34	100.0		

IF5

IF5

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	7	21.9	21.9	25.0
		3	14	43.8	43.8	68.8
		4	10	31.3	31.3	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	11.8	11.8
		2	2	5.9	5.9	17.6
		3	12	35.3	35.3	52.9
		4	11	32.4	32.4	85.3
		5	5	14.7	14.7	100.0
		Total	34	100.0	100.0	

IF6

IF6

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	2	6.3	6.3	9.4
		3	9	28.1	28.1	37.5
		4	14	43.8	43.8	81.3
		5	6	18.8	18.8	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	11.8	11.8
		2	2	5.9	5.9	17.6
		3	10	29.4	29.4	47.1
		4	12	35.3	35.3	82.4
		5	6	17.6	17.6	100.0
		Total	34	100.0	100.0	

IF7

IF7

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	3	9.4	9.4	15.6
		3	10	31.3	31.3	46.9
		4	15	46.9	46.9	93.8
		5	2	6.3	6.3	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	11.8	11.8
		2	4	11.8	11.8	23.5
		3	10	29.4	29.4	52.9
		4	12	35.3	35.3	88.2
		5	4	11.8	11.8	100.0
		Total	34	100.0	100.0	

IF8

IF8

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	2	4	12.5	12.5	12.5
		3	5	15.6	15.6	28.1
		4	17	53.1	53.1	81.3
		5	6	18.8	18.8	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	11.8	11.8
		2	3	8.8	8.8	20.6
		3	7	20.6	20.6	41.2
		4	13	38.2	38.2	79.4
		5	7	20.6	20.6	100.0
		Total	34	100.0	100.0	

IF9

IF9

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	2	3	9.4	9.4	9.4
		3	18	56.3	56.3	65.6
		4	10	31.3	31.3	96.9
		5	1	3.1	3.1	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	12.1	12.1
		2	2	5.9	6.1	18.2
		3	14	41.2	42.4	60.6
		4	9	26.5	27.3	87.9
		5	4	11.8	12.1	100.0
		Total	33	97.1	100.0	
	Missing	System	1	2.9		
	Total		34	100.0		

IF10

IF10

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	1	3.1	3.1	3.1
		2	1	3.1	3.1	6.3
		3	6	18.8	18.8	25.0
		4	13	40.6	40.6	65.6
		5	11	34.4	34.4	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	3	8.8	8.8	8.8
		2	4	11.8	11.8	20.6
		3	4	11.8	11.8	32.4
		4	14	41.2	41.2	73.5
		5	9	26.5	26.5	100.0
		Total	34	100.0	100.0	

IF11

IF11

Respondent Id			Frequency	Percent	Valid Percent	Cumulative Percent
MBA	Valid	1	2	6.3	6.3	6.3
		2	1	3.1	3.1	9.4
		3	2	6.3	6.3	15.6
		4	20	62.5	62.5	78.1
		5	7	21.9	21.9	100.0
		Total	32	100.0	100.0	
MPA	Valid	1	4	11.8	11.8	11.8
		2	1	2.9	2.9	14.7
		3	6	17.6	17.6	32.4
		4	12	35.3	35.3	67.6
		5	11	32.4	32.4	100.0
		Total	34	100.0	100.0	

ATTACHMENT C

Results of the content analysis

The table below summarises the results of the content analysis conducted during the theoretical inquiry phase.

MOST IMPORTANT FACTORS IMPACTING ON ETHICAL BEHAVIOUR IN ORGANISATIONS	THE FOLLOWING RESEARCHERS IDENTIFIED THE FACTOR AS IMPACTING ON ETHICAL BEHAVIOUR	RANK ORDER OF FACTORS
Referent others	• Bartels (1967) • Campbell and Bond (1982) • Trevino (1986) • Bommer et al (1987) • Dubinsky and Loken (1989) • Wotruba (1990) • Stead et al (1990) • Fritzsche (1991) • Painter-Morland (2001) • CACE report (2002)	1
Manager Behaviour	• Baumhart (1961) • Bartels (1967) • Brenner and Molander (1977) • Chonko and Hunt (1985) • Wotruba (1990) • Stead et al (1990) • Nijhof (1999) • Aronson (2001) • Mafunisa (2002)	2
Reward system	• Hegarty and Sims (1978) • Chonko and Hunt (1985) • Ferrell et al (1989)	3

	(1989) • Wotruba (1990) • Fritzsche (1991) • Kurland (1995) • Mafunisa (2002)	
Code of conduct	• Chonko and Hunt (1985) • Trevino (1986) • Bommer et al (1987) • Ferrell et al (1989) • Campbell and Bond (1982) • Fritzsche (1991) • Mafunisa (2002)	4
Organisational Culture	• Trevino (1986) • Bommer et al (1987) • Ferrell et al (1989) • Wotruba (1990) • Fritzsche (1991) • Nijhof (1999) • Painter-Morland (2001)	5
Level of moral development	• Trevino (1986) • Bommer et al (1987) • Ferrell and Gresham (1989) • Wotruba (1990)	6

1 = most important factor

As discussed in chapter 4, there were many factors identified in the literature as impacting on ethical behaviour in organisations, however the table above illustrates the factors that was identified most frequently by the different models or articles researched as well as which factor is identified the most in the literature as impacting on ethical behaviour.