

Tabis, Abdul Ghani

Article

Comparing standards of business ethics in USA, China, Jamaica and Pakistan

Pakistan Journal of Commerce and Social Sciences (PJCSS)

Provided in Cooperation with:

Johar Education Society, Pakistan (JESPK)

Suggested Citation: Tabis, Abdul Ghani (2009) : Comparing standards of business ethics in USA, China, Jamaica and Pakistan, Pakistan Journal of Commerce and Social Sciences (PJCSS), ISSN 2309-8619, Johar Education Society, Pakistan (JESPK), Lahore, Vol. 3, pp. 49-66

This Version is available at:

<https://hdl.handle.net/10419/187995>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by-nc/4.0/>

Comparing Standards of Business Ethics in USA, China, Jamaica and Pakistan

Abdul Ghani Tabish

Director Services, DHA, Karachi, Pakistan

E-mail: ghani_tabish@yahoo.com

Abstract

As the business organizations are expanding at a rapid pace, so is the circulation of human resources the world over. Managers and workers are required to work in different socio-economic environments which, at times, may not be similar to those of their home countries. It is imperative therefore for business organizations and individuals to acquire in depth knowledge about the culture and business ethics prevailing in the country of interest. A number of scholars have undertaken research studies to compare the standards of Business Ethics of different countries but such a research on "the Standards of Business Ethics" has been carried out for the first time in Pakistan. Interestingly, either such studies have been carried out in developed countries like Europe, America and Far East or the researchers have been from these countries. The conduct of such a study in Pakistan by a Pakistani would be the first of its nature.

Some of the internationally accepted norms have been used as scenarios and respondents have been asked to indicate possibility of their reaction to take action. They have also been asked to give rationale of their decision. An effort has been made in this study, to compare the standards of business ethics of Pakistani business professionals with those of other countries of the world. This would help adjudge differences and similarities of well-established universal norms and ethics prevailing in the world business community. It is expected that this and more such studies would help researchers and business professionals develop good and desirable business practices in Pakistan. Comparing and enhancing awareness about standards of business ethics in Pakistan is the main objective of this research. It is expected that this humble effort would encourage many more researchers to dive deep into the ocean of business ethics.

Keywords: Business Ethics, Ethical Standards, Social Ethics, Morality in Business, Business Norms

1. Introduction

Recent trends of Globalization and worldwide expansion of business organizations have changed the mechanics of 'doing business'. Business professionals are now very keen to address relevant concerns of all stakeholders like the consumers, the workers, labor, distributors, retailers and suppliers. This paradigm shift has been largely brought about by Business Ethics Activists and Consumer Rights Organizations.

Most analysts believe that the basic aim of most commercial and business organizations happens to be 'profit maximization', which is mainly responsible for violations of business ethics. The string of corporate scandals in the West has generated new discussion about intangible correlation between business and ethics. Business giants like Enron, World Com, Arthur, Anderson and Vivendi have shaken the confidence of, not only their shareholders, but also that of the world business community as a whole. Corporate executives and entrepreneur that were once respected and kept in high esteem are now being labeled as arrogant, dishonest, greedy and selfish.

1.1 Roots of Business Ethics

An important aspect to analyze is why some people act morally in a given situation, whereas others do not. Scholars of human behavior advocate that a set pattern of human reaction to different scenarios is a direct outcome of the individual's learnt beliefs, values, traditions and socio-cultural norms. Shaw, B. (2000) is reluctant to accept that morality rests on religion. He is of the opinion that religious teachings are not the main cause of motivating human beings to act ethically. Although a desire to avoid hell and go to heaven may prompt some of us to act morally, this is not the only reason or even the most common reason that people behave morally. Often we act morally out of habit or simply because that is the type of person we are. It is however true that religion influences the moral standards and values of most of us.

1.2 Significance of Business Ethics

Business and ethic apparently look like two different things. Business by definition aims at profit maximizing whereas ethics are consistent code of conduct regardless of gain or profit. Nevertheless, one would notice that

all firms and businesses do follow a certain set of ethics. In fact, business without ethics may be profitable, for a short while, but not sustainable in the long run.

Performance of a business organization can be measured in two ways. One is its financial performance which can be gauged from its revenues, cost and profits. The other is its social performance, which can be measured by taking stock of fulfillment of its societal objectives and obligation. Whereas financial performance can be easily worked out, it is not as simple as it looks to determine the social performance of the organization. It involves business ethics, which are Complex in nature and would vary from country to country.

2. Objective of the Study. The aim of this study is to examine business ethical standards of USA, China and Jamaica and compare them with those of Pakistan.

2.1 Research Hypothesis

Two hypotheses were tested for each Scenario.

Hypothesis-1. US, Chinese, Jamaican and Pakistani business professionals will select the same behavioral choice when faced with the same ethical scenarios.

Hypothesis-2. US, Chinese, Jamaican and Pakistani business professionals will select the same rationales to justify their behavioral choices.

2.2 Method

Usually while conducting research on social issues, qualitative research methods are considered most suited. It is hard to be precise and more specific in quantifying cultural and social phenomenon, as is done in many other fields. Most researchers therefore, have adopted the technique of qualitative research. In the realm of business ethics, certain practices are considered universal, for example 'honoring commitment at all costs', 'avoiding environmental pollution', and 'safety standards for workers and consumers' etc. Such business norms have been selected in the study that are equally practiced in most societies and regions.

The scenarios a business firm or an individual is likely to come across during the execution of trade or business deal, have been devised and are called "VIGNETTE". Five selected vignettes have been presented to the respondents to ascertain their likelihood of taking action and corresponding rationale to justify their action.

3. Literature Review

3.1 Background

The hard fact is that ethics and values are derived from culture & belief, which are not only diverse but also conflicting at times. Under such circumstances the increasing relevance of the studies of the norms and values, that are the basis for business decisions, may become apparent which are made in very different cultures.

