Journal of Business Systems, Governance & Ethics

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Contents

Editorial

This is the first issue of Volume 5 of the *Journal of Business Systems, Governance and Ethics* for 2010, its 5th year of publication.

The first article in this issue: *Looking at Both Sides of the Coin: Revisiting the Role of Country of Origin in International Business* is by Alexander Josiassen from Victoria University, Melbourne and Richard Fletcher from the University of Western Sydney. In this article they note that in international business the country-of-origin and psychological distance concepts play crucial roles and that both have been extensively investigated by researchers. They point out however, that the notion that they both deal with country-perceptions as seen from the seller and buyer respectively have mostly been overlooked in the literature, and in their article argue that the two concepts are critical to market success and that firms must consider their joint influence on the buyer-seller relationship as well as on the individual deal.

The second article: *Linking Islamic Work Ethic to Computer Use Ethics, Job Satisfaction and Organisational Commitment in Malaysia* has been contributed by Norshidah Mohamed, Nor Shahriza Abdul Karim and Ramlah Hussein from the International Islamic University Malaysia. The article described research that seeks to investigate whether the Islamic work ethic is linked to individuals' attitudes towards computer use ethics, job satisfaction and organisational commitment. The research used a cross-sectional self-administered survey method in the International Islamic University Malaysia. The study found that Islamic work ethic within a university environment is linked to individuals' attitudes towards computer use ethics, job satisfaction and organisational commitment.

Next is an article by Joshua Fogel from the City University of New York, Nadine McSween from Brooklyn USA and Osman Dutt, Regional Service Coordinator, Chartis, Berkeley Heights USA and looks at: *Religious Affiliation and Ethics: Patterns Regarding Beliefs for Workplace Behaviours*. In their article they note that Ethical decisions are made regarding day-to-day workplace behaviours. Their research involved a survey of 315 college students in the USA from 9 different religious categories: Catholic, Christian, Jewish, Muslim, Hindu, Buddhist, Agnostic, Atheist, and Other. These students were asked whether "in the workplace, it is acceptable to do so" for 27 different behaviours, and the article describes the results.

The next article: *IT Governance Awareness and Practices: an Insight from Malaysian Senior Management Perspective* is by Yap May Lin, Noor Habibah Arshad, Halilah Haron, Yap Bee Wah and Azlinah Mohamed from Universiti Teknologi MARA, Selangor, Malaysia, and Muhammad Yusoff from the Open University Malaysia. In the article, the authors point out that while corporate governance is now receiving due attention in the Asian region, IT governance does not appear to be given much credence even though business processes today mandate IT. Using senior management sample data from Malaysian organizations, a study was conducted to determine the awareness and practices of IT governance, and the reported finding indicate that Malaysian businesses appeared to exhibit awareness but that IT governance was only partially practiced.

In the final article: *The Attempt to Privatise Business Ethics: A Critique of The Claims of Contractarianism to Be The Ethical Framework for Global Business*, G. D. Donleavy from the University of Western Sydney, notes that many issues in business ethics centre on the meaning and scope of the notion 'duty of care', and in his paper he examines three major ethical frameworks that have different ideas about this. In particular the paper critically analyses the recent claims of Contractarianism in the Academy of Management Review and finds these wanting to a serious degree. The paper argues that while Kohlberg is universalist, therefore a recognisably ethical moral framework, it shares with Contractarianism the disadvantage of a problematic a priori rationality in terms of its specifically ethical judgments.

Arthur Tatnall
Editor

Looking at Both Sides of the Coin: Revisiting the Role of Country of Origin in International Business

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Abstract

In international business the country-of-origin and psychological distance concepts play crucial roles. Both have been extensively investigated by researchers. However, the notion that they both deal with country-perceptions as seen from the seller and buyer respectively have mostly been overlooked in the extant literature. In this article, the authors argue that the two concepts are critical to market success and that firms must consider their joint influence on the buyer-seller relationship as well as on the individual deal. The issue is further illustrated via a case study. Conceptually, the holistic network-perspective which the authors advocate is a distinct departure from previous research-traditions in either area.

Keywords

Psychological Distance, Country-of-origin, International Marketing, International Management, Consumer Behaviour, Case study.

Introduction

That origins differ is the fundamental premise of international business. Concepts such as country-of-origin (COO) and psychological distance (PD) both rely on this basic premise. COO refers to the buyer's perception of the seller's origin and PD refers to the seller's perception of the buyer's origin. While any international trade involves at least two parties the extant literature in each of these research areas has tended to examine them separately (e.g. O'Grady & Lane, 1996; Peterson & Jolibert, 1995). There is a need for these concepts to be explored jointly so as to better portray how international business actually takes place. In this paper, we develop a more holistic perspective of doing business in international markets that views the relationship between the exporting firm and the importing firm as the unit of analysis. We also develop four illustrative propositions which address this holistic view. Both psychological distance and country of origin will be treated as perceptual constructs – viz they reflect the way individuals perceive origins or products/services identified with those origins regardless of whether the individual is a manager representing an organization or a consumer. We organize the paper as follows: First we review the extant literature relating to PD and COO. Next we make a case for a joint consideration of PD and COO and illustrate the linkage with two case examples. Then we discuss the implications for theory and practice, and present four illustrative propositions for future research derived from the PD and COO.

Psychological Distance

Psychological distance refers to the perception of the differences between the home and the foreign country (O'Grady and Lane, 1996). It has been defined "as the sum of factors preventing or disturbing the

flows of information between firm and markets" (Johansson and Wiedersheim-Paul 1975) or as "the distance between the home market and a foreign market, resulting from the perception of both cultural and business differences" (Evans and Mavondo 2002). Chetty and Campbell-Hunt (2004) specify these differences as language, culture, political system, business practices, industrial development and educational system and Dow and Karunaratna (2006) found the differences to be language, religion, education, level of country's development and political systems. In international marketing, for the seller the psychological distance impacts on the desire to undertake business with buyers from other countries and on the willingness to commit resources to such a venture.

As such, PD is a perceptual construct that operates at the individual level (Harzing, 2003). It is often measured using indices of cultural distance (Fletcher and Bohn 1998) and this is rationalised as being a surrogate for psychological distance on the grounds that other factors causing psychological distance are also influenced by culture. In most cases, the measures of cultural distance have been based on Hofstede's 1980 measures (Fletcher and Bohn, 1998, Evans and Mavondo, 2002) although more recently, Ng et al, (2007) found that Swartz's values were a better measure of cultural distance. Recently the use of cultural distance as a proxy for PD has been challenged. The critique is that whereas PD should be measured at the individual level due to it being a perceptual construct, the measure used to measure cultural distance is based on Hofstede (1980) which is a national level measure (Sousa and Bradley 2003).

Brewer (2004) argues that familiarity with the potential overseas market operates as a moderating variable on psychological distance as a perceptual construct. He points out that despite major cultural differences, Japan is Australia's major export market, China is growing as a market for Australia faster than any other overseas market and there has been a major shift to east and south-east Asian countries as markets for Australian goods and services over the last 30 years. None of these markets are close to Australia in psychological distance terms as measured by Fletcher and Bohn (1998). Brewer (2004) explains this apparent contradiction as being due to market familiarity which includes commercial ties, political ties, historic ties, geographic ties, social ties, information ties and levels of development which he measures via a 16 item index.

According to Evans and Mondavo (2002), apart from national culture, business factors also impact on psychological distance. These indictors of business distance include:

- politics (factors such as membership of regional trade groupings; stability within the state and within local areas of the state)
- economics (Gross National Product level; economic stability; degree of government control over business; extent of currency fluctuations)
- business practices (the structure of the market, difficulties of access; differences in business practices such as attitude to bribery)
- language differences (the script, the extent of tonality; how the language is written; the pattern of discourse).

Here one would add, most importantly, cultural understanding.

Evans and Mondavo (2002) measured cultural distance using Hofstede and Bond's (1988) five dimensions – power distance, individuality, masculinity, uncertainty avoidance and long-term orientation. They found a very high correlation between measures of cultural distance and business distance. Their overall conclusion was that psychological distance as a summary construct explains a significant proportion of the variance in financial performance and strategic effectiveness in foreign markets.

Some specificity here would be helpful.

Psychological distance is also likely to affect evaluation of potential opportunities for business in a country. Perceptions of psychological distance however are likely to be modified by both additional information about a country and experience in dealing with people from that country. Sousa and Bradley (2003) proposed a theoretical framework for psychological distance. This framework shows that cultural distance, experience and values are responsible for perceptions of psychological distance.

This fits the notion that psychological distance is a perceptual construct influenced by values as reflected in culture and modified by experience.

Country-of-Origin Image

Recent research confirms the importance of the COO construct to buyers' when evaluating products for purchase, and thus to marketers (Josiassen & Harzing 2008). Like PD, COO is also a perceptual construct (Gurhan-Canli & Maheswaran, 2000a, 2000b; Han, 1989; Knight & Calantone, 2000; Verlegh & Steenkamp, 1999). The fact that the concept is often referred to as country of origin image, underlines its perceptual nature. COO image has been the subject of a large volume of research (for reviews, see Al-Sulaiti & Baker, 1998; Bilkey & Nes, 1982; A. P. Josiassen & Karpen, 2007; Ozsomer & Cavusgil, 1991; Peterson & Jolibert, 1995; Pharr, 2005; Verlegh & Steenkamp, 1999). Originally regarded as a reflection of the country in which goods were wholly manufactured (Holzmuller and Lenz, 2004), the concept has now acquired a broader currency and can embrace country-of-assembly, country-of-design, country–of-ownership or even the country associated with the original brand (Li, Murray, & Scott, 2000; Tse & Gorn, 1993). As such, the increasing practice of global sourcing frequently results in hybrid products with multiple origins. Regardless of the form it takes, there will still be, apart from truly global products and global brands, a perceptual linking with a country with which the product is associated in the mind of the buyer (Usunier, 2006). Its effect is the influence that the country-of-association has on the positive or negative perception of the product or service. It serves as a signal for product quality and performance (Han, 1989). It can be a marketing asset as when the captious cues of a COO are used for a product or service with no direct association with that country (Fletcher and Bell 2002). In essence, COO generally refers to ways in which the buyer perceives an overseas source of supply in terms of its attractiveness (Josiassen and Harzing 2008).

The COO sometimes serves as a substitute in the decision making process when there is a lack of specific information about a product or service as offered from overseas. The influence of the construct is likely to vary in inverse proportion to the extent that information about the attributes of a product or service that is available to the buyer (Acharya and Elliott 2001). For many years the role of product familiarity in terms of moderating the COO effect was unclear. As such, Han and Terpstra (1998), asserted that COO plays a major role when the buyer is unfamiliar with the foreign source of the product. Others (Johansson, Douglas, & Nonaka, 1985) found that COO plays a greater role when the buyer is familiar with the product category. Recently this long standing issue was resolved; in support of Han and Terpstra (1998) it was confirmed that higher product familiarity decreases consumers' propensity to rely on the COO cue (A. Josiassen, Lukas, & Whitwell, 2008). With regard to the effects of the COO cue, there is strong evidence (Peterson and Jolibert 1995) that COO information can influence a given buyer's perceptions. Extant research (Gurhan-Canli & Maheswaran, 2000a, 2000b) finds that beliefs about a product and its COO can be descriptive and based on direct recent experience with the product; inferential based on past experience with the product and/or informational based on external sources of information such as friends/relatives or advertising. In addition, buyers often have product-related stereotypes about countries that are based on hearsay or myth.

Another issue is whether the COO image is formed without direct experience with the products from a given origin, but merely on the basis of other 'evidence' (such as the 'halo-effect') or whether the COO image is a summary of a number of direct experiences with products and services from that country (summary-effect) (Han, 1989). In general, the 'halo' construct operates where consumers are unfamiliar with the product and the 'summary' construct operates where consumers know the product or service and then form conclusions about the country of origin based on their experience with the product (A. Josiassen et al., 2008).

Research (Okechuku & Onyemah, 1999) further shows that that buyers are more receptive to products from developed countries, less receptive to products from developing countries and negative towards products from the least developed countries, depending on the level of sophistication of the product concerned. This reflects the notion that products are perceived as being of higher quality when produced in developed countries (Bilkey and Ness 1982) and that differences in economic

development create an important contingency within which the COO effect operates (Verlegh and Steenkamp 1999).

COO perceptions may change over time both with increasing experience regarding products and services from a country. Alternatively perceptions may be influenced as the country moves to a higher stage of development with a consequent increase in product quality and product performance (Nagashima, 1977). For the global or trans-national company, COO may influence location decisions and the degree of value adding to be undertaken in a specific overseas market. Acharya and Elliott (2001) found that shifting the production location to a country with a less favourable COO image may result in lower consumer confidence even for well-known brands.

The impact of COO on decision-making may also vary according to the extent of consumer ethnocentrism in a market (Shimp & Sharma, 1987). The concept of consumer ethnocentrism is closely related to the concept of patriotism, which is a value that reflects a willingness to love, support and defend one's country. Patriotism has been shown to influence the attitude of consumers towards foreign products (Pullman et al 1997).

The above discussion of PD illustrates that evaluation of products or services from a country is influenced by how the culture, politics, application of laws, economic situation, adequacy of infrastructure and other aspects of the environment in that country, such as language. The above discussion of COO also suggests that this construct, like PD, may be viewed as a perceptual construct influenced by values as reflected in culture and modified by experience.

Making a Case for Joint Consideration of the Seller's and the Buyer's Origin Perceptions

Both PD and COO are central international marketing management concepts which are likely to impact on firms' internationalisation. Traditionally approaches to internationalisation focussed on outward driven, mostly export led activities (Cavusgil, 1980; Johanson and Vahlne, 1977, 1993; Piercy, 1981). Then the focus turned to internationalisation from an inward perspective mostly driven by import led activities (Yeoh and Cavusgil, 1990; Rajagopal and Bernard, 1993; Herbig and O'Hara, 1993). A more recent focus has been on internationalisation from an interactive perspective which included linked forms of internationalisation such as strategic alliances, outsourcing, co-operative manufacture and countertrade (Korhonen, Luostarinen and Welch, 1994; Fletcher, 2001).This more holistic focus emphasises the role of linkages and relationships in the internationalisation process. It is in this context that PD and COO are now considered. PD and COO may play a role with regard to both inward and outward international transactions. Perceptions of PD can impact on buying from an overseas source as well as selling to that source. Perceptions of COO can also impact on both the marketing of domestically manufactures products overseas as well as on foreign made goods in the domestic market (Knight and Calantone, 2000). In addition, Stottinger and Schlegemilch (1998) found that psychological distance between buyers and sellers is asymmetrical and that the "distance to the US market as perceived by a Japanese exporter is not the same as the distance to Japan as perceived by an American importer" (Ellis, 2008, p.356).

As far as PD is concerned, the empirical evidence regarding its influence on issues such as market entry is mixed (Brouthers and Brouthers, 2001). A seminal finding of Tihanyi et al. (2005) was the lack of direct effects of cultural distance and the importance of moderation effects. Specifically, in the abstract they note "Regression results failed to provide statistical evidence of significant relationships between cultural distance and entry mode choice, international diversification, and multinational enterprise (MNE) performance. The examination of moderator effects, however, yielded important results; we found a strong negative association between cultural distance and entry mode choice for US-based MNEs" (Tihanyi et al., 2005, p. 212). Ellis (2008) found that PD did not have a direct link with export market selection. This suggests other forces at work in the interactions involved in market entry.

Concerning COO, Rahman (2001) found that in developing countries such as Bangladesh, country of origin may not translate into buying decisions. In many developing countries, the country of origin can predispose consumers towards imported goods in contrast to developed countries where the effect

coupled with ethnocentrism is a predisposition towards local products. This also suggests other forces at work such as differences in market structures and consumer behaviours (Ahmed and d'Astous, 1999).

One reason why PD and COO have been treated as independent concepts may be that most related research has occurred in developed countries (Wang and Chen, 2004). Research has shown that developing countries are more likely to be collectivist (Hofstede, 2001), highly contextual (Hall 1976) and view transactions as being part of a long term relationship as opposed to discrete events (Hofstede and Bond 1988). Firms from collectivist countries also have a history of being more likely to engage in international trade on a reciprocal basis (Fletcher 1996).

The Anholt-GMI study (2005) resulted in the creation of a Nation Brands index which measures the power and appeal of a nation's brand image and argues that this image is a function of tourism, exports, people, governance, culture, heritage, immigration and investment. Although this index of national brand power is intended to apply to buyers, it may also apply to sellers in terms of attractiveness of doing business with a country.

In the same way that COO affects the buyer's evaluation of the seller's value proposition (Verlegh, Steenkamp and Meulenberg, 2005) it is likely that PD affects the seller's evaluation of the buyer's 'value proposition'. In the same way that information about a country or experience with its products can modify buyers' COO image, knowledge about a country and experience in dealing with its nationals and institutions is likely to modify PD.

A review of the literature on both psychological distance and country of origin reveals that over time there has been a move away from defining these constructs in concrete terms to defining both these constructs in perceptual terms. In general terms, PD is a seller decision-making variable whereas COO is a buyer decision making variable. Both are perceptual constructs and it does not seem to far-fetched to suggest that a positive relationship will depend on these two perceptions being in harmony. If PD influences perceptions on the part of the seller or exporter and COO influences perceptions on the part of the buyer or importer in an international relationship, then it would seem that both aspects of the relationship should be considered in the pursuit of a better understanding of international business.

Our literature review further reveals that there are a number of underlying factors that could be common to both PD and COO. These are language, culture, business customs and practices, the political system and its operation, the financial condition of the market, economic indicators, infrastructure and its availability, level of education and training, prior experience with the country or market for the product category, and availability of information. Another issue for consideration is that of information asymmetry in a proposed international transaction. COO Perceptions often substitute readily available information on a country, and perceptions of PD are often driven by lack of information about a country. Both constructs can be substitutes for information and both diminish in importance when factual information is available. According to the literature, both concepts are heavily influenced by culture which in turn reflects the values of the society (Low and Fletcher, 2004). The values of the importer re COO will interact with the values of the exporter re PD.

Illustration of the Potential for Interaction between PD and COO

The potential for interaction between perceptions of COO and PD is explored in a review of two international transactions based on exploring the networks of relationships involved in the transactions. The value in seeing the business relationship as the unit of analysis, and thus viewing these two concepts as 'two sides of a coin', is that business practitioners gain more realistic insight into the effects of these constructs as they apply in the international market place. The network paradigm may serve as underlying theoretical framework where a more holistic view is especially critical.

The operation of the network paradigm in international marketing is based on co-operation between importer and exporter rather than competition and this presupposes that each party is sensitive to the perceptions of the other. The network paradigm is anchored in the concept of relationships where the driver is co-operation to create value for both importer and exporter. There is the notion of continuous

interaction between importer and exporter to create mutual advantage and the viewing by both parties of the other as a relationship partner.

The principal relationship between the importer and the exporter is linked to the other relationships each of the parties have. It is the totality of these relationships that form the wider network. It is within this wider network that the *"offerings of each company are developed, bought, sold, added to, refined, combined and sold onto others until they reach a final customer. The relationship between a single customer and supplier in the network will be affected by that customer's relationships with its own customers and the supplier's relationships with its own suppliers" (Ford et al 2003).*

This pattern of relationships would suggest that a concept impacting on the importer will be related to a concept impacting on the exporter and that this is likely to be reflected in the network paradigm – especially when both parties to the focal relationship have elements in common.

As such, the networks in which exporter and importer are embedded may be useful for addressing perceptions of PD and COO in the context of the business relationship. It is argued that many parties in the network in which the importer is embedded are likely to be influenced by perceptions of the COO regarding the goods/services on offer and several parties in the network in which the exporter is embedded are likely to be influenced by perceptions of PD between their home country and the country from which the goods/services might be supplied. It is when the importer network becomes linked in a potential transaction to the exporter network that COO perceptions mesh with PD perceptions.
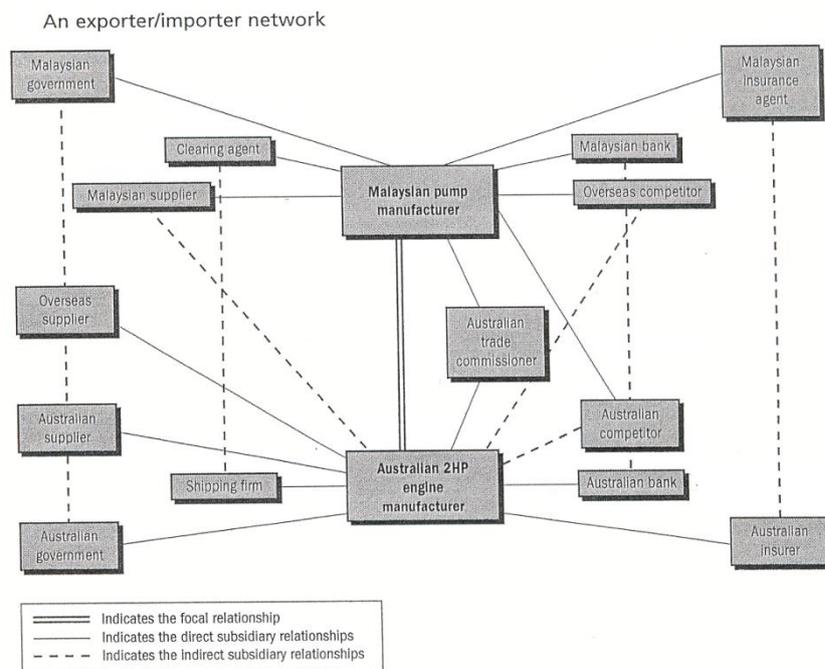
Figure 1: Network Map (Fletcher and Brown 2008, p.479)

Figure 1 illustrates this by depicting a network map of a typical export/import transaction between an Australian producer of 2 hp engines for pumps and a Malaysian manufacturer of pumps. In this figure, not only the Malaysian pump manufacturer, but indirectly all other parties located in the Malaysian pump manufacturers network (government, suppliers, facilitators, financial institutions, competitors etc) are likely to be influenced by perceptions of Australia as a country of origin for pump engines. Likewise, not only the Australian engine producer, but also other parties located in the Australian engine producer's network (government, competitors, suppliers, facilitators, financial institutions etc) are likely to be influenced by perceptions of Malaysia's attractiveness as a market in terms of its psychological distance from Australia. There are, in addition, mediating influences: As an illustration, the views of other parties in Malaysia who have had experience dealing with Australia and conversely

the views of other parties in Australia who have had experience dealing with Malaysia, may influence the parties to the focal import/export relationship as far as COO and PD are concerned.

