

# Annotated bibliography on business ethics



This article shares observations on the importance of Trust in making business work well. It affirms that the corporate culture must be built on a set of eight values called OCTAPACE (Openness, Confrontation, Trust, Authenticity, Proactive, Autonomy, Collaboration and Experimenting) and that trust-based working relationships decide the success of a corporate. The authors also argue that human resource is the most important factor, which decides culture and values of an organization. The article as a whole is not a specific research but it showed essential values of organizational culture, where trust is dominant.

It affirms by giving three key steps in building trust including (1) conduct a trust audit to measure trust to identify proper action; (2) build an environment of trust, where leaders set themselves as example; and (3) nurture communities of trust to encourage small teams/groups practice value of trust to ensure sustainability. However, there should be more relevant practical examples and theories on ethics, values... in the research to illustrate author's viewpoints.

Marshall, Anke and Maribeth (2007). The power of Ethical Work Climates. *Organizational Dynamics*, Vol. 36, No. 2, pp. 171-186

The article highlights the importance of building ethical working environment in corporates to maintain ethical organizations. This involves four basic psychological components: moral sensitivities, moral judgment, moral motivation, and moral character. Based on the research, the authors suggest a moral training programme should be set-up regularly in order to (1) raise moral sensitivity of employees, (2) educate employees in forming moral

judgments, (3) strengthen moral motivation, and (4) help employees to develop their moral character. The authors also showed the connection between external ethic requirements (e. g US Sarbanes-Oxley Act) and internal ethical climate (formal and informal ethical acts).

The key argue is this connection must be well maintained to ensure ethical work climate. It also raised the view that if leaders are supportive in building and promoting their corporates with ethical climate, they will have power to create and maintain ethical organizations with transparency, accountability and efficacy. This is a comprehensive research on the importance of building ethics in corporates. However, the research can be extended to deeper research on how to measure and monitor ethical work climate to ensure its sustainable power.

James, Maria and David (2012). Ethical climate and pro-social rule breaking in the workplace. *Human Resource Management Review* 24 (2014). Pp. 108-118

This article deliberates the concept of pro-social rule breaking (PSRB) as an act of breaking rule ethically for the benefit of the organisation. The authors helps us to understand how PSRB is affected by (1) individual differences (job autonomy, risk-taking propensity, co-worker PSRB behavior, conscientiousness and core-self evaluation) and (2) five ethical climates (instrumental climate, caring climate, independence climate, rule climate and law and code climate) (Victor&Cullen, 1988). Purposes of this research can be seen as to raise an issue whether HR policies in corporates should

consider only the act of breaking rule to set penalties or take into account also the intention.

In overall, ethical theories on egoism and utilitarianism can be applied to the research of PSRB. If one breaks rule for self-interest (egoism), penalties can be take its effect. But if one has to break rules for the benefits of many others and/or the organization (utilitarianism), this can be considered as PSRB. However, this research also suggests future observations on the integration of law in the decision-making process of PSRB because sometimes despite PSRB brings benefit to a large number of people/groups but it may violate the law that one has to obey as a duty.

Mujdelen, Miray and Sinem (2012). The effect of ethical climate on work engagement. *Procedia-Social and Behavioral Sciences* 58 (2012). Pp. 724-733

The article puts an argue that ethical climate helps to maintain work engagement. A deep researcher was implemented based on an ethical climate questionnaire to see the relationship and interaction between ethical climate and work engagement. The research uses a methodology where ethical climate is measured by three components: (i) social responsibility, (ii) rule and professional codes and (iii) personal morality and interest, while work engagement is measured by dedication, absorption and vigor. There are some key results that social responsibility climate has more effects on work engagement than the rest two components.

It also has greater effect on dedication of work engagement than on absorption and vigor. Besides, there is a stronger relationship between

<https://assignbuster.com/annotated-bibliography-on-business-ethics/>

ethical climate with dedication and absorption than with vigor. Based on the research, the authors suggest there should be distinctive ethical standards and values to be set-up with proper ethical climate to improve work engagement. In general, this is not a broad research on ethics, it focuses only on the relationship between ethical climate and work engagement. However, the issue of the differences on ethical values of organization and employees may affect this relationship.

Mohammad, Khairuddin, Zohara, Ismi and Seddigheh (2013). Ethical Work Climate and Firm Performance. *International Journal of Business and Social Science*, Vol. 4, No. 11. pp. 319-329

The research was implemented within small and medium enterprises (SMEs) in Malaysia to show that there is a strong relationship between ethical work climate and organisation performance. As some previous researches, this also apply Victor and Cullen's Ethical Climate Questionnaire and Organizational Performance Questionnaire. The ethical climate is observed by instrumental climate, caring climate, independence climate, rule climate, law and code climate (Cullen, Victor & Bronson, 1993), while the organizational performance is reflected by financial measures, suppliers' measures, employees' measures, and customers' measures.

As a whole, the research may need some particular cases to strengthen its questionnaire-based findings. Nevertheless, this research was selected as a relevant observation to Vietnamese business environment, where SMEs dominate the market and ethical work climate is a new concept to almost all the companies, where they focus only in maximizing profits. Besides, the

issue of ethical climate as well as business ethics still plays a dull role.

Therefore, such kind of researches is very important to influence policies on business in general and corporates' rules in particular in Vietnam.