Lillion, Y. et al. (2005) for instance, empirically tested business ethical standards of China and Jamaica and compared them with those of the USA. Similarly Andrew, S. et.al, (2004), empirically examined ethical standards of American managers and compared them with those of American expatriate managers working in Russia. This exercise was carried out to ascertain whether international managers change their ethical behavior when they cross international borders.

Such studies have also been conducted in Australia, Britain, Italy and India. It is however important that these studies have been conducted by researchers from western cultural backgrounds and in the western countries. This study perhaps, would be the first effort of its kind in which a local researcher of an underdeveloped country like Pakistan is making an endeavor to evaluate ethical standards of his own country and comparing them with those of an emerging economy like China, underdeveloped economy like Jamaica and a developed economy like the USA.

3.2 Ethical Dilemmas

Ethical dilemmas are bound to arise when different stakeholders have conflicting interest attached to business. The hard truth is that natural, unavoidable tension is inherent in the term "business ethic" that stems from conflicts between interests of companies and their employees, between firm and customers, between society and the firm. Donaldson, (1996) argues that there are no easy answers to these questions.

A difficult challenge for international managers arises when difference in local and home-country norms lead to tension about which ethical standards should be applied in a particular situation. The question is do managers vary their ethical attitude when they cross national borders? Or do they hold a core set of ethical attitude that they apply consistently, independent of location?

3.3 Society and Ethics

It is difficult to determine what is ethical and what is unethical in societies where interpretation of ethics is left to human judgment. Secular societies advocate that human values are transient, cultural standards are changing and contemporary business ethics are evaluated by the outcome of business decisions. This approach of changing ethical standards looks whimsical. For instance at one time, "it was legal and ethical in the United States to discriminate against women and minorities in hiring; now affirmative action laws make it illegal to discriminate against these groups" (Rafik, 2003)

It is true for Utilitarianism as well, which determines an action to be ethical or unethical depending upon the consequences of the individual's behavior. An action is fairly ethical and legal if it results in the greatest benefits for the largest number of people in a particular society. This is again an open-ended phenomenon that leaves it to the judgment of decision maker to evaluate as to how much harm he can ethically cause to the minority for a greater benefit of the majority of the people.

Similarly, production, sale promotion and distribution of alcohol, for instance, qualifies Utilitarianism test, it cannot be granted the status of ethical business. Even the West has started realizing its negative effects. Bragues, G. (2005) comments that because of drunkenness, people neglect their affairs, destroy their health, fight, rape and even kill. Yet satisfying the demand for alcohol profits both the owners and employees of the bars, restaurants and distillers.

The impact of religion on different aspects of business ethics is quite substantial. Ethics governed by any human being are directly or indirectly influenced by religious beliefs. Ayubi, (1991) argues that Islam is indeed a religion that stresses, above all, the collective enforcement of public morals. Persons like Hoover, H. (1924) believed that law could not build national cultures, but rather that cultures are the sum of the moral fiber of its individuals.

In fact no religion allows its followers to meddle with business ethics through unethical practice of any nature in pursuit of gains or profit. Religious teachings are immutable in the face of change in time and place. Jamal Uddin (2003), while discussing business ethics in Islam, argues that though it may appear rigid to the casual eye, in actual fact it is most certainly an adoptable way of life. In Islam, virtue does not imply abandoning the bounties of nature that are lawful.

3.4 Countries Subjected to Test

3.4.1 USA

The issue of "business ethic" in the USA has gained higher priority over the past three to four years. The Human Resource Institute of United States conducted its most recent survey of major issues having an impact on business. "The HR executives responding to the survey rated "Ethics in business" as the third most critical issue among 120 issues up from 10th in 2001. In terms of its perceived importance 10 years into the future, ethics in business rated eighth in 2003, up from 21st in 2001. "(Mark, 2005).

3.4.2 China

China, undoubtedly, is emerging as a global economic power to an extent of threatening US and Japanese hegemony over trade and business. It has been 25 years since China began the transition from a socialist based command economy to a free market economy.

3.4.3 Jamaica

In understanding the situation in Jamaica, Hofsteds (1983) findings are important. He noted that Jamaica is notably low in uncertainly avoidance. Ronen (1986), compiling the results of several of Hofstede's studies, points out that Jamaica is the second lowest country in uncertainty avoidance, with Singapore ranked in the lowest position.

Bissessar (2001) points out that the reforms studied failed in Trinidad, Tobago and Guyana, but succeeded in Jamaica. As Bissessar notes the countries have in common their colonial past and "third world" status, but differences in Jamaica permitted it to succeed where the other countries failed. One factor, in Jamaica's success, he notes, was its embrace of the changes and it's willingness to change whatever related systems had to change for the reforms to be effective.

3.4.4 Pakistan

Pakistan is that part of the "Third World" which has made sustained efforts to come out of its colonial past. Despite its willingness to change, availability of natural resources, sufficient human capital and geographical location of strategic importance it has not been able to make requisite development. Some of the analysts consider its political instability and low literacy rate as mainly responsible factors for its undeveloped status,

whereas others are of the view that mismanagement of available resources by various governments and inconsistent fiscal policies are the basic causes of under-developed status.

We want to examine the issue from the point of view of Human Resources Management as it relates to Business Ethical Standard and empirically test the hypothesis if this could be one of the factors responsible for its lack of development.

4. Research Methodology

4.1 Study Design

The research presented in this paper is designed to study the standards of business values and ethics that influence business decisions in different countries by comparing behavioral choices and rationale of business decisions by professionals under peculiar circumstances. Five business scenarios have been presented to business professionals in Pakistan. The same scenarios had been presented to US, Chinese and Jamaican subjects, calling for decision choices, in a study conducted by Lillian et.al. (2005). The differences and similarities between the obtained responses have been compared and results drawn.