Figure 2: Vietnamese Seafood case-study (Fletcher, 1996, p.315)

Figure 2 illustrates this in the case of seafood exported from Vietnam to the Australian market based on counter-trade. The Vietnamese seafood producer as well as other parties located in the Vietnamese seafood producer's network is likely to be influenced by Australia's attractiveness as a market in terms of its PD from Vietnam. Likewise, not only the Australian seafood importer, but indirectly all other parties in the Australian seafood importer's network are likely to be influenced by perceptions of Vietnam as a COO for seafood. This case shows that one way of overcoming problems of both COO and PD may be to move to a more resource intensive mode of international involvement beyond the import/export transaction. It illustrates a counter-trade transaction between a Vietnamese seafood producer and an Australian seafood importer. When circumstances in the overseas market do not permit the free flow of trade, often devices such as counter-trade are employed whereby reciprocal obligations are formalised into a conditional arrangement without which the business cannot occur. At the time of this case research, Vietnam was an unknown source of supply of seafood in the Australian market and had a negative country of origin image compared to other current sources of supply such as Malaysia and Thailand due to memories of the Vietnam war, its communist background, its economic situation and the flight of refugees into Australia. From the perspective of the Vietnamese seafood producer in 1987, Australia was psychologically distant from Vietnam and not considered as an export destination as the product had traditionally been caught and sold rather than marketed internationally and mostly to trading partners in the communist bloc. These issues were addressed by the Australian firm (Independent Seafoods) establishing an operation in Vietnam that oversaw the catching of the shrimp, the handling of the product in a manner that met Australian health and quarantine requirements, the branding of the product with an established brand used by Independent Seafoods when marketing products in Australia and marketing the product in Australia in a way that would reduce COO concerns when the seafood was sold in the Australian marketplace.

Implications and Future Research

The traditional approach to marketing (e.g. Kotler, 1988) views it in terms of actions by producers that cause buyers to react. More recent approaches to marketing (e.g. Peck, Payne, Christopher and Clark, 2000; Quester, McGuiggan, Perault and McCarthy, 2007) recognise that it is more complex and focus more on interaction and cooperation between buyer and seller rather than on the reaction of the buyer

to the offerings of the seller. Concepts such as buyer loyalty, customer relationship management, customisation as well as new technologies for communicating with the customer such as the Internet, demonstrate that the traditional approach to marketing is becoming less relevant and that it is interaction rather than reaction which operates in markets where buyers have choice regardless of whether it is an offering directed at consumers or industrial buyers.

Unfortunately, there are still hangovers from more traditional approaches to marketing, one of which is the treatment of a number of marketing concepts as discrete when in fact they are interrelated as far as the practice of marketing is concerned. In part this is due to a focus on the marketing activity rather than on the markets themselves; this requires market sensing involving monitoring market trends, learning from them and proactively responding to opportunities and threats (Cravens 2005).

Based on the above discussion, we present four propositions in order to illustrate the concrete implications and research opportunities that arise from the looking simultaneously at both sides of the coin. Research (Gripsrud, 1990; Nordstrom and Vahlne, 1994; Stottinger and Schlegelmilch, 2000) shows that PD plays a role to exporting companies such that the attraction of a foreign market is more attractive the lower the psychological distance. Researchers (for reviews see Peterson & Jolibert, 1995; Pharr, 2005) show that the COO effect plays a role for the customer in both consumer and business-to-business markets: The more positively the costumer evaluates the origin of the offering, relatively more attractive is the offering perceived. Thus, the following is proposed:

> *P1: The international transaction is more attractive to both the selling and the buying firm the more positively they perceive the origin of the trade partner's firm.*

Cultural group attraction theory (Byrne, 1971; Newcomb, 1956) suggests that individuals are more attracted to things, individuals and groups which they perceive as being similar. Drawing on attraction theory, we suggest that both the selling and the purchasing company are more likely to enter into negotiations the more they perceive a cultural similarity.

> *P2: The possibility of firms from different origins entering into business negotiations is higher the more positively either firm perceives the origin of the other firm.*

We draw on attitude theory for proposition three. Attitude theory defines attitude as "a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object" (Fishbein & Ajzen, 1975, p. 6). This can apply to both PD and COO. While the COO of an offering generally is an important extrinsic cue (Verlegh & Steenkamp, 1999), it is not always a critical cue and for some offerings it may not be a relevant issue at all. A similar argument can be mounted with respect to PD. In general, however, the individuals involved in the negotiations will experience a degree of cognitive dissonance if positive attitudes towards the origin and distance do not lead to sales.

> *P3: The possibility of negotiations resulting in actual trade is higher the more positive either firm perceives the origin of the other firm.*

The creation of relationships between exporters and importers is based on both parties building up knowledge about each other (Hakansson, 1982, Easton 1992). The interactions between these participants form network patterns that stretch across cultures (Ford et al, 1986) thus lessening perceptions of difference. The resulting relationships often involve interdependency, a longer time horizon and a need for both importers and exporters to learn about each other. This facilitates not only the international sales transaction but also the access of resources from each other (Fletcher, 1996).

> *P4: When both parties have a relationship focus either party is likely to perceive the other party's origin more positively.*

Conclusion

From the practitioner perspective, international marketing managers need to explore the potential for interaction between purportedly discrete marketing concepts so as to better understand how international marketing actually takes place. This requires that managers explore the networks which exist and mesh in an international business transaction. The network paradigm with its focus on

relationships and interaction is a possible framework for exploring the roles of PD and COO. Indeed international marketing management involves dualities based on interactions and cooperation rather than discrete concepts separately influencing the buyer (e.g. importer) and the seller (e.g. exporter). If the international marketer applies the underlying variables that influence his perceptions regarding the potential transaction to the likely perception of the transaction from the perspective of the importer, then the international marketer will both have a better appreciation of the interaction involved and an improved prospect of bringing the international transaction to a successful conclusion. As such, further research is needed to empirically examine our conjunctures. It is suggested that this involve asking a cross section of those who both import and export about the degree of importance they place on each of the factors from the literature that appear common to PD and COO as influencing their perception of the other party to the transaction (viz language, religion, education, level of development in other country and other country's political system and its operation). Investigating these concepts as central influencers of a transaction within a network rather than separate constructs involving discrete parts to the transaction is likely to be a major task for researchers, but the rewards for theory and practice could be considerable.

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Linking Islamic Work Ethic to Computer Use Ethics, Job Satisfaction and Organisational Commitment in Malaysia

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Abstract

This research seeks to investigate whether Islamic work ethic is linked to individuals' attitudes towards computer use ethics, job satisfaction and organisational commitment. The research used a cross-sectional self-administered survey method in the International Islamic University Malaysia. A total of 310 survey questionnaires were distributed to academic staff in four faculties i.e. Engineering, Information and Communication Technology, Human Science and Islamic Revealed Knowledge and Economics and Management Sciences faculties. Cluster sampling was used in the selection of academic staff from several randomly chosen class schedules. The study found that Islamic work ethic within a university environment is linked to individuals' attitudes towards computer use ethics, job satisfaction and organisational commitment. Implications and areas for future research are also discussed.

Keywords

Islamic work ethic, computer use ethics, job satisfaction, organisational commitment

Introduction

An individual's work ethic is an important facet in employment. It has been reported that a work ethic commanded higher priority than skills in hiring among employers since the early 1990s (Flynn, 1994). According to Beekun (1996), work ethic in its most basic form refers to the internalised view of work as the natural expression and stewardship of one's abilities and energies.

Islamic work ethic is based on the principles and teachings of Islam. Islam is supposed to be a complete way of life (Al-A'ali, 2008). For Muslims, the sources for Islamic principles and teachings are the *Qur'an* and *Hadith*. The *Qur'an* contains verbatim words of Allah or God revealed to Prophet Muhammad (Peace be upon him) while the *Hadith* has words, actions and approvals of Prophet Muhammad (Peace be upon him).

The work ethic in Islam constitutes the expectations of one's relations with respect

to his behaviour at work. This includes his or her effort, dedication, cooperation, responsibility, social relations and creativity (Rahman *et al*. 2006). Essentially, with a close relationship with God, one could expect to spur his attitudes and behaviour to be consistent with the rules and stipulations of the religion (Rahman *et al*. 2006). Islamic work ethic advocates the importance of performing one's work to the best of ability for the pleasure of God. As reported in Kheder (2001), "Allah likes it if one performs a task, he has to perform it perfectly". Kheder (2001) highlighted that when Muslim professionals were confronted with the dilemma between public and personal interests, they should give a priority in their behaviour to the interests of the public.

The last two decades saw the emergence of and continued scholarly discussions on Islamic work ethic in global and cross-cultural environment. Ali (1988) constructed the Islamic work ethic scale and found that the scale reliable when he tested it out among 150 Arab students in major universities in the United States. Since then, researchers used this scale in organisational and management context (Yousef, 2000; 2001; Rahman *et al*. 2006; Ali and Al-Kazemi, 2007; Khalil and Abu-Saad, 2009; Kumar and Rose, 2010). Yousef (2000) studied Islamic work ethic and attitudes towards organisational change and organisational commitment among employees in the United Arab Emirates. He found that employees' Islamic work ethic directly and positively influenced their attitudes towards organisational change and organisational commitment. Yousef (2001) investigated the moderating impact of Islamic work ethic on the relationships between organisational commitment and job satisfaction among 425 Muslim employees in several organisations in the United Arab Emirates. He found that Islamic work ethic directly affected both organisational commitment and job satisfaction. In a case study, Rahman *et al*. (2006) studied and found a relationship between Islamic work ethic and organisational commitment among 227 employees in a local bank in Malaysia.

In Kuwait, Ali and Al-Kazemi (2007) investigated the relationship between Islamic work ethic and loyalty and found a significant and strong relationship. Based on a review of literature, Ali and Al-Owaihan (2008) suggested that Islamic work ethic contributed to higher performance, widespread prosperity and societal welfare.

Using in-depth interviews with 32 business people, Uygur (2009) studied Islamic work ethic in the context of Turkish small and medium-sized enterprises. However, he found that it was not a significant factor for their attitudes. Muhammad *et al*. (2008) provided a discussion of Islamic work ethic in Malaysian small and medium enterprises but did not test the scale. Khalil and Abu-Saad (2009) investigated the relationship between Islamic work ethic and individualism among Arab college students in Israel. They found that there was a significant correlation between Islamic work ethic and individualism scales. The findings of their study were consistent with that in Ali (1992) in Arabia. Kumar and Rose (2010) investigated the influence of Islamic work ethic on innovation capability in the Malaysian public sector. They found support for the relationship.

While there have been recent debates on Islamic work ethic as evident from the literature, it appears that the study of Islamic work ethic continues to be sparse. At the same time, it is recognised that in creating a competitive advantage and moving towards knowledge society, organisations make huge investments in technologies to equip their professionals. It is noted that prior studies in Islamic work ethic have not considered its link to technological use in organisations. Against this backdrop, we built upon the prior works of Ali (1988), Yousef (2000; 2001) and Rahman *et al*. (2006) to gain insights into Islamic work ethic's link to individuals' computer use ethics, job satisfaction and organisational commitment.

Attitudes towards Computer Use Ethics

In organisations, professionals' awareness and organisational policies of ethical use of technologies often lag behind their rapid advancement. Hence, professionals at workplace may often be confronted with ethical dilemmas associated with technology that were perhaps not present a few decades ago. Based on a search result on articles published in journals, there appears to be a scant number on attitudes about ethical computer use and Islam. Al-A'ali (2008) concurred that "the relationship between information technology ethics and Islam has received very little or no attention". Some researchers who had attempted to study ethical computer use tended to conclude that personal

religiousness, individuals' uncertainty, personal values and moral judgments influenced ethical behaviour in lieu of the lack of corporate code of ethics (Clark and Dawson, 1996; Pierce and Henry, 2000; Kreie and Cronan, 2000; Leonard and Cronan, 2005). Clark and Dawson (1996) highlighted the importance of religiousness as an influence of ethical judgments. Pierce and Henry (2000) suggested that some unethical acts were the result of an individual's uncertainty or misunderstanding of appropriate behaviour; that was perhaps attributable to a lack of proper guidance in decision-making. Kreie and Cronan (2000) concluded that personal values contributed to deciding whether a behaviour was ethical and unethical. Leonard and Cronan (2005) summed up that a person's moral judgment could help in ethical decision-making. Therefore, we hypothesise that:

H1: There is a significant and negative relationship between Islamic work ethic and attitude towards unethical computer use.

Job Satisfaction

Ensuring employees' retention in organisation is important. Employees are organisational assets and resources essential in achieving organisations' targets. An employee who is satisfied with his job may remain in the organisation. Likewise, an employee who is dissatisfied may have intention to leave the organisation. Human resource executives in corporate organisations should place a great importance in ensuring employees job satisfaction because losing staffs can be costly. When a staff leaves an organisation, organisations need to spend resources to recruit, hire and train new staff. Ivancevich *et al*. (1997) defined job satisfaction as an attitude that individuals have about their jobs. Studies on work ethic and job satisfaction seem sparse. In the United States, Elkins (2007) found that there was a weak correlation between work ethic and job satisfaction in a Japanese manufacturing company. In a study at a private Midwestern correctional organisation, Lambert and Hogan (2009) found that work ethic had the largest impact on job satisfaction. Hence, we hypothesise that:

H2: Islamic work ethic is significantly and positively related to job satisfaction.

H3: There is a significant and negative relationship between attitude towards unethical computer use and job satisfaction.

Organisational Commitment

Many past researches had a focus on employees' organisational commitment. This is important in that organisational commitment is a reliable predictor of certain behaviour (Yusuf and Shamsuri, 2006). According to Awamleh (1996), organisational commitment has gained prominence in management discourse since it plays an essential role in goal achievement, innovation and stability of an organisation. Mowday *et al*. (1979) defined commitment as the relative strength of an individual's identification with and involvement in a particular organisation. The findings for the link between job satisfaction and organisational commitment are mixed. For instance, Curry *et al*. (1986) found no support for the link between job satisfaction and organisational commitment. Peterson *et al*. (2003) did not find evidence for the link. Alpander (1990) found a strong positive correlation between job satisfaction and organisational commitment. In Greek organisations, Markovits *et al*. (2007) found support for the link between affective organisational commitment and intrinsic and extrinsic job satisfaction. Therefore, it is hypothesised that:

H4: Islamic work ethic is significantly and positively related to organisational commitment.

H5: There is a significant and negative relationship between attitude towards unethical computer use and organisational commitment.

H6: Job satisfaction is significantly and positively related to organisational commitment.

Hence, we set out the objectives of the research as follows: (1) To develop and test a theoretical research model (2) To investigate whether Islamic work ethic is linked to individuals' attitudes towards computer use ethics, job satisfaction and organisational commitment in an Islamic environment. Figure 1 shows the theoretical research model for this study.
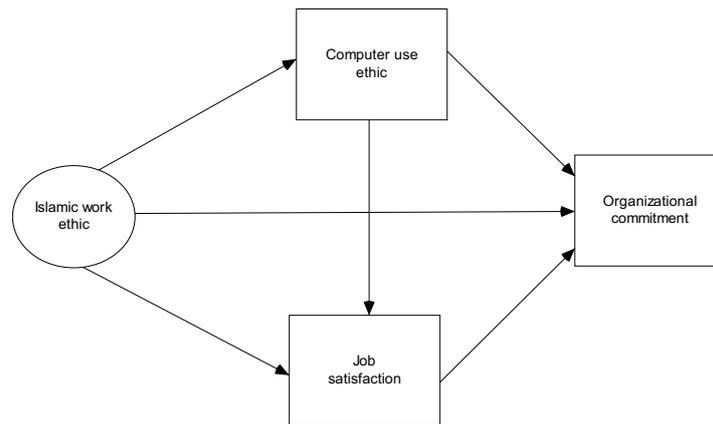
Figure 1: Research Model

Research Design

Context of Study

The International Islamic University Malaysia was selected as the context of study in that it integrates Islamic values as a main thrust in teaching and research. The university was established in 1983. It uses English as the medium of instruction. Its vision is "To be an international centre of educational excellence which integrates Islamic revealed knowledge and values in all disciplines and which aspires to the restoration of the Ummah's (Islamic society) leading role in all branches of knowledge." The University operates under the direction of a Board of Governors with representatives from eight sponsoring governments and the Organisation of Islamic Conference (OIC). It maintains links with governments and institutions all over the world, such as the League of Islamic Universities, the International Association of Universities and the Association of Commonwealth Universities. It is also affiliated with several Malaysian-based businesses that provide opportunities for students to gain practical work experience. The student population is nearing 30,000. There are about 1,600 academic staff; 60% of whom have a doctoral degree. The University has fields of study in sciences, engineering, law, information technology etc.

Data Collection Method, Population and Sample

In achieving the research objectives, the research used a cross-sectional self-administered survey method on the academic staff in the International Islamic University Malaysia. A total of 310 questionnaires was distributed to the academic staff. Four academic faculties namely Engineering, Information and Communication Technology, Human Science and Islamic Revealed Knowledge and Economics and Management Sciences were selected as the study's population. Cluster sampling was used in selecting academic staff from several randomly chosen class schedules.

Instrument

There were five sections in the questionnaire. Section one contained questions to probe respondents' values for Islamic work ethic. This is relevant and consistent with Al-A'ali (2008) in that all participants were Muslims. There were eight statements (a shorter version) adopted from Ali (1988) as measures for individual value for work ethic. Respondents were required to evaluate agreement to statements about work ethics that used a seven-point Likert scale. A seven-point represented strongly agree while a one-point represented strongly disagree to statements provided. Section two provided nine computer-related behaviour scenarios that were used to elicit respondents' attitudes towards responsible use, responsibility, acknowledgement, software piracy, unauthorised use of software, handling a disruptive behaviour, use of company's asset for personal and non-profit purpose, access to information for personal gain or profit, access to others' information for employer's or company's profit.

This approach has been used in other and previous computer ethics studies. Measures were adopted from Paradice (1990) and Pierce and Henry (2000). Respondents were requested to first read each scenario and judged whether they agreed with what the action that the person in the scenario adopted. Each response was to be evaluated on a seven-point Likert scale. A seven-point represented strongly agree (ethical) while a one-point represented strongly disagree (unethical) with the action taken. Section three contained questions about staff's job satisfaction. Three questions were adapted from Minnesota satisfaction questionnaire and Michigan Organisational Assessment Questionnaire satisfaction. Respondents were required to evaluate agreement to statements about job satisfaction that used a seven-point Likert scale. A seven-point represented strongly agree while a one-point represented strongly disagree. In section four, there were nine questions about organisational commitment adapted from Porter *et al*. (1974) Organisational Commitment Questionnaire (OCQ). The questions have demonstrated good psychometric properties and are used in a wide range of job categories (Mowday *et al*. 1979). Respondents were required to evaluate agreement to statements about organisational commitment that used a seven-point Likert scale. A seven-point represented strongly agree while a one-point represented strongly disagree to statements provided. The last section sought to identify the respondents' characteristics including gender, age, ethnicity and length of work experience.

Findings

We received 150 questionnaires. However, only 143 were usable for analysis. The remainder had more than 80% of total questions unanswered and were, therefore, discarded from further analysis. The overall response rate was 47.2%. Table 1 shows the breakdown of response rate for each faculty. We used SPSS Version 16 to generate descriptive statistics.

Faculty	Frequency		Response rate
	Distributed	**Usable/Unusable**	**(%)**
Engineering	110	48/1	44
Information and Communication Technology	30	24/1	82.7
Human Science and Islamic Revealed Knowledge	110	40/3	37.4
Economics and Management Sciences	60	31/2	53.4
Total	310	143/7	47.2

Table 1: Breakdown of responses

Of the total respondents, 57% of them were male. About 17% of them claimed that they were below 29 years old. 39% of the total respondents were between 30 and 39 years old while the majority of them (44%) were above 40 years old. A large proportion of respondents were Malaysian citizens (76%) while the remainder are of other citizenship like Arab and African continent. All the respondents were Muslims. The range for the number of work experiences is 0 and 30. The average number of work experiences reported were nine years.

Structural Equation Modelling technique was applied to detect the relationships amongst constructs. Consistent with Byrne (2001), we analysed each measurement model for respective construct defined earlier prior to analysing the structural model. Convergent validity is established if the loadings of the measures to their respective constructs are at least 0.60 (Bagozzi and Yi, 1988). Those not meeting this criterion were dropped from further analyses. We used AMOS Version 16 to generate measurement and structural models.

Reliability and Internal Consistency Check

Based on the measurement model, we conducted the reliability test using SPSS Version 16. Table 2 shows the Cronbach's coefficient used to assess the reliability of all multi-item scales based on the result of the measurement model. All scales show reasonable reliability ranging from .781 to .921. They were well above Kline (2005) generally adequate alpha level 0.70 indicating good scales.

Factors	α
Islamic work ethic (5 items)	.880
Attitudes towards computer use ethics (5 items)	.871
Job satisfaction (3 items)	.781
Organisational commitment (8 items)	.921

Table 2: Cronbach's coefficient for constructs

Support for Hypotheses

Hypothesis 1 proposed that there is a significant and negative relationship between professionals' values for Islamic work ethic and attitude towards unethical computer use. Professionals with higher regards for values in Islamic work ethic predicted negative attitudes towards unethical computer use (β=-.37; p<.01). Likewise, professionals with lower regards for values in Islamic work ethic predicted acceptance for unethical use of the computers. Hypothesis 2 proposed that there is a significant and positive relationship between professionals' values for Islamic work ethic and job satisfaction. Professionals with higher regards for values in Islamic work ethic predicted higher job satisfaction (β=.53; p<.01). Similarly, professionals with lower regards for values for Islamic work ethic predicted lower job satisfaction. Hypothesis 3 suggested that there is a significant and negative relationship between attitude towards unethical computer use and job satisfaction. Professionals with negative attitudes towards unethical computer use predicted higher job satisfaction (β=-.30; p<.01). Likewise, professionals who accepted unethical computer use had lower job satisfaction. Hypothesis 4 suggested that there is a significant and positive relationship between professionals' values for Islamic work ethic and organisational commitment. We found support for the hypothesised relationship (β=.29; p<.05). Hypothesis 5 proposed for a significant and negative relationship between attitude towards unethical computer use and organisational commitment. We did not find support for the hypothesised relationship (β=-.11; p>.05). Hypothesis 6 proposed for a significant and positive relationship between job satisfaction and organisational commitment. Professionals with higher job satisfaction exhibited higher commitment to the organisation (β=.33; p<.01). Likewise, professionals with lower job satisfaction exhibited lower commitment to the organisation. Table 3 summarises the results of the hypotheses.