4.1 Study Settings

Secondary data has been obtained from the research paper by Lillian, et.al.(2005) The data was collected by these researchers from business managers of Mainland China, USA and Jamaica. The primary data has been obtained from Pakistani respondents through personal interviews. These respondents include business professionals, business managers and business operators belonging to various business organizations (both service and manufacturing sectors), business graduates in various institutions and individual business and trade related respondents. Obtained data has then been compared with existing secondary data of the other three countries.

4.4 Sample Size

The sample size used by the above mentioned researchers in various countries has been different, i.e. USA 81, China 49 and Jamaica 39, whereas the primary data collected randomly in Pakistan comprises 76 respondents who were interviewed and were willing to fill the questionnaire. Of these, 9 female respondents and 5 male respondents could not answer all questions and showed their inability to participate in the survey. As a result, the data was collected from 62 valid respondents who have fully participated in the survey and answered all questions.

5. Analysis of Data

5.1 Demographics of Sample

Table 4.1 below shows the demographics of 62 Pakistani respondents who, responded comprehensively and fully participated in the survey.

Table – 4.1 Demographic of Pakistani Respondents

Category of Respondents	Services Sector	Manufacturing Sector	Total	%age
Gender				
- Male	24	16	40	64.52
- Female	9	13	22	35.48
Level of Management				
- Top	9	12	21	33.87
- Middle	17	14	31	50
- Lower	7	3	10	16.13
Education				
- Masters	9	4	13	20.97
- Graduate	16	9	25	40.32
- FA & below	8	16	24	38.71

Out of 62 valid respondents 40 are male (64.52%) and 22 are female (35.48%). Effort has been made to include an equal number of respondents from both the Services Sector 33 (53.23%) and Manufacturing Sector 29 (46.77%).

5.2 Descriptive Statistic

After computing primary and secondary data, the findings from all four samples are summarized in Tables 4.2 through 4.8. The average scores and standard deviation of the likelihood of taking the action in each vignette are summarized by country in Table 4.2 below. A “0” means definitely would not take the action (Positive Zone) and a “10” means, Definitely would take action (Negative Zone). The rationale or reasons described by respondents corresponding to their decision, in each vignette, are given in Tables 4.4 to 4.8.

Table- 4.2 Descriptive Statistics of Likelihood to take Action

Vignette	Country	N	Mean	Std. Deviation
Vignette-1	U.S.A	81	4.84	3.11
	China	49	5.69	3.34
	Jamaica	39	5.44	3.44
	Pakistan	62	6.42	3.65
Vignette-2	U.S.A	81	3.49	3.23
	China	49	3.43	2.71
	Jamaica	39	3.18	2.57
	Pakistan	62	4.31	3.39
Vignette-3	U.S.A	81	1.83	2.16
	China	49	1.71	2.65
	Jamaica	39	3.26	3.35
	Pakistan	62	4.66	3.52
Vignette-4	U.S.A	81	2.67	2.91
	China	49	1.57	2.59
	Jamaica	39	1.92	2.95
	Pakistan	62	4.35	3.35
Vignette-5	U.S.A	81	7.89	2.76
	China	49	7.92	2.98
	Jamaica	39	8.23	2.60
	Pakistan	62	3.16	3.14

For each vignette, ANOVA (analysis of Variance) was used to see if the average scores from the Chinese, Jamaican, U.S. and Pakistani samples were significantly different.

5.3 Anova Test Results

Table- 4.3 Summary of ANOVA Results

		Sum of squares	df	Mean Square	F	Sig
V-1	Between Groups	89.12	3	29.71	2.62	0.0514
	within Groups	2570.01	227	11.32		
	Total	2659.13	230			
V-2	Between Groups	39.77	3	13.26	1.41	.2412
	within Groups	2137.31	227	9.42		
	Total	2177.08	230			
V-3	Between Groups	1553.78	4	388.44	46.81	.0000
	within Groups	2704	326	8.30		
	Total	4258.76	330			
V-4	Between Groups	255.26	3	85.09	9.64	.0000
	within Groups	2003.21	227	8.82		
	Total	2258.47	230			
V-5	Between Groups	1055.27	3	351.76	42.18	.0000
	within Groups	1892.93	227	8.34		
	Total	2948.48	230			

Hypothesis 1 suggested that there would be no difference in the selection of behavioral choice when faced with an ethical dilemma among the subjects from China, Jamaica, U.S.A and Pakistan. As shown in Table 4.3, Vignettes 3, 4 and 5 have significant ANOVA results among the 5 vignettes. This finding implies that the average scores for countries are statistically different in Vignettes 3, 4 and 5. Results of all 5 vignettes are summarized through Table 4.4 to 4.8 in the ensuing paragraphs. Reasons for taking particular decision have been described in detail to compare their standards of ethics. These results indicate the thinking pattern of respondents from all four countries, which in turn helps in analyzing underlying reasons of justifications.

Reason for decisions (Frequency Distribution)

Table 4.4

Rationale given for Vignette – 1

Choice Reason		U.S	China	Jamaica	Pakistan
A	Against company policy	4.9%	8.2%	2.6%	4.8%
B	Illegal	9.9	6.1	5.1	12.9
C	Bribe ; unethical	23.5	8.2	17.9	8.1
D	No one is hurt	4.9	2.0	7.7	12.9
E	Is an Acceptable practice in other countries	28.4	10.2	23.1	24.2
F	Is not unethical, just the price paid to do business	13.6	46.9	30.8	35.1
G	Other	14.8	18.4	12.8	1.6
Chi-Square Tests					
		Value	df	Significance level	
Chi-Square		41.88	18	.001	

In **Vignette -1**, the majority of Chinese, Jamaican and Pakistani respondents feel that it is not unethical, just the price paid to do business, whereas, the majority of Americans justify their response by claiming that it is an acceptable practice in other countries.

Table 4.5
Rationale given for Vignette - 2

Choice Reason		U.S	China	Jamaica	Pakistan
A	Unethical for Smith to Provide, and unethical for Employer to ask	30.9%	30.6%	20.5%	25.8%
B	Unethical for employer to mislead Smith when he was hired	11.1	10.2	25.6	16.1
C	Protects Smith's reputation	2.5	4.1	7.7	11.3
D	Provide some but not all information	14.8	10.2	12.8	21.0
E	Decision based on whether security agreement is in force	28.4	42.9	23.1	3.2
F	To keep job: loyalty to new employer	4.9	0	7.7	19.4
G	Other	7.4	2	2.6	3.2
Chi-Square Tests					
		Value	df	Significance level	
Chi-Square		49.71	18	.000	

In **Vignette -2**, Table 4.5, significance level in Chi-square test indicates there are different reasons to justifying this particular action by respondents. A clear majority of US and Pakistani agree that such an action would be unethical for both; the employer and the employee. The majority of Jamaicans however, feel that the action by employer is unethical to extract such information from the employee. A large number of Chinese have given an altogether different reason from all other countries. They are of the opinion that the question of ethical or unethical would be decided after having seen the security arrangements made in the contract of both employers. This is typical response of an orthodox society where most things are decided based on rules and regulations and not by ethics alone.

Table 4.6 Rationale given for Vignette - 3

Choice	Reason	U.S	China	Jamaica	Pakistan
A	It would be illegal	37.0%	46.9%	15.4%	6.5%
B	Concern for the environment /life	30.9	18.4	48.7	37.1
C	Risk of getting caught with resulting negative consequences too great	18.5	20.4	10.3	4.8
D	Not their fault; equipment would be installed if available	3.7	4.1	2.6	19.4
E	The pollution would not really hurt the environment	1.2	8.2	5.1	25.8
F	Larger potential with low risk	4.9	2.0	12.8	6.5
G	Other	3.7	0	5.1	0
Chi-Square Tests					
		Value	df	Significance level	
Chi-Square		81.81	18	.000	

Vignette 3 concerns an adoption of a new technology that will give the company a competitive edge and yet will produce exceptionally high levels of air pollutants. Majority of the American and Chinese respondents believed that it would be illegal to adopt the new technology while only 15.4% of the Jamaicans and 6.5% of Pakistani respondents shared the same view.

Table 4.7 Rationale given for Vignette - 4

Choice	Reason	U.S	China	Jamaica	Pakistan
A	Too dangerous to world safety	58.0%	61.2%	79.5%	32.3%
B	May create image detrimental for company	9.9	6.1	7.7	16.1
C	Concerned with legal ramifications	6.2	20.4	5.1	9.7
D	Don't see responsibility as theirs to make choice	4.9	2.0	0	37.1
E	Those who want the information can get it now from other sources	12.3	8.2	5.1	4.8
F	Other	8.6	2.0	2.6	0
Chi-Square Tests					
		Value	df	Significance level	
Chi-Square		75.94	15	.000	

Vignette 4 depicts a scenario where a manufacturing company has introduced a product which is very cheap and popular but safety hazard. Since the product is popular among buyers and users, company is continuing its sale. With significance in the ANOVA, there is a difference in the opinion of some of the countries. All four sample means were on the low side, showing that they disagree to undertake any such manufacturing activity.

Table 4.8 Rationale given for Vignette - 5

Choice	Reason	U.S	China	Jamaica	Pakistan
A	Contractor has no additional responsibility; loyalty will keep him quiet	3.7%	12.2%	0%	9.7%
B	Risk of injury or death too low to halt sale	4.9	2.0	2.6	14.5
C	The company has a responsibility to the public; criminal and dishonest to	38.3	69.4	30.8	22.6
D	Risk to firm's image, profitability and long run potential too great to remain silent	14.8	10.2	15.4	21.0
E	Chances of causing injury or death too great to remain silent	38.3	4.1	41.0	30.6
F	Other	0	2.0	10.3	1.6
Chi-Square Tests					
		Value	df	Significance level	
Chi-Square		60.19	15	.000	

Vignette 5 describes a situation wherein an auto parts contractor is supplying a defective brake cylinder. If its buyers find out that the part is defective, the company is likely to face bankruptcy. The results indicate that the respondents of three countries agree to continue sale of the product but those of Pakistan do not agree to continue sale.

5.4 Chi-Square Test Results

Hypothesis 2 Suggested that the Chinese, Jamaican, American and Pakistani respondents would select the same rationales to justify their behavioral choices in each case. A chi-square test of independence was used to test this hypothesis. The results are summarized in Table 4.4 to 4.8. All the five vignettes reported p-values less than 0.05. This finding implies that certain of the rationales used to justify their behavioral choices are different in all the four countries.

The **first vignette** concerns a bicycle company. It must make a payment to a foreign businessperson if it wants to gain access to his country's market. After making this payment, the resulting new business will yield \$5 million in annual profit for the company. Majority of the American and Jamaican respondents believed that a bribe would be unethical while only 8.2% of the Chinese and 8.1% of the Pakistani respondents shared this belief.

Vignette 2 deals with business ethics of an employee who is a chief chemical officer in a drug manufacturing company. Another company, on a better pay package, has hired him. On insistence by new employer, Smith revealed all confidential formulae and business secrets of his previous company to new employer.

The American and Pakistani respondents feel Smith is being unethical for revealing his previous company's secrets. Majority of Chinese and Jamaican respondents rationalized their decision by stating that the matter would be determined based on security arrangements agreed in the hiring contract. A sizable number of Pakistani and Jamaican respondents feel that Smith has not violated ethics instead he is being loyal to his new employer. This indicates that in relatively under developed countries, economic compulsions and financial difficulties of individuals and businesses perhaps, take precedence over business ethics.