Hypotheses	Findings
H1: Islamic work ethic and computer use	Supported
H2: Islamic work ethic and job satisfaction	Supported
H3: Computer use and job satisfaction	Supported
H4: Islamic work ethic and organisational commitment	Supported
H5: Computer use and organisational commitment	Not supported
H6: Job satisfaction and organisational commitment	Supported

Table 3: Summary of Hypotheses Results

Evaluation of Structural Model

The confirmation of the overall proposed model was important in providing empirical evidence on the impact of Islamic work ethic (see Figure 2 and Table 4). 13% of the variation in computer use ethic can be explained by professionals' values for Islamic work ethic. 49% of the variation in professionals' job satisfaction can be explained by professionals' values for Islamic work ethic and attitudes towards computer use ethic.

In comparison, Islamic work ethic had a higher contribution than attitude towards computer use on job satisfaction. 39% of the variation in organisational commitment can be explained by professionals' job satisfaction. We reviewed the goodness for fit measures. The χ^2=24.73; df=17; p=.101. Following the guideline given in Raykov (2000), the model showed excellent approximation of the data. The RMSEA=.057 which is approaching .05 indicates reasonable error of approximation and close to fitting the model that explained the impact of Islamic work ethic on professionals' attitudes towards computer use, job satisfaction and organisational commitment. Overall, the findings indicated that the fit for the structural model was excellent.
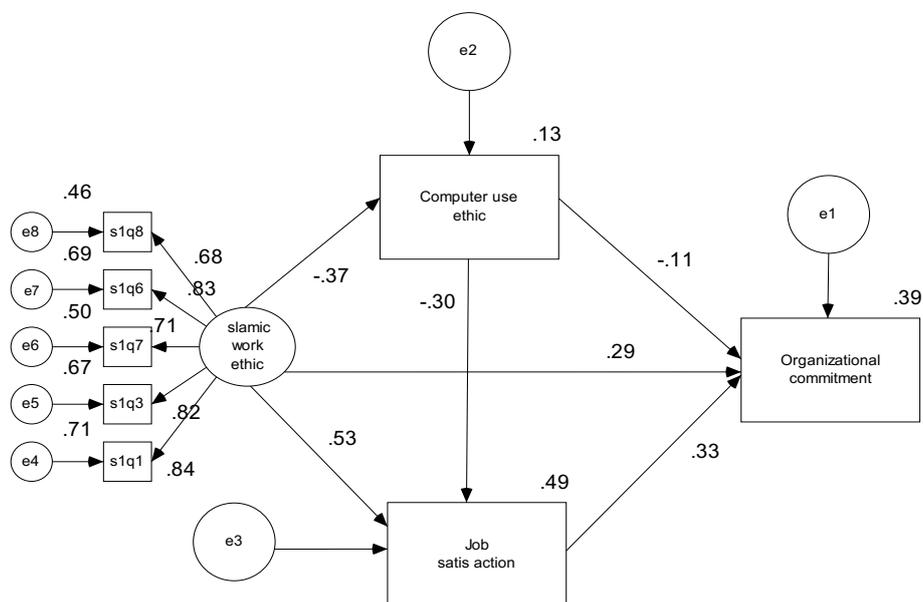

Figure 2: Structural Model

Fit measure	Recommended value	Value for the research model
χ^2		24.73
Degrees of freedom (df)		17
χ^2/df	<3	1.45
p-value	>.05	.101
GFI	>.90	.958
Adjusted GFI	>.90	.911
Normed fit index (NFI)	>.90	.956
Relative fit index (RFI)	>.90	.928
Incremental fit index (IFI)	>.90	.986
Tucker Lewis index (TLI)	>.90	.976
Comparative fit index (CFI)	>.90	.986
Root mean square error of approximation (RMSEA)	<.08	.057
Root mean square residual (RMR)	<.08	.037

Table 4: Goodness of fit measures

Conclusion

Islamic work ethic began to receive attention in the late 80's. Since then, it has not been a widely explored area. Many gaps still exist. The purpose of this study was to investigate its link to individuals' computer use ethics, job satisfaction and organisational commitment. The findings suggest that Islamic work ethic influenced individuals' attitudes towards computer use ethic. These are important characteristics that guide an individual's view on ethical use of computer when faced with a dilemma. The fact that there were significant contributions of Islamic work ethic and attitudes towards computer use ethic to job satisfaction suggest that individuals' ethics are an important consideration towards managing a satisfied workforce. It is interesting to note that computer use ethic had no significant and direct influence on organisational commitment. Another important finding is that, professionals' Islamic work ethic and job satisfaction positively, directly and significantly relate to organisational commitment.

Professionals' Islamic work ethic positively, indirectly and significantly relate to organisational commitment. This suggests that those who value Islamic ethic are satisfied in their jobs and thus tend to put a higher commitment in work. The research has rendered two practical implications to employers. Employers should continue emphasising on the importance of ethics when recruiting professionals. Employers should focus on employees' life-long learning, curriculum development for professionals and inculcating appropriate individual work values in the use of computers.

Employers should consider continuous training, communication and consistent behaviour that adhere to corporate code of ethics. Development program contents may encompass Islamic work ethic, computer ethics and security awareness programs. Another possibility is to make aware to employees of in-house policy, the importance of Islamic work ethic and ethical use of computers in the workplace.

This research acknowledges three limitations. Firstly, the sample was selected from a university in Malaysia and in particular an Islamic university. Furthermore, all respondents were Muslims. This limits comparisons between Muslims and non-Muslims and restricts generalisation to other universities or corporate bodies. Secondly, the sample size was only 143. Thirdly, only those in the category of professionals (knowledge worker) were involved. With a larger sample size, we would have been able to conduct a comparison on different professionals' characteristics such as respondents' religious background, age, and positions. Future studies should use a larger sample to enable comparisons and look at the perspectives of non-Muslims, other universities and corporate bodies and support staff.

Acknowledgement

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Appendix A Items used in final data analysis

Constructs	Items in Questionnaire
Islamic work ethic	Dedication in work is a virtue.
	Devotion to quality work is a virtue.
	One should carry out work to the best of his ability.
	Work is a source of self-respect.
	One should take community affairs into consideration in his/her work.
Computer use ethics	The company pays for computer time on a large computer. *(measures responsible use)* *Action:* An employee plays games on the system.
	An employee designed a computer application which was the key to a discovery made by the Engineering Division of the company. *(measures acknowledgement)* *Action:* The Engineering Division was given various awards and recognition with no mention of the program or the programmer.
	Many workers who use the computer system in the company do not take the time to log out properly. *(measures disruptive behaviour)* *Action:* A systems programmer decided to teach the workers a lesson by locking out those who had violated the log out procedure for 24 hours with a message indicating why they were locked out of their accounts.
	An employee is considering applying for a new job with another company. *(measures personal non-profit)* *Action:* The employee returns to the office after work and uses a computer with a word-processing package to type a resume.
	An employee with access to personnel records is going to ask for a raise. *(measures personal profit)* *Action:* Before meeting with the boss, the employee accesses salary information of others in similar jobs to document his/her case for the raise.
Job satisfaction	Work gives me a sense of accomplishment.
	Work is satisfying.
	I am doing something worthwhile in my job.
Organisational commitment	I am willing to put forth great effort to help this organisation succeed.
	I talk to friends about this organisation as a great place to work.
	I accept almost any type of job assignment to stay with the organisation.
	My values and this organisation's values are similar.
	I am proud to tell others that I am part of this organisation.
	This organisation inspires me to perform at high levels.
	I am glad I chose this organisation over others.
	I really care about the fate of this organisation.

Religious Affiliation and Ethics: Patterns Regarding Beliefs for Workplace Behaviour

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Abstract

Ethical decisions are made regarding day-to-day workplace behaviours. We surveyed 315 college students from 9 different religious categories: Catholic, Christian, Jewish, Muslim, Hindu, Buddhist, Agnostic, Atheist, and Other. Individuals were asked whether "in the workplace, it is acceptable to do so" for 27 different behaviours. Those who were Hindu or Catholic consistently had scores indicating beliefs in performing more ethical behaviour. Those who were Buddhist or Atheist consistently had scores indicating beliefs in performing less ethical behaviour. In the analysis relating to 5 items regarding computer and Internet behaviours, those who were Jewish had scores indicating beliefs in performing less ethical behaviour. Managers who supervise young adults who recently graduated from college can be aware of possible ethical concerns facing those of different religions. They can mentor these individuals beginning their careers to adapt appropriate ethical behaviours for their job.

Keywords

Business ethics, religion, theology, work

Introduction

The 2007 National Business Ethics Survey in the United States found that 56% of employees saw conduct at work that violated their company's ethics standards, policy, or the law. The greatest specific area (23%) for this unethical behaviour was where employees placed their own interests above that of their company (Ethics Resource Center 2007). In a survey by the American Management Association, the top five areas influencing business ethics were corporate scandals, marketplace competition, demands by investors, pressure from customers, and globalization (American Management Association 2006).

A number of variables have been studied with regard to ethical behaviour at work. With regard to demographic variables, gender is often associated with ethical decision making. Although many studies report that men are less ethical than women with regard to a number of business ethics topics, other studies do not report such a difference (McCabe et al. 2006). One suggestion for these differences in study outcomes is that besides gender there are social and psychological components for the construct of gender that need to be measured too (McCabe et al. 2006).

Situational experiences can include the quality of work experience and are associated with ethical behaviour at work. For example, poor quality of work experience is associated with unethical behavioural intentions (Jones and Kavanagh 1996). Also, employee dissatisfaction is associated with increased unethical behaviour such as theft (Greenberg 1990; Greenberg 1993).

Personality characteristics also are associated with ethical behaviour at work. This includes the Protestant Work Ethic, an approach based upon ascetic Protestant values that includes devotion to work as a calling, hard work, autonomy, and thriftiness (Ghorpade et al. 2006). Those who score high on the Protestant Work Ethic report that questionable extra-organizational behaviours and questionable intra-organizational behaviours are less acceptable than those who score low on the Protestant Work Ethic (Jones et al. 2005).

Literature Review for Religiosity and Ethical Behaviour at Work

Besides the Protestant Work Ethic, there are studies on how religiosity influences ethics at work. Many of these studies report that greater religiosity is associated with greater ethical attitudes and behaviour in workplace settings. One study with a sample of 473 Christian business students from a number of denominations sought to determine how level of religiosity was associated with attitudes associated with corporate social responsibility. In the analyses for attitudes associated with ethical aspects of social responsibility, those from the high religiousness group had significantly greater concerns for the ethical aspects of corporate responsibility than those from the low religiousness group (Angelidis and Ibrahim 2004). In a different later study by these authors (Ibrahim et al., 2008) that included 506 students and 411 managers, that study sought to determine how level of religiosity was associated with attitudes associated with corporate social responsibility. A similar pattern as above occurred for the students with regard to the ethical aspects of corporate responsibility where those from the high religiousness group had significantly greater concerns for the ethical aspects of corporate responsibility than those from the low religiousness group. However for managers, there were no differences with regard to the ethical aspects of corporate responsibility between those from the high religiousness group and those from the low religiousness group. Students were also compared to managers in separate analyses for both those from low and high religiousness groups. In each of those separate analyses, whether comparing those with low religiousness or those with high religiousness, students had significantly greater concerns than managers for the ethical aspects of corporate responsibility.

Another study with a sample of 732 students used weekly church attendance as a measure of religiosity. This study sought to determine whether religiosity as measured by weekly church attendance was associated with ratings of acceptability for vignettes of ethically questionable behaviours. This study found that decreased religiosity levels as measured by decreased frequency of weekly church attendance was associated with increased ratings of acceptability for 7 of 25 vignettes of ethically questionable behaviours. These ethically questionable behaviours were underreporting income for taxes, bribing a foreign official, bribing purchase agents, using accounting tricks to conceal information, using deceptive advertising, violating software copyright issues, and bribing a manager to make a sale (Conroy and Emerson 2004).

Another study consisted of a sample of 490 students from an Evangelical college, Catholic college, and two public colleges. The study sought to determine whether attendance at religious affiliated colleges versus public colleges had an association with willingness to endorse unethical business behaviour. The study also sought to determine whether those who are more religious (defined as those more conservative, more fundamentalist, and intrinsically religious) were less likely to endorse unethical business behaviour as compared to those who were less religious. The study found that those from the Evangelical college were significantly less likely to endorse unethical business behaviour than those from the Catholic or public colleges. Also, those that were more religious from any of the colleges were significantly less likely to endorse unethical business behaviour than those who were less religious (Kennedy and Lawton 1998).

A study with a sample of 429 Muslim students from Malaysia sought to determine whether those who were more religious were less tolerant of unethical business practices than those who were less

religious. The study also sought to determine whether an emphasis of study on Islamic studies rather than on secular studies such as Accounting or Business was associated with tolerance level for unethical business practices. The study found that those who were more religious were less tolerant of unethical business practices than those who were less religious. Also, individuals majoring in Islamic studies were less tolerant of unethical business practices than those majoring in secular studies. However, the study authors caution that the findings for those majoring in Islamic studies can be related to the fact that those majoring in Islamic studies had greater religiosity levels than those majoring in secular studies (Muhamad 2009).

In a sample of 20 senior executives from a number of religions, the study sought to determine whether religious belief was associated with awareness of encountering business ethical dilemmas. The study found that there were a number of religious beliefs that were associated with the perception of encountering business ethical dilemmas. This included a belief in monotheism, a transcendental standard of good and evil, the existence of heaven and hell, and high levels of praying and participation in the religious community (Graafland et al. 2006).

Although many of the studies above suggest a number of ways to measure religiosity as an important factor associated with practicing greater ethical business behaviour, a study published prior to 2000 does not exclusively show this pattern. A study of 1,224 managers in Hong Kong sought to determine whether religiosity was associated with ethical behaviour. The study found that there were significant differences for 9 of the 14 ethical dilemmas, where those who had a religious affiliation were less likely to agree with unethical activity than those without any religious affiliation. These 9 ethical dilemmas were deceptive gaining of competitor information, exposure of personal error, deceptive labeling and advertising, manipulation of expenses, nepotism, insider trading, sexual equity, bribery of third parties, and protection of dishonest employees. However, when importance of religious belief was compared rather than just religious affiliation, only 5 rather than 9 of the 14 ethical dilemmas were significantly different. In this analysis, those who believed in the importance of religious belief were less likely to agree with unethical activity than those who did not believe in the importance of religious belief. The study did not specify these particular 5 ethical dilemmas (McDonald and Pak 1997).

Theoretical Basis

The Hunt-Vitell theory of ethics was used as guidance for providing a theoretical basis for this study (Hunt and Vitell 2006). This theory helps explain how an individual faces a situation that the individual perceives as involving ethical concerns. The theory proposes different alternatives and actions that this individual can undertake to resolve the ethical dilemma. The two bases for the theory are that both the cultural environment and personal characteristics are important areas for how an individual perceives an ethical problem. Religion is very much emphasized as an integral part of this theory and is included as both part of the cultural environment and also as part of the personal characteristics categories. Many studies use this theory for both business ethics and general ethics topics (Hunt and Vitell 2006).

Study Aims

Religion is an important component related to ethical behaviour. We are not aware of any study that compares numerous religious groups simultaneously with regard to beliefs about ethical behaviour at work. Our primary aim is to understand the general beliefs and also to compare whether there are differences with regard to beliefs for ethical behaviour at work among those who are of Christian, Jewish, Muslim, Catholic, Hindu, Buddhist, Atheist, Agnostic, or Other religious affiliation. As part of this analytic approach we also adjust for religious observance status since being born into a faith does not necessarily indicate that one currently practices the tenets of that faith. An additional aim is to adjust for the potentially relevant variables that may affect this relationship including age, sex, race/ethnicity, having taken an ethics course, and being native born in the United States.

Method

Participants and Procedures

Participants were 315 college students from Brooklyn College of the City University of New York. This is a commuter school where all the students live off campus and many live with their families. Of the 369 surveys distributed, 316 completed surveys were received. One individual omitted the religious affiliation category, so a total of 315 surveys were analysed. This is a response rate of 85.4% [(315/369)*100%]. Participation in the survey was completely voluntary, with the sampling method being a convenience sample. Participants were approached to complete the surveys within their classrooms and in common areas of the college. Data were collected without any identifying information in an anonymous manner and occurred during March 2006. The survey was exempt from Institutional Review Board review and was conducted consistent with the ethical standards of the Declaration of Helsinki. Informed consent was provided.

Demographics Items

Items included age measured in years, sex (man/woman), race/ethnicity, took ethics course (no/yes), and born in the United States (no/yes).

Religiosity Items

The independent variable was, "What is your religious status?" with 9 choices of Christian, Jewish, Muslim, Catholic, Hindu, Buddhist, Atheist, Agnostic, or Other. An additional question regarding religious observance level used as a covariate was, "Would you describe yourself as religious?" with choices of no/yes.

Ethical Behaviour at Work Belief Items

Participants were asked to answer twenty-seven questions relating to their beliefs about the ethical acceptability of certain workplace behaviours. The stem portion was, "In the workplace, it is acceptable to:" and measured with a Likert-style scale with 1=strongly disagree to 5=strongly agree. For the items used, strongly disagree indicates more ethical behaviour and strongly agree indicates more unethical behaviour. These items included: "take merchandise/equipment for one's own personal use," "do less than your share of work in a group project," "use unethical behaviour to earn a promotion/gain a sale, "take money from the company," and "receive non-work related emails." The first 21 items were used from the survey conducted by Nonis and Swift (2001) while the other 6 items with 5 focusing on Internet topics and 1 general item were created specifically for this study.

Statistical Analysis

Descriptive statistics were used to describe the sample characteristics and general attitude levels. Also, an overall ranking of items was done to describe patterns. Inferential statistical analyses were conducted with the independent variable of the religious status variable with the 9 choices. The dependent variables were the 27 ethical items. First a multivariate analysis of covariance (MANCOVA) was conducted with the dichotomous religious observance level variable as the covariate. Then, three separate models were analysed for each of the 27 ethical items. The first model was analysed with analysis of variance (ANOVA) and included just the nine-level religious status variable. The second model was analysed with analysis of covariance (ANCOVA) and included the dichotomous religious observance level variable as a covariate. The third model was analysed with ANCOVA and included the religious level variable and also age, sex, race/ethnicity, took ethics course, and born in the United States. Also, the items that had overall statistical significance in the three models above were analysed with the same analytic approach among the subset of individuals with either part-time or full-time employment. SPSS Version 16.0.2 was used for all analyses (SPSS 2008).

Results

Table 1 shows the demographic characteristics. Average age was more than 22 years. There were approximately equal numbers of men and women. (Note: M=mean, SD=standard deviation.)

Variable	% (n)	M (SD)
Age		22.78 (5.10)
Sex		
Men	45.1% (142)	
Women	54.9% (173)	
Race/ethnicity		
African-American	18.7% (59)	
Hispanic-American	11.7% (37)	
Asian/Asian-American	10.2% (32)	
Southeast Asian	13.3% (42)	
White	35.9% (113)	
Other	10.2% (32)	
Ethics Course		
No	51.4% (162)	
Yes	48.6% (153)	
Born in US		
No	51.4% (162)	
Yes	48.6% (153)	
Employment Status		
Full-time	21.3% (67)	
Part-time	55.9% (176)	
Not Working	22.9% (72)	
Religious Status		
Christian	26.3% (83)	
Jewish	9.5% (30)	
Muslim	12.7% (40)	
Catholic	26.3% (83)	
Hindu	2.9% (9)	
Buddhist	3.8% (12)	
Agnostic	3.8% (12)	
Atheist	3.2% (10)	
Other	11.4% (36)	
Religious		
No	52.7% (166)	
Yes	47.3% (149)	

Table 1: Characteristics of the Sample of 315 Individuals

There was diverse racial/ethnic representation with almost 20% African American, and the Hispanic, Asian/Asian American, and Southeast Asian categories with at least 10% for each. Whites comprised only a bit more than one-third of the sample. Almost half had taken an ethics course. Slightly more than half were born outside of the United States. With regard to employment, more than half worked part-time and more than 20% worked full-time. With regard to religious status, more than one-quarter were Christian, more than one-quarter were Catholic, more than 10% were Muslim, and almost 10% were Jewish. Almost half of the sample reported being religious.

The top three rankings for lowest scores (more ethical beliefs) for mean values for all 27 items (see Table 2) were counted. Hindu had the greatest number with 21, Other with 17 (with one tie) was next highest, followed by Catholic with 16 (with one tie). The other counts included Agnostic with 12 (with one tie), Muslim with 8, Jewish with 3, Atheist with 3, Christian with 2 (with one tie), and Buddhist with 1. In the subset of the 5 items (#22 - #26) relating to computers and the Internet and the top three rankings for lowest scores (more ethical beliefs), Hindu and Agnostic were included for all 5 items, Catholic with 3 items, and Muslim with 2 items. No other religious groups were ranked for these items.

The top three rankings for highest scores (less ethical beliefs) for mean values for all 27 items (see Table 2) were counted. Buddhist had the greatest number with 24 (with two ties) and Atheist with 18 (with one tie) was next highest. The next few rankings had similar counts and consisted of Jewish with 11, Muslim with 10, and Agnostic with 10 (with one tie). The rest of the rankings were Christian with 6 (with one tie), Hindu with 3, Catholic with 1, and Other with 1. In the subset of the 5 items (#22 - #26) relating to computers and the Internet, Jewish had high score rankings for all 5 items, both Buddhist and Atheist had high score rankings with 4 items, and Christian with 3 items. This ranking included one tie for Atheist and Christian. No other religious groups had high score rankings for these items.

In the inferential statistical analyses, the Wilks' lambda MANCOVA omnibus test with religious category as the independent variable and adjusting for religious observance status was significant ($p=0.048$), and the null hypothesis that the 27 ethics items did not differ was rejected. The separate ANOVA analyses (see Table 2) indicated overall statistical significance or approaching significance for the 5 items of "take merchandise/equipment for one's own personal use (#3)," "complete personal business on company time (#4)," "do less than your share of work in a group project (#8)," "take money from the company (#21)," and "purchase items online (#25)." In the ANCOVA analysis adjusting for the religious observance level variable, the same pattern of significance or approaching significance occurred (see Figures 1 through 5). In the ANCOVA analysis adjusting for numerous relevant covariates, the same pattern of significance or approaching significance occurred except for "take money from the company" which now had a p-value of 0.102 (see Figures 1 through 5).