In **Vignette 3**, rationales A and B are the two top choices among all four nations, and yet the levels of agreement are significantly different. Majority of the American and Chinese respondents believed that it would be illegal to adopt the new technology that produces exceptionally high level of air pollutants while only 15.4% of the Jamaicans and 6.5% of Pakistani respondents shared the same view. It is however, a matter of great concern that a sizable number of respondents from Pakistan, China and Jamaica do not feel too much concerned about environmental pollution. Such sentiments are, though not in great number yet, a matter of concern for environmentalists.

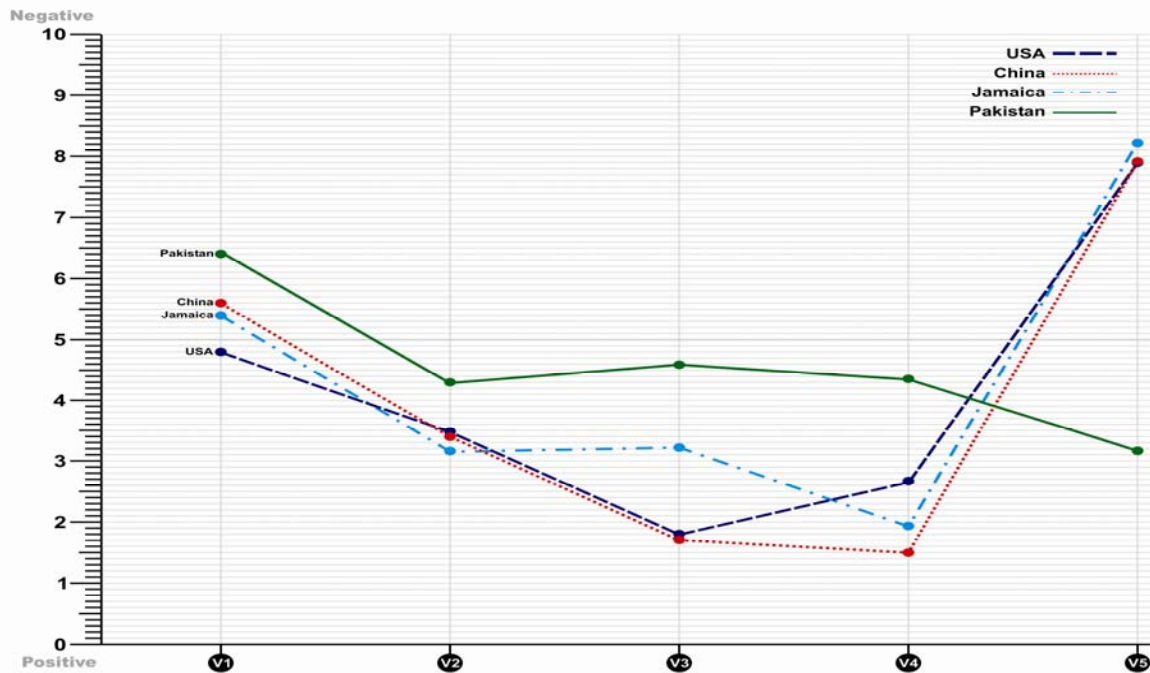
In **Vignette 4** a large number of respondents from three nations i.e. China, U.S. and Jamaica predominantly feel it is too dangerous, whereas 32.3% of Pakistani respondents share these concerns. On the other hand 37.1% of Pakistani respondents chose Rationale D, stating that company is not responsible and it is consumer driven product designed to suit customer's choice. This phenomenon again points out how financial compulsions overlook safety standards and health hazards.

Vignette 5 concerns the issue that an auto parts contractor will face bankruptcy if its buyer finds out that a part sold by the contractor is defective. The Chinese respondents predominately (69.4%) chose Rationale C: The Company has a responsibility to the public; it is criminal and dishonest to remain silent, while only 38.3% of the American respondents, 30.8% of the Jamaican respondents and 22 Pakistani respondents shared this belief.

5.5 Important Conclusions

For ease of understanding, a graphic representation has been made in Graph-1 and Graph-2 to gauge the standards of business ethics of respondents from four countries. In Graph-1, all 5 vignettes have been shown along X-axis by V1, V2, V3, V4 and V5. The Likert Scale from 0-10 has been drawn along Y-axis depicting the standards of business ethics. A "0" line shows perfect standard (positive) whereas "10" reflects violation of ethics (negative). Scale "5" that is the mid point indicates moderate approach depending upon social and cultural norms of various countries.

GRAPHIC REPRESENTATION STANDARD OF BUSINESS ETHICS



Graph-1: Graph showing standards of business ethics of various countries surveyed during the research.

In **Vignette-1**, which concerns paying bribe or commission to another country's businessman, three countries lie in the negative Zone whereas only USA is in the Positive Zone by a small margin (4.84). Pakistan with 6.42 is leading in Negative Zone. In other words Pakistani respondents are more willing to pay bribe or commission to foreign businessman for gaining market access whereas USA respondents are least inclined in such a deal.

In **vignette-2**, which relates to violation of intellectual property right and the issue of copy right, all four countries are in the Positive Zone. Within this zone, however, Jamaica is most positive and Pakistan is least positive. This aspect understandably explains job opportunities, job security and prevailing government rules and regulations. Pakistani respondents are more willing to violate copy right issue in a quest to keep their job secure and prove their loyalty to the new employer.

In **vignette-3**, that concerns environmental pollution, all four countries are in Positive Zone. However, Pakistan with 4.35 is close to mid-point which means the respondents from Pakistan have shown lesser concern about environmental pollution as compared to other countries.

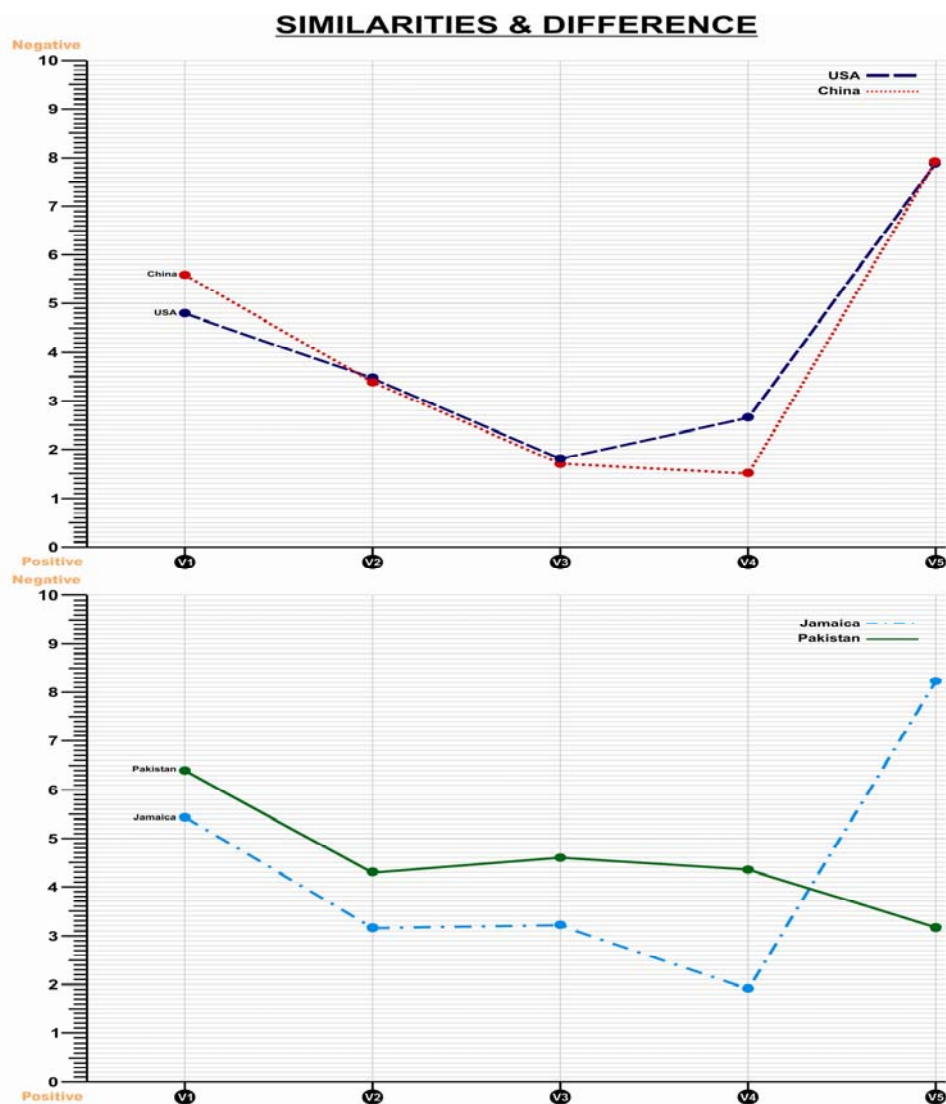
In **vignette-4**, that concerns manufacturing a product that is cheap but of lower quality, impinging consumer rights, all four countries are in Positive Zone.

Vignette-5 however, presents a unique situation where three countries are in Negative Zone but Pakistan is in a Positive Zone. In this situation a contractor is supplying a defective brake cylinder to clients which he is not manufacturing himself.

5.6 Similarities and Differences

In Graph-2, it is however interesting to note that there is a great similarity of view among Chinese and US respondent in all 5 vignettes with a marginal difference in V-1 and V-4 (Graph-2). Similarly there is a fair amount of similarity of views between Jamaican and Pakistani respondent in 4 out of 5 vignettes. The only difference is in vignette-5 which relates to supply of defective brake cylinder by a contractor. In this case, Pakistanis think positively and are not inclined to undertake such business, whereas Jamaica feel no hesitation in doing so, as long as they are not involved in its manufacturing.

There is a thin line of error of judgment which creates difference of opinion between respondent of two countries. Jamaican respondents feel it is the responsibility of manufacturing company to halt or continue sale of the defective product. A contractor or supplier has no additional responsibility in this regard. On the other hand Pakistani respondents realize that supply of defective brake cylinder involves greater risk of life and dangerous



Graph-2: Graph showing similarities of views between Chinese & US respondents and between Jamaica & Pakistan respondents.

consequences therefore, not only its manufacturing, but even its supply is unethical.

6. Analysis

Four countries subjected to test have different cultural and social backgrounds. Two hypotheses were tested in the current study of cross-cultural, ethical decision-making. The results of this current study were then tested on comparative basis.

The findings for the *first hypothesis* indicates that the decisions made by the respondents of all four nations-USA, China, Jamaica and Pakistan – were not significantly different in two out of five scenarios and are consistent. Note, however, that the differences were reported in 3rd, 4th and 5th scenario which pertain to industrial pollution, production of sub-standard product and world safety standard respectively. Salient outcome of the study of business ethics can be summarized as under:

1. With regard to industrial pollution, it was noticed that Pakistan and Jamaica, are willing to tolerate more violations of pollution standards than are the other countries. This aspect could be attributed to many underlying factors like quality of legislation process and effectiveness of law enforcing agencies in a particular country.
2. The matter of continuing sale of a sub-standard product, despite knowing it's technical faults, is yet another issue involving business ethics. In this study, only Pakistani respondents are more willing to tolerate this violation of business ethics contributing their rationale to customer's affordability. Majority feels that if a product is popular, affordable and suits customer's needs, there is no harm in producing such product though it involves some element of risk to human safety.
3. The last vignette that highlighted cross-cultural difference among 4 nations concerns supply of faulty brake cylinder by a contractor that fears to face bankruptcy, if disclosed. Two aspects are quite significant. First, almost 25% of Pakistani respondents remarked that 'contractor has no additional responsibility (Rationale A) and the risk of causing injury or death is too low to stop the sale' (Rationale B). Secondly, more than 30 – 41% respondents from US, Jamaica and Pakistan expressed their concern about human safety saying 'chances of causing injury or death too great to remain silent' (Rationale E) whereas only 4.1% of Chinese expressed this concern. This indicates that Chinese and Pakistani respondents, are not too concerned about human safety.