Item	CHRIS M (SD) (n=83)	JEW M (SD) (n=30)	MUSL M (SD) (n=40)	CATH M (SD) (n=83)	HIN M (SD) (n=9)	BUD M (SD) (n=12)	AGN M (SD) (n=12)	ATH M (SD) (n=10)	OTH M (SD) (n=36)	ANOVA p-value
1. Photocopy and mail personal papers	2.93 (1.08)	2.87 (1.22)	2.98 (1.14)	2.84 (1.15)	2.00 (1.22)	3.00 (1.21)	2.92 (1.31)	3.40 (0.70)	2.75 (1.20)	0.390
2. Give preferential treatment to family/friends	2.71 (0.99)	2.80 (1.19)	2.88 (1.16)	2.68 (1.13)	1.89 (0.60)	3.25 (1.06)	3.08 (1.38)	2.80 (1.32)	2.69 (1.17)	0.265
3. Take merchandise/equipment for one's own personal use	2.34 (0.99)	2.30 (1.02)	2.45 (1.18)	1.95 (0.94)	1.56 (0.53)	2.75 (0.97)	1.92 (1.16)	2.40 (0.97)	2.33 (1.12)	0.024
4. Complete personal business on company time	2.78 (1.13)	2.47 (1.17)	2.30 (1.07)	2.46 (1.11)	1.78 (0.97)	2.92 (1.16)	2.83 (1.03)	3.00 (1.15)	2.56 (1.03)	0.070
5. Take office supplies for your own use	2.42 (0.99)	2.30 (1.12)	2.53 (1.40)	2.10 (0.95)	1.67 (0.71)	2.67 (1.30)	2.25 (1.29)	2.30 (1.06)	2.25 (1.05)	0.246
6. Call in sick when you are not	2.71 (1.02)	2.67 (1.06)	2.48 (1.28)	2.66 (1.14)	2.22 (1.30)	3.00 (1.35)	3.08 (1.44)	3.00 (1.25)	2.47 (1.11)	0.531
7. Withhold the total truth to cover up other people's mistakes	2.54 (1.00)	2.57 (1.07)	2.48 (1.30)	2.41 (1.01)	2.56 (1.33)	2.75 (1.06)	2.83 (1.03)	2.60 (1.17)	2.19 (0.98)	0.687
8. Do less than your share of work in a group project	1.92 (0.72)	1.97 (1.03)	2.35 (1.31)	1.76 (0.81)	1.67 (1.32)	2.50 (1.17)	2.33 (1.07)	1.80 (1.03)	1.58 (0.60)	0.003
9. Give a false reason for missing work	2.53 (0.99)	2.50 (1.25)	2.48 (1.30)	2.51 (1.15)	2.00 (1.12)	2.58 (1.31)	2.92 (1.31)	2.80 (1.32)	2.36 (1.17)	0.805
10. Make long-distance personal telephone calls	2.27 (1.04)	2.17 (0.95)	2.28 (1.24)	2.08 (0.99)	1.78 (0.83)	2.50 (1.17)	1.83 (0.94)	2.40 (1.08)	1.86 (0.87)	0.332
11. Take long lunches or leave early when your supervisor is not present	2.41 (1.04)	2.37 (1.00)	2.45 (1.13)	2.12 (1.09)	2.00 (1.50)	2.50 (1.31)	2.50 (1.09)	2.50 (1.18)	2.06 (1.04)	0.479
12. Withhold the total truth to cover up your own mistakes	2.39 (1.00)	2.67 (1.15)	2.30 (1.16)	2.29 (1.15)	2.44 (1.42)	2.42 (1.31)	2.92 (1.08)	2.50 (1.08)	2.25 (0.97)	0.616
13. Break something that belongs to the company and not report it	2.08 (0.87)	2.47 (1.07)	2.10 (1.13)	1.98 (0.90)	1.89 (1.36)	2.50 (1.31)	2.25 (1.14)	2.50 (0.97)	1.92 (0.97)	0.212
14. Take office supplies for other people's use	2.01	1.80	2.03	1.87	2.00	2.42	2.08	2.30	1.81	0.506

	(0.89)	(0.85)	(1.05)	(0.95)	(1.32)	(1.16)	(0.90)	(0.82)	(0.92)	
15. Use unethical behaviours to earn a promotion/gain a sale	1.81 (0.96)	1.93 (0.98)	2.18 (1.24)	1.89 (1.06)	1.67 (1.32)	2.00 (1.28)	2.08 (1.00)	1.80 (1.03)	1.58 (0.84)	0.468
16. Come to work under the influence of drugs, including alcohol	1.49 (0.77)	1.40 (0.77)	1.75 (1.10)	1.46 (0.82)	1.89 (1.54)	1.83 (1.40)	1.42 (0.79)	1.60 (0.97)	1.28 (0.74)	0.302
17. Report expenses incurred differently from the actual total	1.65 (0.96)	1.63 (0.81)	1.85 (1.12)	1.65 (0.76)	2.00 (1.50)	1.92 (1.00)	1.92 (1.00)	2.00 (1.05)	1.42 (0.55)	0.371
18. Take credit for work that someone else has completed	1.52 (0.63)	1.63 (0.85)	1.73 (1.11)	1.60 (0.91)	1.67 (1.11)	1.42 (0.67)	1.58 (0.67)	1.70 (0.95)	1.36 (0.54)	0.740
19. Report hours worked differently from the actual total	1.82 (0.98)	2.13 (1.01)	1.74 (1.13)	1.86 (0.93)	1.56 (1.13)	2.00 (1.28)	1.83 (0.94)	1.80 (0.92)	1.81 (1.09)	0.844
20. Take merchandise/equipment to be resold for profit	1.49 (0.70)	1.70 (0.84)	1.75 (1.06)	1.56 (0.81)	1.22 (0.44)	1.67 (1.07)	1.33 (0.65)	1.50 (0.71)	1.39 (0.64)	0.427
21. Take money from the company	1.43 (0.65)	1.60 (0.89)	1.80 (1.16)	1.40 (0.68)	1.00 (0.00)	1.67 (1.07)	1.25 (0.62)	1.70 (1.25)	1.67 (0.99)	0.083
22. Download non-work related items on the computer	2.68 (1.21)	2.97 (1.25)	2.40 (0.95)	2.47 (1.16)	1.89 (1.05)	3.17 (1.47)	2.33 (1.15)	2.70 (0.82)	2.50 (1.23)	0.135
23. Surf the Internet	3.10 (1.18)	3.17 (1.32)	3.03 (0.97)	2.98 (1.13)	1.78 (0.97)	3.33 (1.30)	3.00 (1.28)	3.10 (0.88)	3.06 (1.15)	0.133
24. Receive and send non-work related emails	3.12 (1.24)	3.20 (1.37)	2.92 (0.92)	2.99 (1.06)	2.11 (1.45)	3.17 (1.47)	2.83 (1.27)	3.20 (1.03)	3.11 (1.17)	0.443
25. Purchase items online	3.02 (1.17)	2.97 (1.25)	2.93 (1.05)	2.61 (1.11)	2.22 (0.83)	2.75 (1.54)	1.75 (0.97)	3.00 (0.82)	2.92 (1.20)	0.014
26. Play computer games	2.77 (1.25)	3.03 (1.27)	2.73 (1.06)	2.47 (1.14)	2.44 (1.13)	2.92 (1.51)	1.92 (1.16)	2.60 (0.84)	2.67 (1.20)	0.181
27. Do homework	3.12 (1.23)	3.10 (1.32)	2.83 (1.01)	2.75 (1.16)	2.22 (0.97)	3.42 (1.51)	2.42 (1.51)	2.70 (0.82)	2.97 (1.28)	0.138

Table 2: Ethical Behaviour Belief Items and Religious Group Affiliation

Note: CHRIS=Christian, JEW=Jewish, MUSL=Muslim, CATH=Catholic, HIN=Hindu, BUD=Buddhist, AGN=Agnostic, ATH=Atheist, OTH=Other
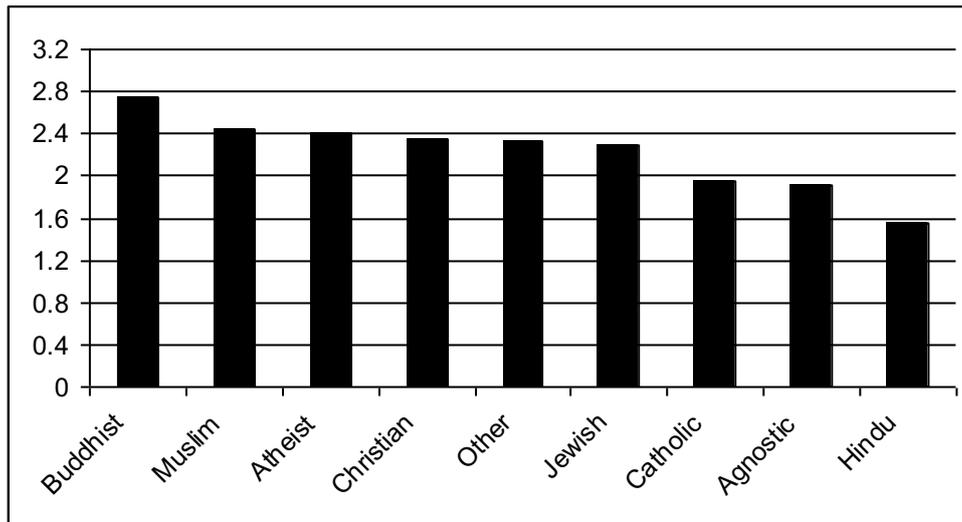
Figure 1: Mean Values for Take Merchandise/Equipment for One's Own Personal Use

Note: ANOVA Model 1: p = 0.024; ANCOVA Model 2: p = 0.026; ANCOVA Model 3: p = 0.028.
Measured with a Likert-style scale with 1=strongly disagree to 5=strongly agree

For these 5 items that were significant or approaching significance, the top three rankings for lowest scores (more ethical beliefs) for these 5 items were Hindu and Catholic, as both had the lowest ranks with 5 items. The other groups included Agnostic with 3 items, Muslim with 1 item, and Other with 1 item. With regard to the top three rankings for highest scores (least ethical beliefs), Atheist and Buddhist (with one tie) were both highest with 4 items. The other groups included Muslim with 3 items, Agnostic with 2 items, and Christian, Jewish, and Other all with 1 item.
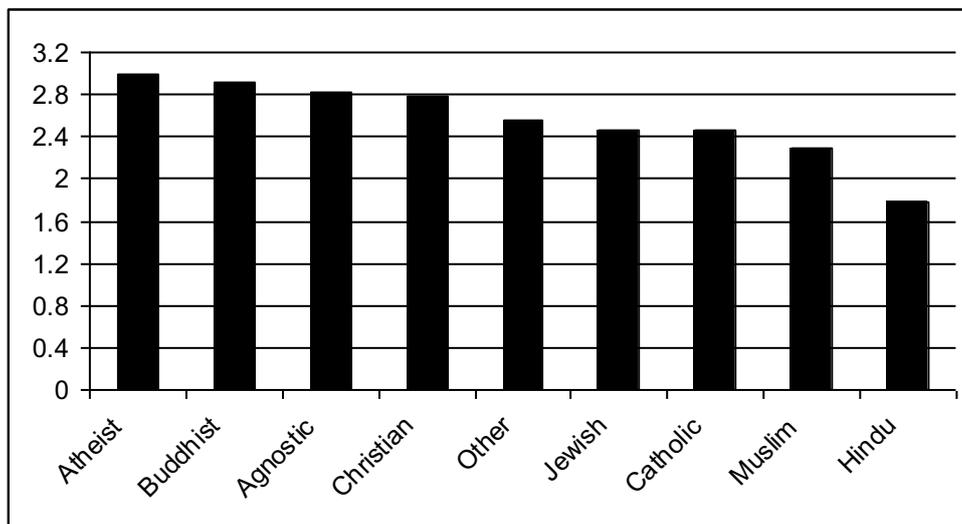

Figure 2: Mean Values for Complete Personal Business on Company Time

Note: ANOVA Model 1: p = 0.070; ANCOVA Model 2: p = 0.075; ANCOVA Model 3: p = 0.082.
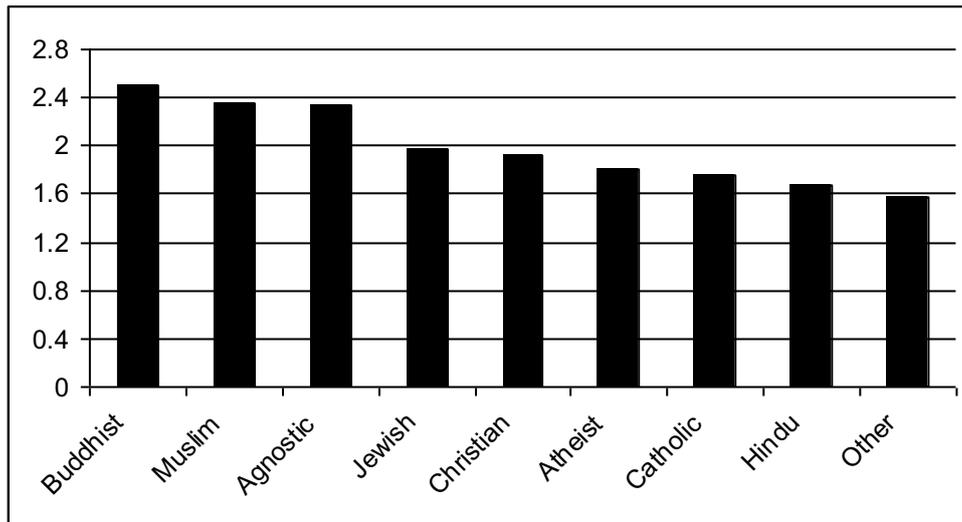Measured with a Likert-style scale with 1=strongly disagree to 5=strongly agree

Figure 3: Mean Values for Do Less than Your Share of Work in a Group Project

Note: ANOVA Model 1: p = 0.003; ANCOVA Model 2: p = 0.003; ANCOVA Model 3: p = 0.005.
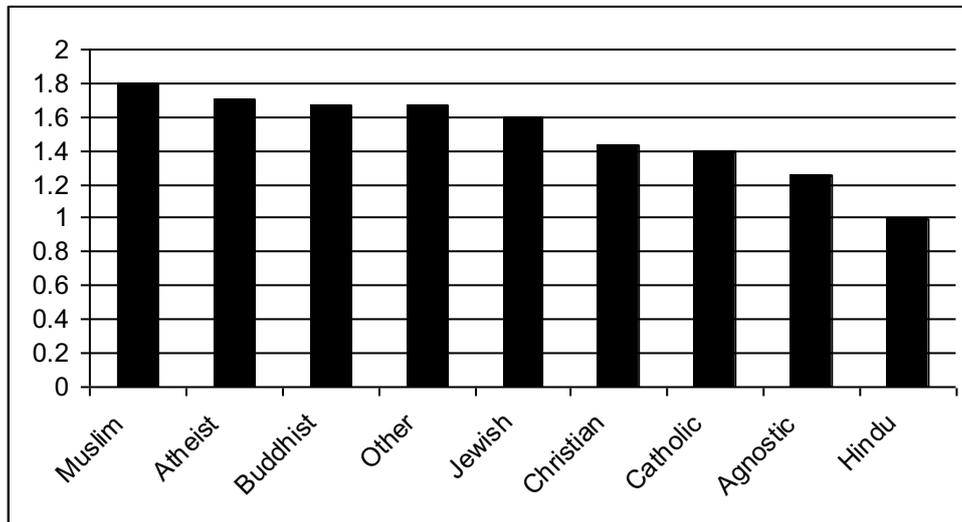Measured with a Likert-style scale with 1=strongly disagree to 5=strongly agree

Figure 4: Mean Values for Take Money from the Company

Note: ANOVA Model 1: p = 0.083; ANCOVA Model 2: p = 0.082; ANCOVA Model 3: p = 0.102.
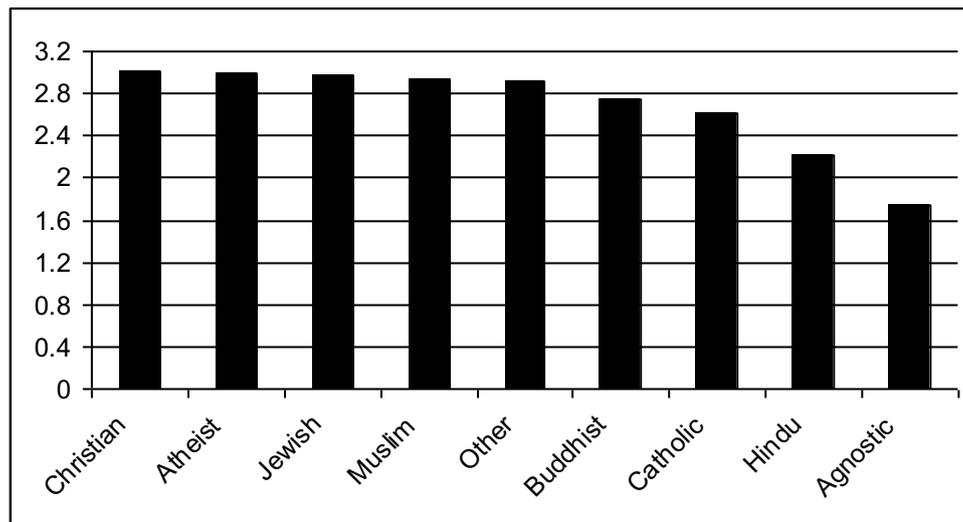Measured with a Likert-style scale with 1=strongly disagree to 5=strongly agree

Figure 5: Mean Values for Purchase Items Online

Note: ANOVA Model 1: p = 0.014; ANCOVA Model 2: p = 0.014; ANCOVA Model 3: p = 0.007.
Measured with a Likert-style scale with 1=strongly disagree to 5=strongly agree

Post-hoc least significance difference tests for these 5 items were as follows. For "take merchandise/equipment for one's own personal use," Hindu had the lowest mean and significantly differed from Christian, Muslim, Buddhist, and Other. Also, Hindu approached significance to differ from Jewish (p=0.055) and Atheist (p=0.072). Although Agnostic had the next lowest mean, it only significantly differed from Buddhist. Catholic had the third lowest mean and significantly differed from Christian, Muslim, and Buddhist and approached significance to differ from Other (p=0.061).

For "complete personal business on company time," Hindu had the lowest mean and significantly differed from Christian, Buddhist, Agnostic, and Atheist. Hindu also approached significance to differ from Catholic (p=0.080) and Other (p=0.059). Muslim had the next lowest mean and significantly differed from Christian and approached significance to differ from Buddhist (p=0.090) and Atheist (p=0.073). Catholic approached significance to differ with a lower mean than Christians (p=0.058).

For "do less than your share of work in a group project," Other had the lowest mean and significantly differed from Muslim, Buddhist, and Agnostic. Other also approached significance to differ from Christian (p=0.071) and Jewish (p=0.092). Hindu had the second lowest mean and significantly differed from Muslim and Buddhist. Catholic had the third lowest mean and significantly differed from Muslim, Buddhist, and Agnostic. Atheist had the fourth lowest mean and approached significance to differ from Muslim (p=0.091) and Buddhist (p=0.076). Christian significantly differed with lower means than Muslim and Buddhist. Jewish approached significance with lower means to differ from Muslim (p=0.085) and Buddhist (p=0.090).

For "take money from the company," Hindu had the lowest mean and significantly differed from Muslim and Other. Hindu also approached significance to differ from Jewish (p=0.059), Buddhist (p=0.071), and Atheist (p=0.069). Muslim had the highest mean and significantly differed from Christian, Catholic, Hindu, and Agnostic.

For "purchase items online," Agnostic had the lowest mean and significantly differed from all the 8 groups except not for Hindu. Hindu had the second lowest mean and significantly differed from Christian. Hindu also approached significance to differ from Jewish (p=0.088) and Muslim (p=0.097). Catholic had the third lowest mean and significantly differed from Christian and Agnostic.

Besides the 5 items that had overall statistical significance, all 22 other items had either statistical significance or approached significance for post-hoc tests between the 9 different religious categories. For "photocopy and mail personal papers (#1)," Hindu had the lowest mean and significantly differed from all groups except for where it approached significance for Agnostic (p=0.070) and Other (p=0.080). For "give preferential treatment to family/friends (#2)," Hindu had the lowest mean and

significantly differed from all groups except for where it approached significance for Atheist (p=0.075) and Other (p=0.053). For "take office supplies for your own use (#5)," Hindu had the lowest mean and significantly differed from Christian, Muslim, and Buddhist. Catholic had the next lowest mean and significantly differed from Muslim. Catholic also approached significance for Christian (p=0.053) and Buddhist (p=0.088). For "call in sick when you are not (#6)," Hindu had the lowest mean and approached significance to differ from Agnostic (p=0.089). For "withhold the total truth to cover up other people's mistakes (#7)," Other had the lowest mean and significantly differed from Agnostic (p=0.074).

For "give a false reason for missing work (#9)," Hindu had the lowest mean and approached significance to differ from Agnostic (p=0.074). For "make long-distance personal telephone calls (#10)," Other had the third lowest mean and significantly differed from Christian and also approached significance to differ from Muslim (p=0.080) and Buddhist (p=0.063). For "take long lunches or leave early when your supervisor is not present (#11)," Catholic had the third lowest mean and approached significance to differ with a lower mean than Christian (p=0.089). For "withhold the total truth to cover up your own mistakes (#12)," Agnostic had the highest mean and approached significance to differ from Muslim (p=0.091), Catholic (p=0.067), and Other (p=0.071). For "break something that belongs to the company and not report it (#13)," Hindu had the lowest mean, Other had the second lowest mean and significantly differed from Jewish and also approached significance to differ from Buddhist (p=0.079). Catholic had the third lowest mean and significantly differed from Jewish and approached significance to differ from Buddhist (p=0.088). Christian had the fourth lowest mean and approached significance to differ from Jewish (p=0.071). For "take office supplies for other people's use (#14)," Jewish had the lowest mean and approached significance to differ from Buddhist (p=0.058). Other had the second lowest mean and approached significance to differ from Buddhist (p=0.054). Catholic had the third lowest mean and approached significance to differ from Buddhist (p=0.062).