The *second hypothesis* deals with the rationales underlying the decisions. Results of the current study indicate significant cross-cultural differences in the decision-making rationale for three out of five scenarios. At times, Jamaican and Pakistani rationales appear similar to those in the U.S, while at other points; China and the U.S seem better aligned. What may be suggested being salient feature of the study is:

1. The countries are using utilitarian approaches and are selecting the issues they will support based upon country/economic necessities rather than upon ethical concerns alone.
2. An encouraging note is that the cultural gap is narrowing and that critical thought patterns, with regard to reacting to a given scenario, are becoming increasingly similar. Further study would be required to connect narrowing of the cultural gap to the economic transition and the changes in institutional environments.
3. Most respondents are inclined not to use the new technology that exceeded pollution limits, but those in the Chinese and the American samples were much less likely to do so than the Pakistani and Jamaicans.
4. With regard to paying money to third party for business, results are interesting. 46.9% of the Chinese, 35.1% of Pakistani and 30.8% of the Jamaican respondents rationalized their decision by stating that making such a payment is not unethical and is just the price paid to do business, when only 13.6% of the American respondents agreed with this justification. This indicates that in relatively under developed countries, economic compulsions and financial difficulties of individuals and businesses perhaps, take precedence over business ethics.
5. In case of consumer driven product, Companies design their products to suit customer's choice. This phenomenon again highlights utilitarian approach and signifies how financial compulsions overlook safety standards and health hazards. Business professionals do not

make decisions on the basis of ethics alone but they also give due weightage to their economic compulsions and financial difficulties.

6. In a situation where an employee is morally bound to keep business secrets of the previous employer confidential, the response again indicates that individuals do not make such decisions based on ethics alone but more so because of their job insecurity, unemployment and weak economic stamina.
7. All nations are consistent with response that this is an unethical action. This response indicates that individuals are not willing to compromise world safety standards.

References

- Andrew S., Thomas, W. D. and Wendy, J. B. (2004). Does National context Matter in Ethical Decision Making? *Academy of management Journal*, 47(4) 610-620.
- ANA Code of Ethics for Nurses. [Online] Available :[http:// nursing world. org/ethics/code/ethicscode150.htm](http://nursingworld.org/ethics/code/ethicscode150.htm). (March 23, 2005).
- Abeng, T. (1997). Business Ethics in Islamic Context: Perspective of a Muslim Business Leader. *Business Ethics Quarterly*, 7(3), 47-54.
- Armstrong, K. (2000). *Islam: A Short History*. USA: Random House.
- Ayubi, N. (1991). *Political Islam: Religion and Politics in the Arab World*. London: Routledge.
- Becker, H. and Fritzsche, D.J. (1987). A comparison of the Ethical Behavior of American, French and German Managers. *Columbia Journal of World Business Winter*, 1987,87-95.
- Bessessar, A.M.(2001). Differential Approaches to human Resources Management: Reform in the public Services of Jamaica and Trinidad and Tobago, *Public Personal Management*, 30, 531-547.
- Byrde, W. (Ed) (1992). *Chinese Industrial Firms under Reforms*. Oxford: Oxford University Press.
- Beauchamp, T.L. Bowie, N.E. (2001). *Ethical Theory of Business* (6th ed.). Upper River, NJ: Prentice-Hall.
- Beekun, R. I. (1999). *Islamic Business Ethics*. Herdon, VA: International Institute of Islamic thought.
- Bragues, G. (2005). Business in one thing, Ethics is another. *Business Ethics Quarterly*, 15(2), 179-203.
- Caux Round Table Principles for Business. (1994). *Caux Round Table Principles for Business*. Caux round table secretariat, Washington, DC:
- Cyriac, K. Dharmaraj, R. (1984). Machiavellianism in Indian Management, *Journal of Business Ethics*, 13, 281-286.
- Damasio, Antonio, R. (1994). *Descartes' error: Emotions, reasons and Human Brain*, New York: Avon Books.
- Mushtaq, A. (1999). *Business Ethics in Islam*, New Delhi Kitab Bhavan.
- Donaldson, T. (1996). Values in tension: Ethics away from home. *Harvard Business Reviews*, 26(5): 48-62.
- Donaldson, T. (1989). *The ethics of international business*. New York: Oxford University Press.
- Donaldson, T. Dunfee, T.W. (1999a). *Ties that bind: A social contracts approach to business ethics*. Boston: Harvard Business School Press.
- Donaldson, T. Dunfee, T.W. (1999b). When ethics travel: The promise and peril global business ethics. *California Management Review*, 41(4): 45-63.
- Dunfee, T.W; Smith, N.C. & Ross, W.T. (1999). Social contracts and marketing ethics. *Journal of Marketing*, 63: 14-32.
- Davidson, P. and Griffin, R.W. (2000). *Management in a global Context*. Brisbane, QLD: John Wiley and Sons.
- Earle, J;Andrew, S. and Sabarianova, K. (2004). Community norms and organizational practices: The legitimization of Wage arrears in Russia 1992-1999. William Davidson Institute working paper no. 641, Ann Arbor Mi.
- Fredericks, W.C. (1991). The normal authority of transnational corporate codes. *Journal of Business Ethics*, 10(3), 165-177.
- Fukuyama, F. (1995). *Trust: social virtues and the creation of prosperity*. New York: Free Press.
- Friedman, and Milton, (1962). *Capitalism and Freedom*. Chicago; University Chicago Press.

- Fritzsche, D.J. Becker, H.(1984). Linking Management Behavior to Ethical Behavior – An Empirical Investigation. *Academy of Management Journal*, 27(1), 166-175.
- Gimpelson, V. (2001). The politics of labor-market adjustment: The case of Russia. In J. Kormi, S. Haggard, & R. Kaufman (Eds.), *Reforming the state: Fiscal and welfare reform in post-socialist countries*. Cambridge, England: Cambridge University Press.
- Gordon, C. (2001). Killed by Friendly Fire, (US President George Bush's address to the family of US soldiers who died in Afghanistan). 6 December. New York: Newsday Inc.
- Hofstede, G.(1983). *Culture's Consequences: International Differences in Work-Related Values*. London: Sage Publication Ltd
- Hoover, H. (1924). *National Culture Cannot be Built by Law; An address by Secretary of Commerce delivered in Cleveland, Ohio, Ethics and the Bottom Line*. NY, North River Press.
- Husain, S. S. (1994). *Civilization and Society*. Dhaka: Bangladesh Institute of Islamic Thought. 30. Jamaica's Culture. [Online] Available: <http://www.jis.gov.jm/information/culture.htm>
- Kao, R.W.Y.(1996). *Entrepreneurship: A Wealth Creation and Value Adding Process*. Singapore: Prentice Hall.
- Kolosov, M.A., Martin, D.W. and Peterson, J.H. (1993). Ethics and Behavior on the Russian Commodity Exchange. *Journal Business Ethics*, 12(9), 741-744.
- Lee, K. (1991). *Chinese Firms and the State of Transition. Property Rights and Agency Problems in the Reform Era*. Armonk: M.E Sharpe Publishers.
- Lillian Y.F; Sandra, J.H. and Kwong, K. (2005). Difference in Business Ethical Values. *Review of Business*, 26(1),2-6.
- Levit, C. (1987). Acquisition and Assimilation of Management Skills in Chinese Light Industrial Firms: Soft Technology Transfer to a Transitional Economy. San Diego: Working paper.
- Lang, N. and Epps, M. (2004). Translation of the science of nursing informatics and the validation of the ICNP. Presented at: 10th Annual Japan Society of Nursing Diagnosis; Osaka, Japan.
- Lucas, L.A. (2001). Integrative social contracts theory: Ethical implications of Marketing credit cards to U.S. college students. *American Business Law Journal*, 38: 413-440.
- Mitchell, A. Puxry, T. Sikka, P. and Willmott, H. (1994). Ethical Statement as Smokescreens for Sectional Interests. *Journal of Business Ethics*, 13, 1994, 39-51.
- Mark, R. and Vickers, (2005). Business Ethics and the HR Role. *Human Resources Planning*, 21(1), 1-26.
- Premeaux, S.R and Mondy, R.W. (1993). Linking Management Behavior to Ethical Philosophy, *Journal of Business Ethics*, 12, 349-357.
- Puffer, S. & McCarthy, D.J. (1995). Finding common ground in Russian and American business ethics. *California Management Review*, 37(2): 29-46.
- Puffer, S. & McCarthy, D.J. (1997). Business ethics in a transforming economy: applying the integrative social contracts theory to Russia. *University of Pennsylvania Journal of International Economic Law*, 18: 1281-1304.
- Rafik Issa Beekun, (2003). *Islamic Business Ethics*, New Delhi, Goodwards Books.
- Ronen, S. (1986). *Comparative and Multinational Management*. New York: John Wiley & Sons.
- Reidenbach, R.E., & Robin, D.P. (1990). Toward the development of a multidimensional scale for improving the evaluation of business ethics, *Journal of Business Ethics*, 9: 639-653.
- Robertson, D.C., & Ross W.T. (1995). Decision making processes on ethical issues: The impact of a social contract perspective. *Business Ethics Quarterly*, 5(2): 213-240.
- Stefan, V. (2005). Islam and the Institutions of a Free Society. *The independent Reviews*, X(1), 59-82.
- Sutherland, S. (1992), *Thomas Arnold's quotation in Religion and ethics*, Cambridge University Press.
- Jamal Uddin, (2003). Understanding the framework of business in Islam in an era of globalization, *Business Ethics: a European review*, 12(1), 24-32.
- Shi, Y.W. (1996). Selecting Strategic Windows When There Are Too Many: Strategic Management in Emerging Markets. *China Business Review*, Shanghai: Fudan University
- Soutar, G.M; McNeil, M. and Molster, C. (1994). Impact of the Work Environment on Ethical Decision-making: Some Australian Evidence. *Journal of Business Ethics*, 13(5), 327-240.

- Shaw, B. (2000). Review essay: Ties that bind. *American Business Law Journal*, 37, 563-578.
- Soule, E. (2002). Managerial moral Strategies - In search of a few good principles. *Academy of Management Review*, 27, 114-124.
- Sutherland, S. (1992). *Thomas Arnold's quotation in Religion and Ethics-I*. Warner, M. (Ed.), Religion and Philosophy, Cambridge University Press.
- Transparency international. (2001). *Global Corrupting report*. Berlin: Transparency International.
- The ICN Code of Ethics of Nurses. (2005), [Online] Available at: <http://www.icn.ch/icncode.pdf>. (March 23, 2008).
- The Sydney Morning Herald (2001). When the World Changed Forever. Special sediton. 15-16 September. Sydney: Australia.
- Whitcomb, L.L. Erdener, C.B. and Li, C. (1998). Business Ethical Values in China and the U.S. *Journal of Business Ethics*, 17, 839-852.
- Walzer, M. (1994). *Thick and thin: Moral argument at home and abroad*. Notre Dame, IN: University of Notre Dame Press.
- Wanous, J. Reichers, A. & Hudy, M. (1997). Overall job satisfaction: How good are single-item measures? *Journal of Applied Psychology*, 82, 247-252.
- Yin, Robert, K. (1994). *Case Study Research: design and methods* (2nd edition). Thousand Oaks, Ca: Sage Publications.
- Yale Center for Environment Law and Policy (2002). Environment Sustainability Index (ESI). [Online] Available: <http://www.yale.edu/ycelp/esi.htm>