For "use unethical behaviours to earn a promotion/gain a sale (#15)," Other had the lowest mean and significantly differed from Muslim. Muslim had the highest mean and approached significance to differ from Christian (p=0.068). For "come to work under the influence of drugs, including alcohol (#16)," Other had the lowest mean and significantly differed from Muslim and also approached significance to differ from Hindu (p=0.067) and Buddhist (p=0.062). Catholic had a lower mean that approached significance to differ from Muslim (p=0.090). For "report expenses incurred differently from the actual total (#17)," Other had the lowest mean and significantly differed from Muslim and also approached significance to differ from Hindu (p=0.085), Buddhist (p=0.098), Agnostic (p=0.098), and Atheist (p=0.072). For "take credit for work that someone else has completed (#18)," Other had the lowest mean and approached significance to differ from Muslim (p=0.056). For "report hours worked differently from the actual total (#19)," Muslim had a lower mean that approached significance to differ from Jewish (p=0.097). For "take merchandise / equipment to be resold for profit (#20)," Hindu had the lowest mean and approached significance to differ from Muslim (p=0.075). Agnostic had the next lowest mean. Other had the third lowest mean and approached significance to differ from Muslim (p=0.051). Christian had the fourth lowest mean and approached significance to differ from Muslim (p=0.098). For "do homework (#27)," Hindu had the lowest mean and significantly differed from Christian, Buddhist and also approached significance to differ from Jewish (p=0.057) and Other (p=0.096). Agnostic had the second lowest mean and significantly differed from Agnostic and also approached significance to differ from Christian (p=0.060) and Jewish (p=0.098). Atheist had the third lowest mean. Catholic had the fourth lowest mean and significantly differed from Christian and also approached significance to differ from Buddhist (p=0.073).

For the computer and Internet items, for "download non-work related items on the computer (#22)," Hindu had the lowest mean and significantly differed from Jewish and Buddhist and also approached significance to differ from Christian (p=0.056). Muslim had the next lowest mean and significantly differed from Jewish and Buddhist. Catholic had the third lowest mean and significantly differed from Jewish and also approached significance to differ from Buddhist (p=0.054). Buddhist had the highest mean and besides the differences above also approached significance to differ from Agnostic (p=0.082) and Other (p=0.088). For "surf the Internet (#23)," Hindu had the lowest mean and

significantly differed from all 8 other groups. For "receive and send non-work related emails (#24)," Hindu had the lowest mean and significantly differed from all the religious groups except for only approaching significance to differ from Muslim (p=0.061) and did not differ from Agnostic. For "play computer games (#26)," Agnostic had the lowest mean and significantly differed from Christian, Jewish, Muslim, Buddhist and also approached significance to differ from Other (p=0.059). Hindu had the second lowest mean. Catholic had the third lowest mean and significantly differed from Jewish.

Analyses for those Employed Part-time or Full-time

Additional analyses were performed for the subset of those who were employed part-time or full-time. Four of the 5 items that had overall significance remained significant with ANOVA (see Table 3). These items were "take merchandise/equipment for one's own personal use (#3)," "complete personal business on company time (#4)," "do less than your share of work in a group project (#8)," and "purchase items online (#25). However, "take money from the company (#21)," no longer had overall statistical significance.

Item	CHRIS M (SD) (n=69)	JEW M (SD) (n=25)	MUSL M (SD) (n=24)	CATH M (SD) (n=71)	HIN M (SD) (n=5)	BUD M (SD) (n=10)	AGN M (SD) (n=9)	ATH M (SD) (n=6)	OTH M (SD) (n=24)	ANOVA p-value
3. Take merchandise/equipment for one's own personal use	2.33 (1.01)	2.32 (1.11)	2.50 (1.18)	1.97 (0.96)	1.20 (0.45)	2.70 (0.95)	1.78 (1.09)	2.83 (0.75)	2.46 (1.21)	0.016
4. Complete personal business on company time	2.91 (1.15)	2.44 (1.19)	2.29 (1.04)	2.42 (1.09)	1.60 (1.34)	2.90 (1.20)	2.56 (1.01)	3.67 (0.82)	2.38 (0.92)	0.008
8. Do less than your share of work in a group project	1.87 (0.73)	1.92 (1.04)	2.38 (1.31)	1.79 (0.83)	1.20 (0.45)	2.50 (1.27)	2.33 (1.22)	2.00 (1.26)	1.50 (0.59)	0.007
21. Take money from the company	1.45 (0.65)	1.60 (0.91)	1.71 (1.04)	1.41 (0.71)	1.00 (0.00)	1.60 (1.08)	1.11 (0.33)	2.17 (1.47)	1.75 (1.07)	0.111
25. Purchase items online	3.03 (1.16)	2.96 (1.31)	2.96 (1.12)	2.52 (1.11)	1.80 (0.84)	2.80 (1.69)	1.78 (1.09)	3.33 (0.82)	2.79 (1.18)	0.017

Table 3: Ethical Behaviour Belief Items and Religious Group Affiliation in the Subset of those Employed Part-time or Full-time

Note: CHRIS=Christian, JEW=Jewish, MUSL=Muslim, CATH=Catholic, HIN=Hindu, BUD=Buddhist, AGN=Agnostic, ATH=Atheist, OTH=Other

In the ANCOVA analysis adjusting for the religious observance level variable, the same pattern of significance occurred. In the ANCOVA analysis adjusting for numerous relevant covariates, the same pattern of significance or approaching significance occurred except for "take money from the company" which now had a p-value of 0.102.

Post-hoc least significance difference tests for the 4 items with overall significance were as follows. For "take merchandise/equipment for one's own personal use," Hindu had the lowest mean and significantly differed from all religious groups except for Catholic and Agnostic. Agnostic had the next lowest mean and approached significance to differ from Muslim (p=0.076), Buddhist (p=0.054), Atheist (p=0.054), and Other (p=0.094). Catholic had the third lowest mean and significantly differed from all religious groups except did not differ from Hindu and Agnostic as mentioned above and also did not differ from Jewish.

For "complete personal business on company time," Hindu had the lowest mean and significantly differed from Christian, Buddhist, and Atheist. Muslim had the second lowest mean and significantly differed from Christian and Atheist. Other had the third lowest mean and significantly differed from Christian and Atheist. Catholic had the fourth lowest mean and significantly differed from Christian and Atheist. Jewish had the fifth lowest mean and significantly differed from Atheist and also approached significance to differ from Christian (p=0.067). Agnostic had the sixth lowest mean and approached significance to differ from Atheist (p=0.057).

For "do less than your share of work in a group project," Hindu had the lowest mean and significantly differed from Muslim, Buddhist, and Agnostic. Other had the second lowest mean and significantly differed from Muslim, Buddhist, and Agnostic and also approached significance to differ from Christian (p=0.087). Catholic had the third lowest mean and significantly differed from Muslim and Buddhist and also approached significance to differ from Agnostic (p=0.091). Christian had the fourth lowest mean and significantly differed from Muslim and Buddhist. Jewish had the fifth lowest mean and approached significance to differ from Muslim (p=0.080) and Buddhist (p=0.089).

For "purchase items online," Agnostic had the lowest mean and significantly differed or approached significance to differ from all the religious groups except for Hindu. Agnostic approached significance to differ from Catholic (p=0.074) and Buddhist (p=0.059). Hindu had the second lowest mean and significantly differed from Christian, Jewish, Muslim, Atheist and also approached significance to differ from Other (p=0.086). Catholic had the third lowest mean and significantly differed from Christian.

Discussion

We found that for our three analytic approaches (i.e., all items, overall significant items, and computer/Internet items) those who were Hindu or Catholic consistently had the lowest mean scores indicating beliefs in performing more ethical behaviour. Also, for our three analytic approaches, those who were Buddhist or Atheist consistently had the highest mean scores indicating beliefs in performing less ethical behaviour. In one analysis relating to computer/Internet items, those who were Jewish had the highest mean scores indicating beliefs in performing less ethical behaviour. All 27 items had some statistical difference, whether for the overall analysis or for the post-hoc tests.

It is challenging to directly compare the results from our study to the one other business ethics study that compares a proxy measure of religious affiliation based upon type of college attended. That study found Evangelicals to be more ethical that Catholics with regard to business ethics scenarios (Kennedy and Lawton 1998). Although in our study Catholics had beliefs in performing more ethical business behaviour than Christians, our study had the general category of Christian and it is possible that both Evangelicals and non-Evangelicals chose that category.

Beliefs in Performing More Ethical Behaviour

The beliefs in performing more ethical behaviour among Hindus can be understood by some aspects of the Hindu faith. The concept of the law of karma is that actions have an effect. If one does good deeds this generates good conditions for this individual while if one does bad deeds this generates bad conditions for this individual (Bilimoria 1994; Hunt et al. 1991; Rai 2005). It is possible that those who are Hindu believe that more ethical business behaviour will result in good future conditions for themselves and therefore they are likely to engage in more ethical business behaviour. Also, Hindus believe in many deities and gods. Hindu belief dictates that any god is a true god if it satisfies one's spiritual need (Hunt et al. 1991). As Hindus have many deities or gods, a Hindu can find a particular deity or god to identify with and practice more ethical behaviour as part of such observance. It may even be that a belief exists that one needs to answer to this particular favourite deity or god and be very careful about business ethical behaviour.

The beliefs in performing more ethical behaviour among Catholics can be understood by aspects of the Catholic faith. The Bible, Councils of the Church, Papal decrees, and Code of Canon Law dictate the approach and behaviour for Catholics. This extensive body of religious law and philosophical teachings guides and provides an approach for Catholics to addressing almost any moral or ethical dilemma (Hunt et al. 1991). Catholics with their many rules and rituals integrate and incorporate these rules and rituals into their more ethical behaviour. They also may be more ethical due to a belief that their behaviours are answerable to God and they want to avoid sin.

Beliefs in Performing Less Ethical Behaviour

The beliefs in performing less ethical behaviour of Atheists can be suggested by the lack of a religious basis or tradition of ethics. Atheism by definition is the lack of belief in God or practice of organized religion. As there is no formal religious ethical code to follow, it could be that for those gray areas that are not specifically dictated in secular law, those who are Atheist may tend to be less ethical since they choose a person-centred approach and perform the behaviours that favour their personal interest as the main interest.

The beliefs for performing less ethical behaviour among Buddhists are challenging to understand. In both the Theravada and Mahayana approaches to Buddhism there is a rich tradition of ethics which followers can practice (Hunt et al. 1991). One can classify Buddhism as an ethics system of virtues and vices where there are three groups of virtues that include 1) conscientiousness, 2) benevolence and 3) self-restraint (De Silva 1994). However, culture can relate to differences in the business ethics approach used (Rashid and Ibrahim 2008). Among all the religious groups in this study, those who were Buddhist had the greatest percentage at 75% of those who were not born in the United States. It is possible that it is not the practice of Buddhism per se that is associated with beliefs in performing less ethical behaviour but rather a non United States business ethics approach that differs from the typical business cultural ethical norms practiced in the United States.

There were beliefs in performing less ethical behaviour for computer/Internet topics among those Jewish. The Jewish faith has an extensive ethical tradition based upon the Bible, Talmud, and Shulkhan Aruch (Fogel and Friedman 2008; Friedman 1985). This rich code of religious practices is constantly interpreted for day-to-day practice (Hunt et al. 1991). Unlike other faiths, there is often no central authority in Judaism. Jews often choose which leader or rabbi to follow. Many Jews do not necessarily follow any particular leader or rabbi and instead make their own decisions when interpreting contemporary issues that are not directly discussed in the Bible, Talmud, or Shulkhan Aruch. It could be that Jews are considering less strict interpretations for these contemporary computer/Internet topics. After all, it may be easy to rationalize and believe that one will always be careful and strictly follow all the numerous laws of Judaism. However, since the Bible, Talmud, and Shulkhan Aruch do not specifically address computer/Internet topics perhaps there is some loophole to not be so strict about certain business ethical topics related to computer/Internet topics.

Employment Experience

Some suggest that students have different approaches to business ethics than those employed due to the lack of practical experience with ethical issues (Ibrahim et al. 2008). Our study differed from this suggestion. In our study among the subset of those employed part-time or full-time similar patterns were seen as among the whole sample. This included similar overall significance patterns and also similar beliefs in performing ethical behaviour patterns.

Study Limitations and Future Directions

There are a number of limitations. First, some of the religious groups had a small number of individuals. Second, many religions have different approaches for that religion (e.g., for Muslims there is Sunni and Shiite, for Jewish there is Orthodox, Conservative, and Reform) and this was not measured. Third, although we inquired about religious observance level, we did not inquire specifically about an individual's ethical knowledge about the individual's particular religious classification. Fourth, this study is among individuals from New York City, a cosmopolitan large city in the United States and may not generalize to other regions of the United States. Future research should include larger samples from each religious category, measurement with sufficiently large sample size for the different religious approaches practiced by each religion, ethical knowledge assessment for each particular religious classification, and individuals from multiple regions of the United States.

Conclusions

In conclusion, college students who are Hindu and Catholic have beliefs consistent with the most ethical approach for a number of business ethics behaviours. Also, college students who are Atheist and Buddhist have beliefs consistent with the least ethical approach for a number of business ethics behaviours. College students who are Jewish have beliefs consistent with the least ethical approach for computer and Internet behaviours. Managers at businesses who supervise young adults who recently graduated from college can be better aware of the possible ethical concerns facing those of different religions. They can mentor these individuals beginning their careers to adapt ethical behaviours appropriate for their specific business setting.

Acknowledgements

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IT Governance Awareness and Practices: An Insight From Malaysian Senior Management Perspective

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Abstract

While corporate governance is now receiving due attention in the Asian region, IT governance (ITG) does not appear to be given much credence even though business processes today mandate IT. It is observed that awareness and practices of ITG do not seem to be widespread in the region. Using senior management sample data from Malaysian organizations, a study was conducted to determine the awareness and practices of ITG. Contrary to observation, findings indicated that Malaysian businesses appeared to exhibit awareness but ITG was only partially practiced. There was positive correlation between both concepts. Although the association was not causal, it revealed the potential tendency for awareness to cascade down to practices in an operating environment. ITG practices may be strengthened through senior management commitment and involvement, oversight committees, and real-world issues experienced by organizations such as the focus on IT creating tangible value to real stakeholders and the strategic alignment of IT to include the real business environment.

Keywords

IT Governance; Senior Management; Awareness; Practices

1. Introduction

In line with the call for corporate governance addressed in the 9th Malaysia Plan (or 9MP), transparency, accountability and disclosure are some of the issues that had been debated and publicized under the former prime minister's administration (EPU, 2006). Since the start of the millennium, some countries in the Asian region have either released corporate governance codes of practice or revealed their governance developments, such as the Singaporean Council on Corporate Disclosure and Governance released in August 2002 and the Malaysian Institute of Corporate Governance (MICG) which was established in March 1998 by the High Level Finance Committee on Corporate Governance with a mandate to raise awareness and practice of good corporate governance in Malaysia (Ho, 2005). In the case of the latter, the corporate reform was introduced to enhance the

quality of good corporate management practice while addressing the weakness of corporate governance practices which became apparent during the Asian Financial Crisis in 1997 (Zainal Abidin and Ahmad, 2007).

However, there is little mention of information technology governance (or IT governance) even though these codes or developments assist organizations in the adoption of corporate governance. IT governance is one of the sub-sets of corporate governance as IT is considered as an integral component of any corporation or organization. Many definitions of IT governance exist but the commonly recognized ones include that of the IT Governance Institute (ITGI), the AS8015-2005 Australian Standard for Corporate Governance of Information and Communication Technology (ICT), and the definition provided by Weill and Ross (2004). IT governance is concerned about the deployment of IT resources in alignment with organizational strategies and objectives, the performance of IT in relation to value delivery and risk mitigation, and the conformance of IT processes to best practices (ITGI, 2003). A significant finding from the IT Governance Global Status Report 2003 (ITGI, 2004) indicated that IT governance implementation in Asia Pacific was the lowest compared to that of the rest of the world. Countries participating in this survey were Japan, Hong Kong, Indonesia, Australia and Singapore for the Asia Pacific region while the rest of the world was represented by the Americas and Europe. The awareness and practices of IT governance among businesses do not seem to be widespread in the Asia region although there are some media coverage and an increase in the number of conferences and workshops focusing on IT governance (Ho, 2005).

It is known that there are few studies done on IT governance in Malaysia (Noor Azizi Ismail, 2008; Suhaimi Ismail et al., 2007) and a seemingly lack of awareness studies on IT governance from the Malaysian perspective. Coupled with the attention drawn to corporate governance, addressed in RMK9, an insight into IT governance from Malaysian senior management perspective was deemed appropriate. Moreover, findings from a corporate governance study on a sample of Malaysian companies have revealed a positive association between the corporate governance practices and company performance (Ponnu, 2008). The likelihood of increased investor confidence with increased company performance from good corporate governance practices is reassuring. Similarly, increased IT performance through good IT governance practices will contribute significantly to the realization of IT investment with improved operational costs and client relationship, and business process efficiency gains (ITGI, 2003). The objective of this paper is to present empirical findings on the awareness and practices of IT governance among Malaysian businesses. In addition, findings on the association between the awareness and practices of IT governance are presented. These findings will contribute to the research base on IT governance and, from a Malaysian standpoint, provide an insight into the awareness and practices of governance, highlighting areas for improvement.

2.   IT Governance

The purpose of IT governance is to direct IT endeavours to ensure that IT's performance meets the objectives set out in its strategy. Essentially, these objectives are the realization of promised benefits as a result of IT's alignment with that of the organization, the exploitation of opportunities and maximization of benefits from IT enabling the organization, the responsible use of IT resources, and the appropriate management of IT-related risks (Chalaris et al., 2005; ITGI, 2003). Senior management needs to be better assured that the organization's IT deliverables are met. Hence, the focus on the process by which an organization's IT is directed and controlled, therein lies the significance of IT governance. Furthermore, with effective governance, the return of IT investment will be high and this business investment in IT can be optimized to extend business strategies and goals. These claims are supported by studies from Weill and Ross (2004) and the IT Governance Global Status Reports (ITGI, 2006; ITGI, 2008).

In order for IT to be governed there must be recognition of the need for governance and a shift in the accountability for IT-related decision to the top of the organization. A review of literature on IT governance reflects a commonality in that IT governance is a top management concern (Johnson, 2005; Luftman et al., 2004; Read, 2004; Hardy, 2002). It is important that senior management has a working knowledge of the concepts and issues related to IT governance. An effective governance of IT is essential as IT significantly impacts an organization's business. This can be seen when IT

delivers value to the organization by keeping IT initiatives aligned with the organization strategy and when risks are mitigated by establishing accountability and monitoring of IT performance (Read, 2004; ITGI, 2003).

Post literature on IT governance have focused on the domains of IT strategic alignment, IT resource management, risk management, performance measurement, and IT value delivery (refer to Table 1). These five domains have gained global recognition as accepted relevant domains of ITG as they are business-driven and align closely with the issues on which the board and executive management focus (Johnson, 2005). In addition, they represent five management-related issues associated with IT governance responsibilities (ITGI, 2003). To determine the awareness and practices of IT governance among local businesses, these domains were adopted for the study. Academic research regarding IT governance in Malaysia is very limited while most of the past research studies are international-based. Therefore, an examination into the awareness and practices aspects of IT governance was timely as the findings will provide an insight into the state of governance among Malaysian businesses from the perspective of senior management designees.

Table 1: Domain Description of IT Governance

Domain	Description	Reference
IT strategic alignment	This domain focuses on ensuring the linkage of business and IT governance plans, on defining, maintaining and validating the IT value proposition, and on aligning IT operations with enterprise operations.	Buchta et al. (2007); ITGI (2005a); Luftman et al. (2004)
IT resource management	This domain focuses on key issues related to the optimization of knowledge and infrastructure. It involves the optimal investment in, and the proper management of, critical IT resources (such as people, processes, applications, infrastructure and information) to meet the organizational strategic objectives.	Beulen et al. (2006); ITGI, 2005b; ITGI (2003)
Risk management	This domain focuses on risk awareness by senior management, a clear understanding of the organization's ability to handle risk, transparency about the significant risks to the enterprise, and embedding of risk management responsibilities into the organization.	ITGI (2005c); Luftman et al., (2004); Hardy (2002)
Performance measurement	This domain uses approaches, such as balanced scorecards and maturity models, to track and monitor strategy implementation, project completion, resource usage, process performance and service delivery.	ITGI (2005d); De Haes and Van Grembergen (2004)
IT value delivery	This domain is about executing the value proposition throughout the delivery cycle, ensuring that IT delivers the promised benefits against the strategy, concentrating on optimizing costs and proving the intrinsic value of IT.	ITGI (2005e); Hamaker (2003); ITGI (2003)

3.   Research Methodology

An empirical study was applied in this research using a questionnaire as the research instrument. Both primary and secondary data were used in order to achieve the objectives. The domains of IT governance were determined from previous research (refer to Table 1) and used to determine the awareness and practices of IT governance among Malaysian businesses. The content validity of the research instrument was established through feedback by practitioners with experience in the subject matter. Reliability tests were conducted on (i) a set of 20 awareness items and (ii) a set of 15 practices items in the questionnaire. The results showed high alpha readings ($\alpha > 0.9$) for both item sets, indicating that both sets of measured items were excellent. The contact details of 150 organizations were obtained via Web business directories. Convenience sampling was applied in the primary data collection using both electronic and postal mail. The target population was senior management personnel. Analysis of primary data was supported by the application of appropriate statistical techniques.

4.   Research Model

A research model (Figure 1) was developed focusing on the awareness elements of IT governance. Endsley's situational awareness model (1995) was adopted for this research model. According to Endsley (1995), situational awareness (SA) is "the perception of elements in the environment within a volume of time and space, the comprehension of their meaning, and the projection of their status in the near future". This definition is widely accepted as it is applicable across multiple task domains. Although frequently used for studies related to the military (French and Hutchinson, 2002; Endsley, 1998), the SA model has applicability in complex systems like businesses that are supported by IT/information systems (Lee et al., 2003; Endsley, 2001). Understanding people's awareness of how to process and utilize information around them will aid in supporting the delivery of effective performances. Senior management should harness SA to ensure they make well-informed decisions leading to effective planning and accurate formulation of the organization's future goals (Miller, 2006; Resnick, 2003). Having an accurate understanding of the current situation is vital to business leadership decision-making. The impact of SA information has been found to have positive effects from the decisions made as a result of it (Lee et al., 2003). The research model was built based on the combination of several past literatures instead of a single research model. The model focused more on the process and proposed a three-level awareness concept of perception, comprehension, and projection. The application of awareness levels on the domains of IT governance was used to measure management's awareness and understanding of IT governance through the frequency at which the processes are conducted, from senior management's perspective.

Senior management gathers perceptual information from the operating environment and selectively attends to those elements that are most relevant for the task at hand. In the context of IT governance, some of the processes related to this level of awareness include risk management addressed by senior management, the availability of resources, infrastructure and skills to meet current tasks and organization strategic goals, the compliance with application regulations, the inclusion of IT in the board's agenda, and the communication of the business direction to which IT should be aligned. In addition, close monitoring is paid to IT investment value through pending and achieved tangible and intangible assets like improvements in client relationship, operational costs, business efficiency gains, and achieving organization's strategic goals.

At the comprehension level, senior management must be able to integrate incoming perceptual information with existing knowledge, revealing an understanding of the significance of these elements in the current context. Therefore, from the perspective of IT governance, comprehension from respondents can be derived from senior management's realization of the important role played by IT in the organization, and consequent regulated monitoring of IT for return-on-investment (ROI) and the frequency of decisions about IT usage made jointly by business and IT management. Senior management concerns also centre on the occurrence of risks and ways to mitigate them with arrangements for audits for independent assurances, while leveraging potential developments in IT for business growth and leveraging its knowledge to increase stakeholder value.

The projection level of awareness is achieved when senior management is able to project the future actions of the elements in the operating environment by predicting and anticipating how incoming information will change the environment. To determine projection among the sample segment as it relates to IT governance, senior management must have addressed issues such as the management of assets in terms of suitable IT resources, infrastructures and skills to meet the organization strategic objectives, strategizing initiatives to manage the critical value of IT, striving for transparency in IT efforts and investments, ensuring the continuous support of the IT department on business user needs, and leveraging IT's potential contribution to business growth through participation in organizational change-setting and strategic direction.
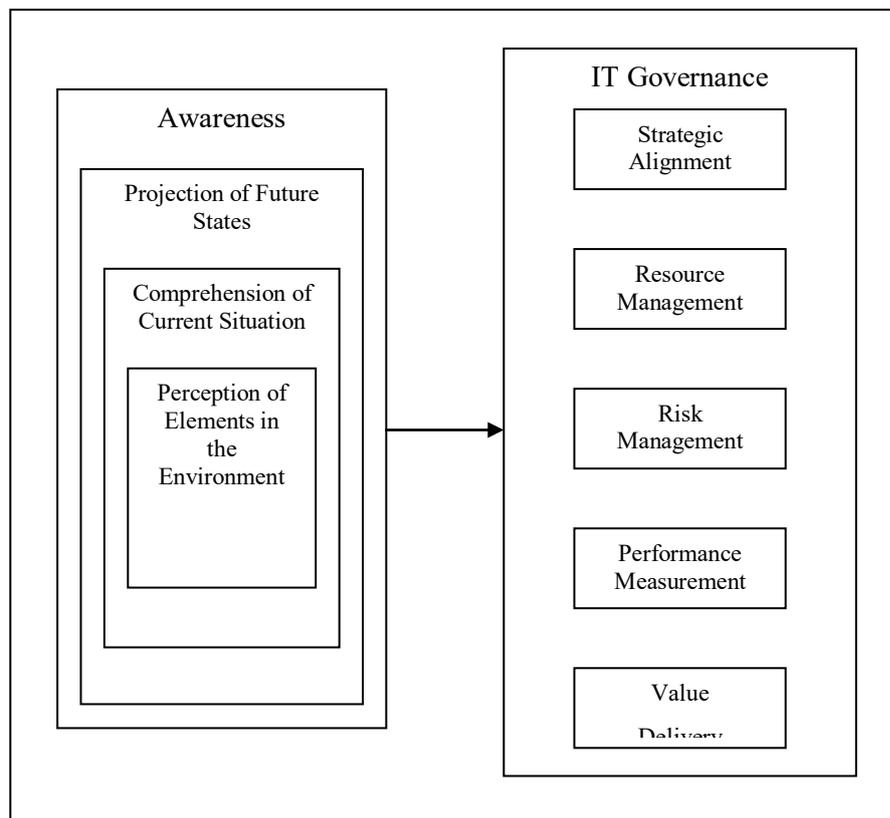

Figure 1: Research Model of the Awareness of IT Governance

The research hypotheses H_1 to H_{15} that were formulated based on the research model in Figure 1 are listed in Table 2(i). The hypotheses were generated to test for positive associations between each awareness levels and each domain of IT governance. Each hypothesis has a null hypothesis that tested for no association. The hypothesis statement for H_1 was written as follows:

H_0: There is no positive association between the awareness level of perception and the strategic alignment domain of IT governance.

H_1: There is a positive association between the awareness level of perception and the strategic alignment domain of IT governance.

Hypotheses H_{16} to H_{20} were generated to test for positive associations between the awareness construct and the domains of IT governance. The hypotheses are listed in Table 2(i). Each hypothesis has a null hypothesis that tested for no association. The statement for H_{16} was:

H_0:   There is no positive association between the awareness construct and the strategic alignment domain of IT governance.

H_{16}:   There is a positive association between the awareness construct and the strategic alignment domain of IT governance.

Table 2(i): Research Hypotheses for Awareness of IT Governance

H₁	There is a positive association between the awareness level of perception and the strategic alignment domain of IT governance.
H₂	There is a positive association between the awareness level of comprehension and the strategic alignment domain of IT governance.
H₃	There is a positive association between the awareness level of projection and the strategic alignment domain of IT governance.
H₄	There is a positive association between the awareness level of perception and the resource management domain of IT governance.
H₅	There is a positive association between the awareness level of comprehension and the resource management domain of IT governance.
H₆	There is a positive association between the awareness level of projection and the resource management domain of IT governance.
H₇	There is a positive association between the awareness level of perception and the risk management domain of IT governance.
H₈	There is a positive association between the awareness level of comprehension and the risk management domain of IT governance.
H₉	There is a positive association between the awareness level of projection and the risk management domain of IT governance.
H₁₀	There is a positive association between the awareness level of perception and the performance measurement domain of IT governance.
H₁₁	There is a positive association between the awareness level of comprehension and the performance measurement domain of IT governance.
H₁₂	There is a positive association between the awareness level of projection and the performance measurement domain of IT governance.
H₁₃	There is a positive association between the awareness level of perception and the value delivery domain of IT governance.
H₁₄	There is a positive association between the awareness level of comprehension and the value delivery domain of IT governance.
H₁₅	There is a positive association between the awareness level of projection and the value delivery domain of IT governance.
H₁₆	There is a positive association between the awareness construct and the strategic alignment domain of IT governance.
H₁₇	There is a positive association between the awareness construct and the resource management domain of IT governance.
H₁₈	There is a positive association between the awareness construct and the risk management domain of IT governance.
H₁₉	There is a positive association between the awareness construct and the performance measurement domain of IT governance.
H₂₀	There is a positive association between the awareness construct and the value delivery domain of IT governance.

To determine the practice of IT governance among Malaysian businesses, a research model, was developed based on past literature, as depicted in Figure 2. Practices in IT governance can be seen in planned and purposeful management processes such as reviewing the strategic role of IT and its alignment to organization objectives, monitoring potential conflicts between business and IT functions, enforcement of business continuity and security measures, and ensuring internal audit of IT processes. Senior management's involvement and support of IT governance can be seen from the frequency at which these processes were conducted. The application of practices on the domains of IT governance was used to measure management's practices of IT governance through the frequency at which the processes were conducted. The frequency of practice processes was based on senior management's perspective.
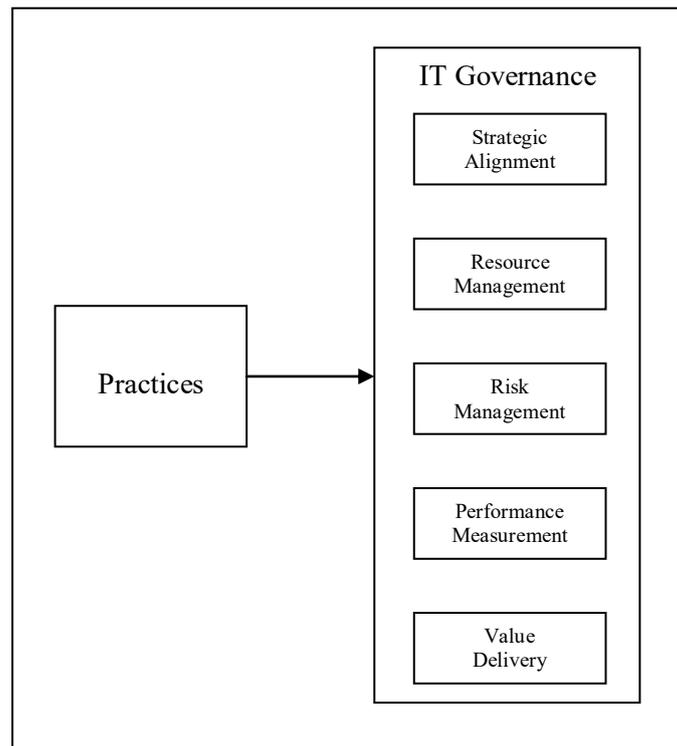
Figure 2: Research Model of the Practices of IT Governance

Research hypotheses H_{21} to H_{25} were formulated based on the research model in Figure 2 to test for positive associations between the practices construct and each domain of IT governance. The hypotheses are listed in Table 2(ii). Each hypothesis has a null hypothesis that tested for no association. The hypothesis statement for H_{21} was written as follows:

H_0:　There is no positive association between the practices construct and the strategic alignment domain of IT governance.

H_{21}:　There is a positive association between the practices construct and the strategic alignment domain of IT governance.

Table 2(ii): Research Hypotheses for the Practices of IT Governance

H_{21}	There is a positive association between the practices construct and the strategic alignment domain of IT governance.
H_{22}	There is a positive association between the practices construct and the resource management domain of IT governance.
H_{23}	There is a positive association between the practices construct and the risk management domain of IT governance.
H_{24}	There is a positive association between the practices construct and the performance measurement domain of IT governance.
H_{25}	There is a positive association between the practices construct and the value delivery domain of IT governance.

Meanwhile, Figure 3 depicts a research framework of the association between IT governance awareness and practices. Correlation computation will determine the linear association between both awareness and practices concepts.
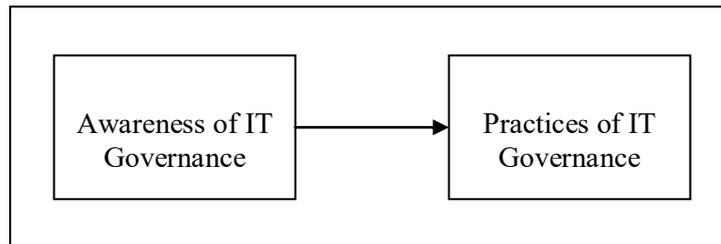
Figure 3: Research Framework of Association between IT Governance Awareness and Practices

Hypothesis H_{26} was generated to test for positive association between the awareness and practices concepts. Hypothesis H_{26} was stated as follows:

H_0: There is no positive association between the IT governance awareness construct and the IT governance practices construct.

H_{26}: There is a positive association between the IT governance awareness construct and the IT governance practices construct.

5.   Data Analysis & Findings

The survey captured background data of respondents' profile as well as their opinion on the awareness and practices of IT governance in their respective work environment. From the 150 sets of questionnaires that were distributed via convenience sampling, only 38 respondents answered, which amounted to an approximate 25% response rate. This rate is considered to be relatively normal (Scheaffer et al., 1996). The main reasons given for the lack of response were (i) company policy of not responding to surveys, and (ii) the nature of the study in question coupled with the level at which it was focused. The majority of the target respondents were located within the State of Selangor and the Federal Territories. They are essentially senior management designees such as members of the Board or C-suite (viz., Chief Executive Officer; Chief Information Officer; Chief Financial Officer; etc.).

5.1   Demographic Profile

The sample data comprised of members of the Board or C-suite (57.9 %) while the remaining (42.1%) also hold senior management positions, such as senior managerial, executive, and advisory offices. As for the number of years the respondent has held the position, 36.9% of the respondents have reported to be in the current position for at least 6 years with 63.2% at less than 6 yrs. The majority of the respondents come from the private sector (78.9%) followed by 21.1% from government-linked companies (GLCs), quasi government organizations, and Multimedia Supercorridor (MSC) status companies. 21.1% of the sample are from the IT (Consultancy/Services/Vendor) industry with 15.8% from the Banking and Finance industry. The remainder of the respondent organizations are from Retailing, Manufacturing (and Related Services), Telecommunications, Logistics, Engineering, and Construction industries. At least 50% of the respondents' organizations are medium to large in size. Most of the respondent organizations are quite matured with 73% being established for more than 10 years. Only 16% are operating for 5 years or less and cannot be excluded as some form of governance may be implemented at the onset of operations, but not formalized by name.

5.2   Results of Factor Analysis

To test the factorability of the sample data for awareness and practices, Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy were conducted. The Bartlett test was found to be significant (p-value < 0.05) and the KMO measure was greater than 0.6, thus, supporting factor analysis.

Factor analysis results from awareness data resulted in five valid factors of IT governance: strategic alignment, resource management, risk management, performance measurement, and value delivery.

The reliability measures for the items of each factor were all above 0.7, indicating that the internal consistency of the measured items was good. These factors were suspected to be the underlying domains from which the awareness of IT governance was determined. Using only valid factor loadings, the mean scores of awareness of IT governance were then computed (Table 3) using the sample mean statistic

$$\overline{X} = \frac{1}{n} \sum_{i=1}^{n} X_i$$

where $X_1, X_2,\ldots,X_n$ represent the sample size n and $\sum_{i=1}^{n} X_i$ denotes the sum of $X_1 + X_2 + \ldots + X_n$.

The rating scale used for the three levels of awareness was the 5-point Likert scale measuring frequency of occurrence (1 = Don't Know; 2 = Not At All; 3 = Seldom; 4 = Frequent; 5 = Always). An observation made of the results was that there appeared to be a high potential frequency of awareness processes from the perspective of the respondents.

Table 3: Summary of Mean Scores of Awareness of IT Governance

IT Governance Domain	Level of Awareness (Mean Score)		
	Perception	**Comprehension**	**Projection**
Strategic Alignment	3.747	3.794	3.758
Resource Management	3.792	3.750	3.774
Risk Management	3.846	3.780	3.706
Performance Measurement	3.732	3.832	3.746
Value Delivery	3.793	3.695	3.797
Mean (Overall)	**3.782**	**3.770**	**3.756**

In the perception level of awareness, the focus was on selectively attending to those elements of governance that were most relevant for the tasks at hand. The mean scores at the perception level of awareness were reasonably high with the overall mean of 3.782 indicating increasing occurrences of processes related to perceptual information on governance from the environment. The comprehension level enveloped perception of the governance domains present and included an understanding of the significance of these domains in the current context of the organization's goals. The overall mean of the comprehension level of awareness was 3.770, again indicating increasing occurrences of processes that pointed favourably toward an awareness of perception and with the integration of this perceptual information with existing knowledge, to understanding how it will impact upon the organization's objectives. Projection is the highest level of awareness, incorporating perception and comprehension, and was achieved when future actions related to the governance domains were projected in the respondent's working environment. The overall mean of 3.756 indicated that, from the respondents' perspective, there were increasing occurrences of processes related to the projection of IT governance domains. Hence, an extrapolation of the results of perception, comprehension and projection led positively to an awareness of IT governance in the operating environment of the respondents in the sample data.

Meanwhile, results of the factor analysis on the practices data indicated three valid factors of IT governance: risk management, performance measurement, and value delivery. The reliability measures for the items of each factor were all above 0.7, indicating good internal consistency of the measured items. These factors were suspected to be the underlying domains from which the practices of IT governance were determined. A summary of the mean scores of practices of IT governance, derived from valid factor loadings, is depicted in Table 4. The mean scores for the strategic alignment and

resource management domains were not calculated as these factors were deemed invalid with insufficient rotated factor loadings. However, this does not mean that strategic alignment and resource management practices do not exist entirely in the local business environment. It is quite likely that the sample size was relatively small and that there were low occurrences of processes related to the practice of both domains. Hence, factor analysis was not able to substantiate the validity of both factors.

Table 4: Summary of Mean Scores of Practices of IT Governance

IT Governance Domain	Mean Score
Risk Management	3.685
Performance Measurement	3.697
Value Delivery	3.658
Mean	**3.680**

The overall mean of 3.680 (Table 4) indicated that there was some level of practices of IT governance from the perspective of the respondents. The mean scores of the three governance domains were reasonably high indicating increasing occurrences of practices in these domains. However, the absence of validity for strategic alignment and resource management was indicative of the probable local perception towards IT governance practices, that is, the focus on assessing the returns on investment on client jobs with security investment factored in. There appeared to be room for improvement in governance practices while awareness of IT governance, from respondents' opinions, seemed to exist.

5.3   Results of Correlation Analysis

The Bivariate Pearson Product-Moment Correlation test was then administered on the research hypotheses generated for governance awareness (Table 2). The correlation coefficient (*r*) was derived from the following statistic

$$r = \frac{\sum xy}{\sqrt{\left[\left(\sum x^2\right) * \left(\sum y^2\right)\right]}}$$

where the symbol $\sum$ denotes the "the sum of", x = x_i - x, where x_i is the x value for observation i, x is the mean x value, y = y_i - y, where y_i is the y value for observation i, and y is the mean y value.

The results of the hypotheses tests indicated strong and positive correlations for all 15 hypotheses that were tested (Table 5). The output also indicated that the associations between levels of awareness and the domains of IT governance are significant. Therefore, the higher the awareness levels, the higher the domain processes.

Table 5: Results of Research Hypothesis Tests for Levels of Awareness of IT Governance

Hypothesis	Correlation Coefficient (r)	*p-value*	Decision	Finding
H_1	0.932	0.000*	Significant	Strong, positive association
H_2	0.911	0.000*	Significant	Strong, positive association
H_3	0.952	0.000*	Significant	Strong, positive association
H_4	0.950	0.000*	Significant	Strong, positive association
H_5	0.947	0.000*	Significant	Strong, positive association
H_6	0.969	0.000*	Significant	Strong, positive association
H_7	0.967	0.000*	Significant	Strong, positive association
H_8	0.943	0.000*	Significant	Strong, positive association
H_9	0.943	0.000*	Significant	Strong, positive association
H_{10}	0.955	0.000*	Significant	Strong, positive association
H_{11}	0.928	0.000*	Significant	Strong, positive association
H_{12}	0.914	0.000*	Significant	Strong, positive association
H_{13}	0.956	0.000*	Significant	Strong, positive association
H_{14}	0.957	0.000*	Significant	Strong, positive association
H_{15}	0.951	0.000*	Significant	Strong, positive association

* *Significant at 0.10 level*

Correlation tests were then conducted on research hypotheses H_{16} to H_{20} for positive associations between the awareness concept and the domains of IT governance. The results of the hypotheses tests (Table 6) indicated strong and positive correlations for all 5 hypotheses tested. In addition, there were also significant associations between the awareness concept and the governance domains. Consequently, an increase in the awareness concept will signify an increase in IT governance in the operating environment.

Table 6: Results of Hypothesis Tests for Awareness of IT Governance

Hypothesis	Correlation Coefficient (r)	*p-value*	Decision	Finding
H_{16}	0.998	0.000*	Significant	Strong, positive association
H_{17}	0.998	0.000*	Significant	Strong, positive association
H_{18}	0.998	0.000*	Significant	Strong, positive association
H_{19}	0.997	0.000*	Significant	Strong, positive association
H_{20}	0.999	0.000*	Significant	Strong, positive association

* *Significant at 0.10 level*

It was observed at this stage of the analysis that the management of Malaysian businesses appear to exhibit an awareness of IT governance from aspects of strategic alignment, resource management, risk management, performance measurement, and value delivery. As IT governance is a valuable subset of

corporate governance, this is an interesting finding as it augers well for local businesses, especially with the call for corporate governance addressed in RMK9.

The Product-Moment Correlation test was administered on the research hypotheses generated on governance practices. Hypotheses H_{21} and H_{22} were not tested as they were found to be invalid after factor analysis. The results of the hypotheses tests, exhibited in Table 7, indicated strong and positive correlations for the 3 hypotheses tested. The output also indicated a significant association between the practices concept and three domains of IT governance. Consequently, the higher the practices concept, the higher the practices of risk management, performance measurement, and value delivery domains of IT governance in the operating environment.

Table 7: Results of Hypothesis Tests for Practices of IT Governance

Hypothesis	Correlation Coefficient (*r*)	*p-value*	Decision	Finding
H_{23}	0.949	0.000*	Significant	Strong, positive association
H_{24}	0.946	0.000*	Significant	Strong, positive association
H_{25}	0.909	0.000*	Significant	Strong, positive association

* Significant at 0.10 level

While the results of Table 7 showed positive correlation between practices and three governance domains, the absence of the strategic alignment and resource management domains (very likely due to low occurrences and the relatively small sample size) posed the supposition that the concerns of the management of local businesses were more attuned to tangible benefits derived from IT investment in the here and now. Thus, in practice, having secured the company's IT with elements of risk management tools or techniques, the company's subsequent concern was that the IT performed to expectations. Forthwith, value was extracted when the IT projects were completed and delivered, and the customer indicated some measure of satisfaction. From the results of the data analysis in this section, it would seem that IT governance was only partially practiced by management of local businesses, in that specific governance domain practices were conducted more than others. Thus, as mentioned in Section 5.2, IT governance awareness was found to be present, judging from the opinions of the respondents, while there appeared to be room for improvement in the practices of IT governance as processes may be limited or under development, thus not used to their full capacity. This could have been attributed to the lack of expertise in the functionality of processes. In retrospect, it would seem that the general mindset of local businesses is attuned to the benefits of the technology as a commodity or support tool rather than as a strategic tool. According to a key observation in the IT Governance Global Status Report 2003, there is a tendency for IT to be looked upon more as a commodity in the Asia-Pacific region rather than as a means for gaining competitive advantage.

Association between the Concepts of IT Governance Awareness and Practices
With reference to Figure 3, the correlation test was administered on the hypothesis generated, and the result of the association between IT governance awareness and practices is shown in Table 8. The hypothesis was tested on the means of valid factor loading values of each concept.

Table 8: Results of Hypothesis Test of Association Between IT Governance Awareness and Practices

Hypothesis	Correlation Coefficient (*r*)	*p-value*	Decision	Finding
H_{26}	0.811	0.000*	Significant	Strong, positive association

* Significant at 0.10 level

The result of the hypothesis test indicated a significant, strong and positive association for hypothesis H_{26}. Therefore, H_{26} was accepted and the null hypothesis was rejected. Thus, there exists the likelihood of increased awareness with increased practices of IT governance. The positive correlation between the IT governance awareness and the IT governance practices concepts were consistent with the rationale of the situation as an awareness of IT governance will lend itself to its practices in an

organization. An interesting mention was reported in both the IT Governance Global Status Reports of 2003 and 2006 that a majority of respondents not only performed governance practices but had "hidden" governance implementations and did not characterize or label them by that name. In fact, some known IT governance frameworks, such as Control Objective for Information and related Technology (COBIT), Information Technology Infrastructure Library (ITIL), BS 7799-1/ISO/IEC 17799:2000 (Code of Practice for Information Security Management), and Capability Maturity Model Integration (CMMI) have been used by organizations for some time. It seems likely, therefore, that organizations with some semblance of governance or security awareness will inadvertently have either imbued some related governance processes into their regular work practices or incorporated a governance framework for compliance purposes. In fact, with the release of the ISO/IEC 38500:2008 Standard for Corporate Governance of IT (www.iso.org), organizations should do well to consider compliance with its guidelines in assisting top management to promote effective, efficient, and acceptable use of IT in the organization.

Summary of Findings

Thus, in summary, the findings in this study appear to support the general results of the IT Governance Global Status Report 2008 in terms of the governance awareness and practices. Global awareness of IT governance had increased with more respondents reporting that a number of ad hoc measures in place in their organizations to further awareness but there was a need for further improvement of governance practices (ITGI, 2009a; ITGI, 2008). The sample of senior management responses in this study exhibited the presence of awareness, through the application of the perception, comprehension, and projection levels of the situational awareness model on the five domains of governance. However, governance was only partially practiced, indicating the need for further improvements in this area with greater emphasis on governing and leveraging the technology strategically towards business growth.

6. Conclusion & Discussion

This study provides an indication of what is happening to some local businesses based on the 25% response rate due to the nature of the study. Positive correlations were found between the awareness concept and the five domains of governance, while only three domains were found to be positively correlated to the practices concept. Moreover positive correlation was found between the awareness and practices concepts and although the association was not causal, it revealed the potential tendency for awareness to cascade down to practices in an operating environment. However, an issue of concern from the results of the study findings was why validity was not found for all domains in the IT governance practices concept of the study. With strategic alignment and resource management not being featured conspicuously in the findings, the possibility exists that although management was aware but in practice, other factors may contribute such that management may not have been able to successfully cascade the full capacity of all the governance domains into the operating environment to leverage the technology for business growth. This alludes to the perspective of most businesses in the Asia-Pacific region which looks upon the technology as a commodity or support tool rather than as a strategic tool to leverage and extend business strategies and goals (ITGI, 2004). Sustaining a business through tight economic times and an unstable global economy may not provide a suitable environment for companies to focus on instituting proper governance measures. Other factors may include pressures from technology, legal, politics, social, and environment that affect business activities, or simply the culture of the business that is only concern with what is expedient to achieving profits. IT governance practices may be improved by applying real-world issues experienced by organizations. The assimilation of such real experiences will strengthen IT governance implementation and work towards the continual improvement of its five domains by strategically aligning IT to include the real business environment, optimizing resources based on real business processes, improving real decisions by balancing risk and return, creating metrics based on real business-IT strategy alignment, and focusing on IT creating tangible value to real stakeholders (Barnier, 2010; ITGI, 2009b).

As IT governance is a sub-set of corporate governance, it is highly plausible that the strength of an IT governance initiative within an organization is identified through the strength of the overall corporate governance environment. Thus the commitment and involvement of senior management to set guiding principles, allocate clear roles and responsibility, and accountability for IT governance implementation

and continual improvement within the organization is critical to its success (Weill and Ross, 2004; Read, 2004; ITGI, 2003). The establishment of relevant committee(s) comprising favourably of representation from senior, business, and IT management will provide the much needed mechanism for IT governance oversight and direction for improvement (ITGI, 2009b; Posthumusa and von Solms, 2005; Lientz and Larssen, 2004; De Haes and Van Grembergen, 2004; Hardy, 2003).

Future research may be conducted to identify contingencies that influence the practices of the governance domains. An issue of interest is an examination of the severity of IT-related problems within the operating environment and to test its associations with awareness and practices of IT governance. This research extension is currently underway and may provide further insights into IT governance implementation among Malaysian businesses.

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The Attempt To Privatise Business Ethics: A Critique of the Claims of Contractarianism To Be the Ethical Framework for Global Business

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Abstract

Many issues in business ethics centre on the meaning and scope of the notion; duty of care. Three major ethical frameworks have different ideas about this which are examined in the paper. In particular, the recent claims of Contractarianism in the Academy of Management Review are critically analysed and found wanting to a serious degree. The extent to which Kohlberg's paradigm shares the shortcomings of Contractarianism is then reviewed. It is argued that while Kohlberg is universalist, therefore a recognizably ethical moral framework, it shares with Contractarianism the disadvantage of a problematic a priori rationality in terms of its specifically ethical judgments. Finally, Care Theory is shown recently to have begun to acquire the universalist credentials it previously lacked and not to be subject to the shortcomings of the other two paradigms in some key aspects; but that it still has conceptual development work to do in order to become a practical framework for global business ethics. Such work was inconceivable when Care Theory was relativistic and particularistic, but it now begins to be conceivable as a practical proposition.

1.   Introduction

Weber (1926) argued most people's moral decisions are governed by one of two quite different personal frameworks: namely, the ethics of conviction or ethics of responsibility. Conviction covers what one believes to be right but is usually trumped by responsibility which is what one actually does, on the justification of needing to keep the family fed. Conviction resonates with justice, responsibility resonates with care. This does not mean that ethics of conviction connotes lack of responsibility, or ethics of responsibility a lack of conviction. This dichotomy echoes the divide between public life and private life, between our office face and our family one, that the Care Theorists attack but that Kohlberg's framework resolves in favour of the public and the general over the private and particular. One ethical framework, Contractarianism, claims to occupy the middle ground here. Contractarianism has the conviction ethic that honouring agreements is a general good but also has the responsibility ethic that moral obligations arise only from contractual privity between particular individuals including those signing the marriage contract. Another sense in which contractarianism occupies the middle ground is in the range from religious dogma at one extreme to ultra-liberal ethical relativism at the other (Dunfee and Donaldson 1994).

In their Academy of Management Review article, van Oosterhout et al (2006) attempt to advance their project of making ISCT (Integrative Social Contracts Theory) the primary framework of business ethics. The dominant model in business ethics may well, however, still be the Kohlberg model of ethical self development, since

contractarian theories are usually placed at only stage 5 of Kohlberg's six stage paradigm. At stage 6 are the deontic ethical frameworks usually illustrated by Kant's categorical imperative. Deontic rules are general and universalisable. Contractarian rules are particular and apply only to people who have agreed to them previously. What both perspectives have in common is that the positions they take are the result of reasoned deliberation, with no necessary sourcing in emotion. Both frameworks are attribute a crucial role to *hypothetical* states of nature in which people coolly reason among themselves which sets of rules will be minimally necessary for the life or projects on which they are about to embark. In a different voice from these approaches is the school associated with Gilligan's critique of Kohlberg, Care Theory. Care Theory grounds ethics in the expressed emotion of caring, both as an empirical *and as a normative precondition* of any ethics. Care theoreticians reject any theory which resorts to hypothetical states of nature where adults coolly reason out rules. Care Theory regards such imaginary states as so hopelessly unrealistic and faraway from actual human behaviour that they constitute an unsafe and unreliable source from which to validate any ethics. However, it is too early to say that care theory has transcended its partial and relativistic, Kohlberg stage 3 origins; and it is thus more soberly viewed as a promising rather than an already accomplished dominant ethical paradigm. The claims of contractarianism (and its core of Integrated Social Contracts Theory) to that dominance depends very much too much on the very problematic validity of inner morality of contracts, as is deconstructed in the following section.

2.   Contractarianism aka Contractualism

Van Oosterhout et al (2006) attempt to advance their ambition of making ISCT (Integrative Social Contracts Theory) the primary framework of business ethics using a rather manipulative discourse, as will now be demonstrated..

The first discourse technique used to further this ambition is to stigmatise other contract theoreticians as suffering from "contractual follies'. The four "contractual follies" all happen to display a mellifluous alliteration and they are desolation, deception, defeasance, and defection (van Oosterhout et al, 20006, 527-9) This is an extraordinarily happy linguistic coincidence. Secondly, the writers slide in the occasional unsupported assertion amongst an otherwise densely argued and citation grounded text. The most egregious example of this is the assertion that contractarianism has "more moral substance' than "critics are willing to admit" (op cit, 534), but quite how much that is, and quite who these critics are, is not illuminated. A third example of discourse manipulation is beyond more verbal cosmetics, and is so critical to the writers' thesis that the rest of this section focuses on deconstructing it. The writers triumphantly expose what they call the "contractualist fallacy." This is said to comprise the assertion that since contractualism will uniquely determine a single set of action guiding substantive norms out of all possible sets that satisfy a basic contractualist justificatory argument (op cit 523). They also indict the importation of moral substance from outside the contractualist framework. "Although these two are 'conceptually separate fallacies, they tend to go hand in hand empirically. Henceforth we use the term contractualist fallacy to denote both argumentative errors."(ibid). Instead, they say, contractualism 'justifies those norms that free and autonomous agents could and possibly would agree to if they had the choice."(op cit 523). This framework is worth advancing because of its "superior connection with its field of application." (op cit 524)

Contractualism and its near identical twin, contractarianism, involve prior commitments to individualism, freedom, private property rights and the possibility of free market exchange. The approach also involves (op cit 525) 'commitments to reasonableness and basic institutions acknowledging the privileged and foundational role of reasoned and voluntary human commitment." Before van Oosterhout, contractualism was originally explained by Dunfee and Donaldson (1994, 1999, 2002a) as lying midway between ethical relativism and ethical absolutism in a way that combines individual contracts with deeper social contracts. It recognizes the authority of such 'key trans-cultural truths' as the idea that all humans deserve respect. It inhabits a 'moral free space' where economic communities and nations have their own norms unless those norms entail 'flagrant neglect of core human values'. The minimum content of a global social contract is arrived in a state of nature and comprises the rights of individuals to voice within and exit from any group and compatibility with

globally accepted hyper-norms recognized by religions, philosophies and cultural beliefs around the world., especially for businesses these three:

1. firms should adopt adequate health and safety rules for their workers and give them the right to know the risks of doing any relevant jobs,
2. no lies should be told
3. business obligations should be honoured in a spirit of honesty and fairness.

One early version of contractualism regards bribery as wrong, because religions and laws generally condemn it, and because it violates the hyper-norm of public good taking priority over private gain (Sen, 1997)

The "contractualist fallacy" claim has an earlier appearance in Dunfee and Donaldson (2002b, 43) when they try to put 'is' and 'ought' into 'symbiotic harmony in a way requiring both empirical and normative research in rendering ultimate value judgments'. 'Authentic' norms are those supported both by the attitudes and the behaviour of a substantial majority of a community's members (2002b, 45), but they only have moral validity if compatible with hyper-norms applying also outside that community. Van Oosterhout et al's (2006, 524) footnote 2 says that Dunfee and Donaldson (1999, 4) avoid the fallacy by emphasizing 'that the specification of a definitive listing of hyper-norms is not necessary to the understanding and application of ISCT". They believe ISCT is worth advancing *despite* its compatibility with many contradictory substantive norms "because of its superior connection with its field of application."

Van Oosterhout et al (2006) believe they evade contract fallacies and contractual follies alike by drawing on a major but controversial writer within legal jurisprudence, Lon Fuller. Fuller (1964) famously coined the phrase, the "inner morality" of law, to provide a way of divorcing law from general morality as far as possible but stopping short of a total divorce. Still left inside is the idea that contracts have to rest on trust that the contracts will be honoured, an idea van Oosterhout et al (2006) take up with relish. They make no reference to the wider context within which Fuller wrote, and especially they ignore the Hart-Devlin debate about the necessary or desirable connection of valid law to generally accepted morality. The whole discussion of hypernorms by contractarian advocates from Scanlon to van Oosterhout would be richer, more plausible and less tendentiously presented, had attention been given to the issues and argument in that debate. Van Oosterhout et al (2006) write as if the entire debate had been decisively concluded in favour of the Hart position of no necessary connection between valid law and any framework of morality. The present article takes this no further, however, because the vexed issue of contractualism's need for hypernorms exhumes the most relevant parts of that particular jurisprudential corpse.

The internal morality of law, per Fuller, (1964), was held incompatible with retrospective legislation and with racial discrimination; i.e. those misdeeds are inconsistent with the very idea of law of law and lawfulness., but even the van Oosterhout group have noticed Fuller's inner morality of law was "a morality of aspiration" (1964, 5). Now that admission means we are in the realm of imports from other ethical field after all, because the reason why the items constituting the so called inner morality are items worth aspiring to cannot lie within the positive or normative reach of the morality itself – *one aspires to what one does not have, not to what one already has.* Hereafter we can take it that the moral authority of all sub-species of contractualism, including ISCT, is sourced outside of their own paradigm in the realm of hypernorms and not inside it. That implies it is too far for contractualists to reach to claim their paradigm is, or should be, a dominant paradigm in any field of ethics, including business ethics.

Let us return to van Oosterhout's listing of contractual 'problems' to see what role extra contract hypernorms play in their ISCT's claim to morality.

'Desolation' (van Oosterhout et al, 2006, 527) is the state of solitude said to be experienced by businesses unable to find contracting partners on account of their bounded rationality. It is one of the 4 contracting problems, the problem being apparently that there is no contract at all when perhaps there could reasonably have been one.

'Deception' is the exploitation of information symmetry by deliberate efforts to mislead – no objection to that, as it is already established in contract law.

'Defeasance' is the problem of the context of the contract unforeseeably changing so significantly that the original consent may not fairly be taken to apply in the new circumstances. This will usually happen by acts of god, but the word defeasance strongly implies fault, except perhaps to an elite band of experienced law teachers, just as the words misfeasance and malfeasance do. It may be wondered whether the alliterative gain worth the substantive loss of meaning.

'Defection' covers all exploitation of post contract information asymmetries, such as free riders, managerial agency cost inducing conduct and subcontracting underperformance. Such behavior falls short of the aspirations for human nature at the heart of the inner morality of contracting, but it is hard how subcontractors and managerial agents can be guilty of defection when they never swore loyalty to the primary contract in the first place Alternatively put, there has first to be a fiduciary duty in order for there to be defection. Van Oosterhout's group says no idea of contract (op cit 528) 'could carry normative force under conditions of slavery or dictatorship, or when processes of exchange and social coordination are predominantly organized in a hierarchical and unilateral fashion' (ibid), but big business is organized in just such a fashion in most industries in most jurisdictions. Van Oosterhout et al (2006) want to 'tame the agent' to cope with defection risks. They recognize the problem of managerial fiduciary duties being unilaterally imposed, mandatory and couched in deontic language for ISCT (op cit 531). Fiduciary duties exist to alleviate problems hampering first order contracting practices but even if they are not, 'there is no reason for contractualists to renounce such moralizing now that contractualism has developed unabashedly moral theories' (ibid). Fiduciarity is thus seen to be supportive of but subservient to contractual integrity. Governments are denied stakeholder status within ISCT however because they 'are involved with authoritatively imposing practical determinations on forms' (op cit 532) Environmental NGOs however are not stakeholders either because either it has contrary interests to those of the form or because it lacks the autonomy or ability necessary to deliver on commitments. However the fiduciary protection afforded to creditors can easily be extended to anyone with a claim against the firm whether for payment or performance (op cit 533) but that includes NGOs and governments, one would have supposed. But they get round that point by deciding that the consideration of who should benefit from managerial fiduciary obligations 'should not be grounded in moral principle' but rather 'result from an empirical analysis of the relative threat of managerial defection each corporate constituency faces in the nexus of contracts that constitute the firm" (op cit 533) This would always put employees top of such list but van Oosterhout et al (2006) do not face that implication.

Buss (2005) closely argues that deceit and manipulation can coexist with autonomy, but it is incompatible with the inner morality of ISCT. Brand-Ballard (2004) argues equally closely that contractualism can only support restrictions on behaviour outside the content of the contract or agreement by importing deontic positions from outside its own framework, a shortcoming even Scanlon concedes. Brand-Ballard (2004) shows how the framework itself could allow cannibalism, consent to being harmed and how it can exclude large blocks of people from its reach, just as the Erasmus article argues governments cannot be stakeholders.

The Erasmus School writers say (van Oosterhout et al, 2006, 522) 'Fuller (1964) saved the moral qualities of law from the amoral claws of legal positivism by focusing on the normative principles immanent in the concept of law itself' and they similarly identify an inner morality of contracting. They aspire to derive norms from within the contract model itself rather than from nature or reason, so they can avoid the contractualist fallacy. They thus deprive themselves both of Scanlon's explicit importation of deontic principles into contractualism and of Dunfee and Donaldson's reliance on global hyper-norms. They praise contractualism's 'content independent normative commitment, based on whatever norms institutions choose to live by which as a result they say 'coheres well with liberal democracy and a system of free market exchange" (van Oosterhout et al 2006, 522).

Darwall (2006, 208) says that for contractualism, 'mutual accountability is what morality is fundamentally about'. Mutual accountability can be readily widened into general agreement on contractarian principles, and this fits well with the generally accepted principles notion of validity in

such business disciplines as accounting. This supports the Erasmus school's view that ISCT's close fit to its field of operations, business, makes it fit for the purpose of being the leading paradigm in business ethics.

Darwall (2006) argues that the grounding of morality in mutual accountability rules out state protection of citizens from the consequences of their own folly and that means negative externalities to a contract are born by everyone within and outside the contract. There is no rule against imposing externalities in ISCT, and Scanlonian hyper-norms that do frown on such conduct are conceded by Scanlon to be deontic imports rather than part of contractualism's own inner morality. Scanlon puts inside the inner morality the notion of representation so that he sees a moral claim by someone who has been led to believe something on the person who made the representation, and such a claim lies inside the inner morality. The nature of this claim lies outside of strict contract privity and begins to bridge the gap between contractualism strictly defined and the fiduciary duty idea which vexes the Erasmus writers.

The English Court of Appeal has recently concluded that not every breach of duty by a professional on a contract for services is a breach of fiduciary duty in Bristol and West Building Society v. Mathew [1996] 4 All E.R. 698 (C.A). In particular, a trustee's duty to exercise reasonable care, although equitable, is not specifically a fiduciary duty. "Breach of fiduciary duty" connotes disloyalty or infidelity. Mere incompetence is not enough. A servant who loyally does his incompetent best for his master is not unfaithful and is not guilty of breach of fiduciary duty.

Even assuming that consent is normatively significant, why should we think that hypothetical consent has any normative force? (Is it morally permissible for you to take my car without asking me, just because I would have consented had you asked?)

Jean Hampton (1998) criticized Hobbes in her book "Hobbes and the Social Contract Tradition", arguing that the characterization of individuals in the state of nature leads to a dilemma. Hobbes' state of nature as a potential war of all against all can be generated either as a result of passions (greed and fear, in particular) or rationality (prisoner's dilemma reasoning, in which the rational players each choose to renege on agreements made with each other). But if the passions account is correct, then Hampton (1998) argues, the contractors will still be motivated by these passions after the social contract is drawn up, and so will fail to comply with it. And if the rationality account is correct, then rational actors will not comply with the social contract any more than they will cooperate with each other before it is made.

In an important article, "On Being the Object of Property," African-American law professor Williams (1988) offers a critique of the contract metaphor because by defining some as contractors and others as incapable of contract, whole classes of people can be excluded from the realm of justice. This point has been taken up by other critics of contractarianism, such as Kittay (1999) who points out that not only are dependents such as children and disabled people left out of consideration by contractarian theories. This objection has been recognized by Scanlon who would appoint trustees able to contract on behalf of the contractually disabled but this simply creates a new field for the problems of fiduciary duty to grow.

A descriptive use to which contractarianism has recently been put is to exploit the in-group/out-group nature of the contractarian project to illuminate the phenomenon of oppression. The moral terms require the dominant group to evaluate the lives of their group more highly than those of the subordinated, the political to deprive the subordinate group of effective political power, and the epistemological terms require the members of the dominant group to see themselves as intellectually superior to the dominated. The social contract then can be seen as a justification by the parties to the contract of their interaction, and of their exploitation of those who are not parties to the contract, but only if the fundamental division of in-group and out-group is accepted. If the racial and sexual contracts were to be shown to be rational, they would constitute prima facie critiques of normative contractarianism, since they would then seem to justify racism and sexism.

Several of the critiques surveyed above, then, centre on the questions: who is allowed to be a party to the contract, and how are those who are excluded from the contract to be treated? On the normative contractarian view, it is only rational to include all of those who can both benefit and reciprocate

benefits to others. Normative contractarianism, then, on the assumption that non-whites and women can both benefit and reciprocate benefits to others, shows the sexual and racial contracts to be fundamentally irrational. Disability rights activists, however, would still have a serious complaint to lodge against normative contractarianism, since it is surely the case that there are persons who cannot reciprocate benefits to others. Such persons would be, on the normative contractarian view, beyond the scope of the rules of justice.

There are contenders for the title of leading paradigm in business ethics, though none are led so aggressively to stake that claim as the Erasmus School has led ISCT. Rights theorists (such as libertarians) claim that morality is grounded in non-violation of rights (such as respecting actual agreements), utilitarians claim that it is in promotion of welfare, and some care theorists assert that it is concern for others. Parts of these paradigms are compatible with ICST, but parts are not. Is such incompatibility merely exemplifying the so called contractualist fallacy or is the Erasmus School doing the very thing they warn against (van Oosterhout et al, 2006, 523) – having their cake and eating it too? This section has provided grounds for thinking that that is very much the ase.

The Van Oosterhout version of ISCT, with its discomfort about fiduciary duty, its view that anything goes if reasonable people could possibly agree with it, and its ignoring of any possible ethical claims on a business's behaviour by people neither stakeholders nor contractees makes their ISCT barely recognizable as an ethical framework at all. The earlier and significantly different Dunfee and Donaldson version of ISCT, however, ascribes a key role to hypernorms and generally recognized ethical principles, so that freedom to contract and to implement contract terms is for them conditional on compliance with norms imported from outside of the contractualist framework. Since those imports are mostly drawn from the postulates of Care Theory and from Kohlberg's post conventional frameworks, these are discussed next.

3.   Kohlberg's Universal Paradigm of Moral Development

Kohlberg's paradigm describes six stages in an individual's potential moral evolution. Amoral and immoral individuals are off the scale altogether. At stage 1, an individual behaves ethically only to the extent s/he fears punishment for wrong doing. At stage 2, fear is supplemented by pleasure as good behaviour is rewarded, as well as bad behaviour being punished. At stage 3, the 'need to belong' is the drive which ensures good behaviour by compliance with the group's norms. There will be membership of different groups in different strengths, only a few of which will shape the individual's moral identity. At stage 4 the group has extended to become all of society, that is, the country, race, or homeland. At stage 5 the individual has thought out his/her own moral views and come to adopt utilitarianism or social contractarianism as a dominant moral philosophy. At stage 6 the individual arrives at deontological positions guided by an overarching moral principle such as the Golden Mean or the Categorical Imperative. Each stage is meant to be not only a chronological and a developmental evolution from the previous one but *also to be morally superior to it*. Kohlberg has been criticized for lacking empirical evidence for the existence, let alone the primacy, of his stage six (Meiland, 1980).

The dominance of Kohlberg's paradigm is evidenced by its major role in sourcing such subsequently conceived ethical models as:- Ferrell and Gresham's (1985) "Contingency Framework for Ethical Decision Making in Organizations"; Trevino's (1986) "Person-situation Interactionist Model"; and Hunt and Vitell's (1986) "General Theory of Marketing Ethics." Studies by Derry (1989), Dukerich et al. (1986), Trevino and Youngblood (1990), Weber (1990), Goolsby and Hunt (1992), Ponemon and Gabhart (1993) and Snell (1996) and others, in a wide range of organizational settings, have provided general empirical support for the first four stages of Kohlberg's paradigm.

4.   Gilligan's Critique of the Kohlberg Paradigm

Gilligan (1977, 1979, 1982) rejected Kohlberg's taxonomy of stages in ethical development as exclusively male-oriented. Gilligan (1982) illustrates how women emphasize the notion of "caring" in the cognitive handling of ethical dilemmas whereas male values centre on a "justice" concept.

She says (1982, 19)

"This conception of morality as concerned with the activity of care centers moral development around the understanding of responsibility and relationships, just as the conception of morality as fairness ties moral development to the understanding of rights and rules."

Males' moral development is claimed to be based on individuality whereas females' is based on connectedness (Gilligan 1977). She asserts that females are mis-scored on Kohlberg-type scales, thus causing women to manifest lower scores. Gilligan attributed this to the tests' inherent male bias, which regards the care focus of Kohlberg stage 3 as only half way to the alleged moral maturity of Kohlberg stage 6 deontology.

Skoe's (1994) findings indicate that both the care and justice aspects of moral development are related to identity for both men and women students. Women had a stronger relationship between identity and care than that between identity and justice.

5.   Care Theory

The mainstream tradition in ethical philosophy has been to consider rational thinking about a supposed a priori moral law self-evidently more valid than passionate attachment and engagement, but strong feminist critiques of the sexism inherent in such philosophical privileging of a predominantly male mind set have been published by Baier (1985, 1987), Young (1987), Friedman (1987), Held (1987a and b) and Okin (1989) Seidler (1989), and Ruddick (1994). More recent feminist work (Acker 1991, Court 1994, Davies 1992, Gherardi 1994) has sharply questioned the traditional binary opposition of a rational public masculine world against an affective private feminine one.

Care theory believes people are primarily relational not individual or free. Virginia Held (1993: 195) asks what if the paradigm in western philosophy of economic man were replaced by the mother and child as the primary social relation. Tronto (1993:8) asserts the traditional liberal moral viewpoint requires such disinterest as to be beyond any attachment, engrossment and emotion and such disinterest is well symbolized in the icon of blindfolded justice. Commitment to others, to community, or to locality is seen as compromising rational judgment (Wood 1994:43). An ethic of care, however, makes ignoring others a kind of evil (Tronto 1993:130). It has expanded so far in feminist studies that it has been applied even to agricultural policy (Curry 2002). Care Theory has caring and attachment as foundational in sharp contrast to their quarantined position in the Kohlberg paradigm at stage 3.

The early descriptions of the ethic of care contrasted care with principled thinking, as 'to care is to act not by fixed rules but affection and regard' (Noddings, 1984, 245). Later, some critics have argued that the ethic of care has to be guided by principles and ideals in order to be extended to strangers (Flanagan, 1991; Hoffman, 2000).

Engster (2005) quotes a strong characterization of care by Tronto (1993, 103) as

"..everything we do to maintain continue and repair our world so that we can live in it as well as possible. That would include our bodies, ourselves and our environment, all of which we seek to interweave in a complex, life sustaining web."

This scope of this view of care is expanded by Schwarzenbach (1996, 102) thus,

"all those rational activities (thinking about particular others and their needs, caring for them, cooking their meals etc) which go toward reproducing a particular set of relations between people over time – in the best understanding – my thesis runs – relations of philia".

Schwarzenbach (1996) distinguishes caring from productive labour as the latter is done in order to contribute to sustaining life and relationships while caring is about ends not means, about the sustenance of relationships themselves. Caring for self is also legitimate say Gilligan (1982), Tronto (1993) and Slote (2000), though this obviously becomes self indulgence when in excess. Caring is neither a positive nor negative attribute but instead forms part of a subjectively experienced relationship, which may be used both to control and/or to empower others (Chodorow 1978, Court 1994).

Gilligan (1982) claimed that just as the ethic of justice constitutes a developmental sequence, the ethic of care does so as well. She proposed that care development would entail three main levels of care with two transitional ones from (1) initial self-concern, through (2) exclusive other-oriented concern to (3) the balanced concern for both self and others. Pivotal for the development of care is a growing understanding of responsibilities in the context of more differentiated dynamics between self and other. Gilligan herself withdrew from studying development, but Skoe (1993) continued that work by constructing and validating the developmental measure of care-based moral reasoning, the Ethic of Care Interview (the ECI hereafter). The ECI consists of a self-generated real-life conflict and three standard interpersonal dilemmas surrounding (a) unplanned pregnancy, (b) marital fidelity and (c) care for a parent. These dilemmas were included in the measurement to show usual real-life situations of interpersonal concerns, where helping others could be at the price of hurting oneself (Skoe & Marcia, 1991). Recent research from the 1990s onwards has established the Gilligan stages but only with cross-sectional data (for a review, see Skoe, 1998). Levels of care reasoning have been found to be positively correlated with such developmental indexes as age and identity development (Skoe & Marcia, 1991; Skoe & Diessner, 1994, Skoe & von der Lippe, 2002), justice development (Skoe & Diessner, 1994; Juujarvi, 2005), and women's gender roles (Skoe, 1995). Only one longitudinal study to date (Juujarvi, 2006a), however, has lent support to the existence of Gilligan's developmental stages.

Caring involves respect for the recipients of care as equals rather than as pitiable victims or ignorant lesser beings, claims Engster (2005). Examples of the latter problem are especially strong in social work. For example, mothers who resist social work care too strongly run the risk of being positioned as pathological. Deference to care workers ensues from this, and dependence on the care workers is encouraged. Moreover, caring talk foregrounds a particular, needy, often sentimentalized image of the child and discloses how care discourse can be used as a mechanism of control, even oppression, quite as readily as more traditionally masculine discourses. (Marks 1997:96)

However, caring does not mean, or even necessarily include, schmaltzy over-indulgence of spoilt offspring by co-dependent mothers, but it simply requires that one is feeling bonded or attached. Dally (1992:8) importantly distinguishes 'caring for' from 'caring about'. The former has to do with the tasks of attending to another person and is the work of the caring professions. The second is just about feelings. Caring for can involve emotional distancing. For example, Menzies Lyth (1988) shows how nurses uses a range of devices such as reification, thoughtlessness and ward rotation to avoid getting too stressed by proximity to illness, distress and death of their patients. This is the opposite of the attachment that caring about involves and yet is clearly still caring.

Engster (2005) attempts to ground a general paradigm on the basis of care theory by extending the work of such writers as Fineman (2004) and Kittay (1999) who had grounded their own assertion of a general duty of care on the evident fact of our general inter-dependency. They in turn had developed their view from Goodwin (1985)'s and Clement (1996)'s earlier grounding of a general care duty in our not quite so readily evident fact of our condition of general vulnerability to others. Baier (1985) said what makes us human is the care we receive from others and that all unhealthy and sociopathic behavior could be traced back to a deficiency of care. Kittay (1999) asserts that society would cease to exist altogether if nobody cared for anyone else, the implication being that care is a general duty because society must self-evidently be sustained. Fineman (2004, 48) agrees and focuses on 'caring for' rather than caring about in her assertion: "It is caretaking labour that produces and reproduces society."

Held (1993, 195) says social contract theories of a Rawlesian or Hobbesian type which begin with independent man in a state of nature are wrong, since such a state of nature is quite impossible and therefore cannot validly serve as a starting point for any theory, positive or normative, of human nature, inasmuch as any so called independent men would have begun life as babies dependent on mothers. Folbre (2001) applies similar criticisms to market and contractualist based morality paradigms, saying that productive labour and entrepreneurs first have to be bred and raised, and someone has to care enough to make that happen. Finally from this perspective, Kittay (2001, 535) says the duty to care should be seen as a "categorical imperative…derivable from universalizing our own understanding that were we in such a situation, helpless and unable to fend for ourselves, we

would need to care to survive and thrive." Engster (2005) wonders if there exists a basic human right to obtain care when it is needed, on the grounds that the such a right is a prerequisite of human survival, survival being taken to be a self evident basic good. From here he ingeniously proceeds to make Care Theory's particularity and relativism into a general theory in the following manner. Because resources of money, time and energy are limited, care effort has to be allocated according to some sort of priority schema, and it is reasonable and efficient for us to care more for those especially dependent on us such as our intimate family. This includes a primary duty to care for ourselves enough to prevent us becoming an unnecessary burden on others. This 'universal principle of partiality' is the core of Engster's general care theory project. It means each person should care primarily for her/his intimates and dependants because generally that will distribute care resources most effectively across society. As for those left out and uncared for by their intimates, they become the responsibility of everyone, though he does not say how resources can consistently, fairly or effectively be allocated to such unfortunates whose numbers may be rather large and increasing over time. This general theory of care is strongly idealistic, but it is certainly logical and internally coherent and does provide a basic toolkit with which to tackle other paradigms from Kohlberg to contractarianism and so to move Care Theory off the back foot where personal and particularized feelings have been defensive against the lofty claims of impartial reason. This is quite a notable step, and we can expect the next few years to see major advances in the attempts to build general theories of morality that attend to the criticisms rival schools have long made of each other. Any such development would resonate across business ethics studies, and could unsettle the view that business acculturates both genders so strongly that gender differences converge. More radically, such a development could provide an interesting alternative perspective to CSR from that provided by stakeholder theory and contractarianism, neither of which have a great role for caring as a driving force.

6.   Corporate Culture's Filtration of Ethical Orientations

Kelley, Ferrell, and Skinner (1990) suggest that employees after three to five years on a job may experience work frustration, which may cause them to compromise their ethical values to advance their careers. Harris (1990), on the other hand, found that managers employed by an organization for at least ten years, were less tolerant of fraudulent practices than other employees. A study of top managers' perceptions of moral issues in stakeholder relations found that younger respondents, respondents with lower income, and respondents with shorter managerial experience have less positive attitudes toward moral issues in stakeholder relations; whereas older respondents, respondents with the highest income, and respondents with longer managerial experience, have more positive attitudes toward moral issues in stakeholders relations (Kujala, 1995, 70). It seems that attachment (to a firm) does play a role in assessing ethics.

The Social Bonding Model has an explicit place for attachment, as well as for its 3 other elements;- commitment, involvement and belief. Attachment and involvement were significant predictors of rule breaking in a Sims' (2002) 200-employee South Florida sample. The Social Bonding Model was developed by Hirschi (1969) who proposed that the greater the social bond, the greater the likelihood of conformity to society's expectations. Attachment determines whose interests will be regarded as mattering and even whose norms will be internalized. (Hirschi 1969:18) 'Commitment', however, means caring about what would be lost if they were to break the rules. 'Involvement' means involvement in activities to an extent that leaves little time to rule break. 'Belief' means belief in society's norms. Hollinger (1986) suggested operationalising such attachment by measures of job satisfaction. No gender differences were found but job dissatisfaction did play a big role in predicting rule breaking intention and tolerance. This result supports both the role of attachment itself and of the other attributes to which it is (perhaps inextricably) linked.

Cohen (1995) plausibly asserts that top management sets the moral tone for the organization and is primarily responsible for establishing and maintaining the moral climate of the organization. This was already believed in Renaissance Europe and is a primary theme of such Elizabethan dramas as the Duchess of Malfi, King Lear and Hamlet. According to D'Aquila (1997), managers, especially top managers, set the tone of the organizational climate to such an extent that senior employees might gravitate to the perceived ethical climate type of their ethical tendency, since members of a

corporation that do not fit tend to move to a corporate environment within which they feel comfortable. Victor and Cullen (1987, 1988) studied the link between corporate ethical standards and organizational behavior. Using their specially designed instrument and factor analysis, they classified organizations into categories of distinct ethical climate types (Caring, Law and Code, Rule, Instrumental, and Independence). They also found that climate types influence managerial behavior and that climate types influence what ethical conflicts are considered and the process by which the conflicts are resolved

7.   Concluding Discussion

If van Oosterhout et al (2006, 524) are right that ISCT should be the dominant framework in business ethics because of its superior fit to its field of operation, then there can be no fiduciary duty, no corporate social responsibility and no constraints on business behavior outside that permitted by agency theory grounded monitoring and bonding mechanisms. To put it more plainly, business should be free to set its own rules on the foundation of private contractual agreement. Ethics should thus be privatized.

For Kohlberg ethics are either universal or they are not ethics at all. He would see privatized ethics as an obvious oxymoron. The ISCT of Dunfee and Donaldson has a strong role for hypernorms, generally agreed ethical principles between all religions and similar established movements. For them the contractarianism of consent operates on a general societal level, not simply on a business to business one. This is stage 5 thinking on the Kohlberg scale. Its claim to dominance ethically depends on

1.   the extent to which the claims of non contractors are given moral authority,
2.   the sharpening of the boundary between the jurisdiction of contract terms and the jurisdiction of hypernorms
3.   the evidence supporting the notion that consent based morality leads to clearer ethical thinking, better ethical conduct and more effective integration of words and deeds, of responsibility and conviction than other moral frameworks.

The Kohlberg paradigm has survived attacks on its gender bias, largely due to the acculturation and homogenization of ethical attitudes within strongly codified business firms with strong corporate cultures. However, the DIT which is its principal mode of gathering empirical support confounds stages 2 and 3 and also stages 5 and 6. Consequently these stages remain matters only of opinion and empirical support is only for evolution from pre-conventional to conventional to post conventional stages. The strong differences between stages 2 and 3 in theory are not accessible by DIT mediated empirical evidence.

The completely separate identities of stages 5 and 6 in Kohlberg's earlier design was confounded by the man himself in his later work. There is no a priory reason and no empirical evidence published to support the notion that deontological frameworks such as Kant's are superior or come later in ethical development than the contractarianism or utilitarianism of stage 5. It is not even clear that graduation from stage 5 act utilitarianism to rule utilitarianism is also a graduation to stage 6; or that it matters to anyone if it is!

It is suggested that the reason for the dominance of the Kohlberg paradigm is its elegance as a framework, its neat pigeonholing of major schools of ethical philosophy and its very crude but very clear empirical support. That is, there is empirical support for the phenomenon of ethical development roughly along Kohlbergian lines – but only very roughly. It could be that it is vulnerable to any new framework equally clear in its sequences, equally comprehensive in its purported scope and equally capable of generating instruments with good construct validity with which to test its empirical support.

Kohlberg et al (1983) and Higgins (1989) claim CMD encompasses care as well as justice. Colby et al (1983) argue care, relation and trust are elements in each of the Moral Judgment Interview (MJI) scoring schemes often used in earlier research. Others argue that since care reasoning can be elicited by the MJI dilemmas, a separate theoretical and psychometric structure is unnecessary (Walker et al 1987, Wark and Krebs 1996). Gilligan's contention that care and justice represent distinct moral

perspectives is still just a contention, while her attribution of the former to males and latter to females has not yet received any significant empirical support, as shown in previous sections. Reed (1997, 254/5) goes as far as to claim that "Gilligan and Kohlberg and their colleagues now offer conceptions of moral maturity that are for all practical purposes indistinguishable" because he claims to see in Kohlberg's later writing an idea of benevolence at stage six that is akin to balanced care at Gilligan's mature stage. This is not echoed by any other later writers cited in the journals reviewed for this paper except for Jorgensen (2006) who does say the distance is not very great between the final Kohlberg stage and the final Gilligan stage. In the Kohlberg one, "universalizability and reversibility constitute self conscious validity checks on one's reasoning" (Kohlberg 1986, 490). In the Gilligan one, caring "becomes universal in its condemnation of exploitation and hurt" (Gilligan 1982, 74). Jorgensen is still going too far, for all that is similar here is the identification of universality rather than universalisability of both writers' characterization of the perspectives achieved at the final stages of their respective models. To put it more plainly, what is similar in their final stages is only that those stages are both final. It is surely inherent in the final stage of any psychological paradigm of development that the perspective should more general and less particular than the perspective of earlier stages.

Care theory started in the specifically limited area of female issues over abortion, moved to problematise the public private split which kept apart ethics of conviction from ethics of responsibility for so many people over so many generations, and has lately generated its first attempts at universalizability.

Jorgensen (2006) evidences Kohlberg (1978)'s recognition of moral judgment as only one element in moral behaviour, albeit the most influential one. Moral behaviour is situational and Kohlberg (1986, 500) saw Gilligan's care perspective as enlarging the social cognitive domain of morality rather than rejecting the distinctive justice domain within moral judgment. In other words, she focuses on behaviour which Kohlberg admits is generally situational, whereas he focuses on judgment which is said to be cognitive and general, and indeed a priori in that it is brought to behavioural situations as a ready-made tool for use in those situations.

A large body of research on real-life morality has validated that people use both ways of moral reasoning in resolving real-life conflicts. Further, it seems that the most important determinant of moral reasoning is the content of the moral dilemma, rather than the gender of respondents (for a review, see Jaffee & Hyde, 2000). Johnston (1988) found boys would not use care orientation unless they believed the relationship between the characters could be salvaged. More recent research has shown that pro-social dilemmas that involve concerns about others' welfare tend to invoke care-based arguments, whereas anti-social dilemmas that involve transgressions and temptations tend to invoke justice-based arguments (Wark & Krebs, 1996, 1997, 2000 Haviv & Leman, 2002; Juujarvi, 2006b). The Kohlberg level of justice reasoning for real-life moral dilemmas tends to vary according to the type of dilemma (Krebs et al, 1991; Wark & Krebs, 1996, 1997; Haviv & Leman, 2002). Antisocial dilemmas especially tend to invoke low-stage moral judgments (Wark & Krebs, 1996, 1997; Haviv & Leman, 2002). Some studies (Linn 1995; Juujarvi, 2006a) have further found that complex real-life dilemmas involving conflicting rights or social pressure against one's own moral values – akin to Kohlberg's hypothetical dilemmas – invoke high-level justice reasoning. Very recently, Juujarvi's (2006b) results (using Skoe's ECI) show that antisocial temptation and transgression dilemmas tended to invoke lower levels of care reasoning than conflicting-demands and social-pressure dilemmas. Participants reporting temptation dilemmas had the least developed care reasoning. The results suggest that subjects identified at different care levels perceive different types of real-life moral conflict, and that the function of care reasoning varies according to the type of moral conflict. These studies suggest that the employment of care or justice reasoning is much more to do with the dilemma or situation in which judgment is to be called for than to do with the ex ante mind set of the person approaching the situation. This would perhaps explain why abortion dilemmas invoke care in Gilligan's main work while the DIT invokes justice reasoning and support for Kohlberg's CMD. The gender difference and the ethical framework differences may well be primarily explained by the dilemmas themselves rather than by the conditioning of the subjects interviewed.

While the Gilligan critique of Kohlberg on gender grounds has not been at all well supported by empirical research, its offspring, Care Theory has been very successful in surfacing and problematising assumptions underpinning the ethical frameworks pegged to Kohlberg stages 5 and 6.

First, care theory denies the validity of impartiality as the basis of ethical reasoning or of ethics itself.

Second, it disagrees with excluding oneself from the purview of those to whom a duty may be owed.

Third, it strongly attacks the division of life between public and private, with the former dominated by males, by "serious issues" and the ethics of conviction; the latter by females, by domestic issues and the ethic of responsibility.

Fourth, it does not accept the view of Kohlberg (or Kant, inter alia) that ethics are general and universal but believe them to be coterminous with the reach of care, stronger with those in one's inner circle, weaker with strangers. Kohlberg's Universalist view of ethics means his first three stages are in his own set of values, pre ethical since they are from universal – stage 4 too arguably before the United Nations was set up in 1946. Care theory is thus for Kohlberg pre ethical because it is like his stage three in its primacy of personal loyalties over general duties.

The four aspects of Care Theory just listed are not easily reconciled with Kohlberg's framework and are not meant to be. It is possible to explore the middle ground between them, to design possible bridges between them and to suggest when one might be more appropriate or is empirically more apt to be employed in decision making than the other. For example, Strike (2000) says moral capacities such as empathy and sympathy occupy a space between rights and Care Theory because, while they depend more on attachments than principles, they are evoked by characteristics of others that are not rooted in group membership or shared identities. In other words, empathy could be evoked by strangers one has not preciously cared about. For Kohlberg, such triggers of universality were a crucial element of ethics. That is, he followed the western liberal tradition of seeing a principle as needing to be universal in order to have any meaning at all. However, we have already noted recent attempts by Care Theory supporters to ground it too in universal principles. It can therefore be said to have dealt with its earlier (apparent) problem of appearing indifferent to strangers.

 For the purposes of this paper however the point is to assess the possible contribution the new care theory can make to business ethics. Can a framework sourced in the ethics of abortion decisions and in radical feminism have anything foreseeable usable for business jurisprudence, especially when the field is already full to overflowing with regulatory paradigms from other sources nearer to everyday business reality? Even if it does, any application of care theory would add to the business's regulatory burden of fiduciary duties and post SOX extended audit burdens so would not easily be internalized by entrepreneurs.

Yet when we consider the revolution in philanthropy that followed band aid in 1984 and the Gates – Soros – Branson transformations, it seems possible that care can be ignited by charismatic leadership and example. Such care embeds a sense of duty grounded in compassion or the same desire to make the world a better place that led some to enter business in the first place. Fiduciary duty is more easily discharged if you care about your stakeholders but there are too many of them for it to be particular and individual. Care theory would therefore have to import principle from the more traditional frameworks so as to universalize the duty of care, as care theory has recently begun to realize. This can be joined to the more traditional business value of service. Service to customers and to other stakeholders reaches down the Kohlberg ladder to stage two where the game theory approach to competition dominates, The one shot game allows for betrayal, especially in prisoners dilemmas, but when a game is to be repeated and relationships are to be built, then service and reliability become necessary to maintain the business relationship. This itself requires care. What care theory offers business is an ethic of sincerity rather than instrumentality with which to bond, to relate to and to fully engage with stakeholders – and the other frameworks do not have this in their portfolio. Such an application of care theory would raise the stakes of doing business, since bad service, indifference to stakeholders and negligence would be punished severely by stakeholders betrayed by companies cynically using service and care discourse but not acting on it. Call centres would with luck be the first casualty of such a development.

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