

# Factors impacting ethical behavior in a chinese state owned steelcompany

[Business](#)



Monika Kotowska Business Forum 9/18 Factors Impacting Ethical Behavior in a Chinese Owned Steel Company China is a growing superpower in the business world; therefore, much interest is being placed on the values and ethics that the majority of these Chinese businesses are based on. Behavior of Chinese employees is below expected ethical standard. Nonetheless, this substandard behavior has no negative impact on China's economy. This article discusses in detail an ethical study for Chinese employees of a steel company. It is based on multiple tests using various criteria to determine the level of ethical behavior exhibited. These factors include: Work Environment (climate), employee evaluation of self and co-workers, behavior of successful managers.

#### Work environment

To a larger extent, it can be observed that the work environment significantly impacts on the ethical behaviour of the employees in the organization. China's business ethics is based on Confucianism and this also shapes the work environment in different organizations (Fu & Deshpande, 232). The ethical climate that exists in the organization greatly shapes the ethical behaviour of the Chinese employees. This environment shapes the values, perceptions as well as the beliefs that shape the behaviour of people. Likewise, Chinese employees are likely to learn from others within the organization and they will behave in a way that reflects the organization's values and norms. In a country with uncertainty avoidance like China, it has been observed that the climate in the Chinese steel organization is shaped by such rule and this ultimately shapes ethical behaviour of the employee (Fu & Deshpande, 235). Thus, the prescribed values that obtain in the work

environment significantly shape the ethical behaviour of the Chinese employees.

#### Employee evaluation of self and co-workers

The other significant factor that shapes ethical behaviour of the Chinese is related to employee evaluation of self and other co-workers. As noted by Fu & Deshpande (235), employees in the steel industry share collectivist behaviour and this also shapes their ethical behaviour. The employees are greatly influenced by the behaviour of their co-workers since they would not want to be found on the wrong side of the law. In most cases, if the employees see other people in the organization behaving wrongly then they are not punished, they are likely to follow suit. Likewise, if the co-workers see others being rewarded for good behaviour, they will also behave in a positive way. Therefore, to a larger extent, it can be noted that the way employees evaluate themselves and their co-workers significantly impacts on their ethical behaviour in the organization.

#### Behavior of successful managers

The behaviour of successful managers has a great impact on the ethical behaviour of the Chinese employees. Successful managers are often regarded as role models and they positively influence the behaviour of their subordinates in the workplace (Fu & Deshpande, 232). All managers who display positive behaviour are viewed as ethical and they have a great influence on the workers in their organizations. However, managers who have bad behaviour are often viewed as unethical and these are likely to impact negatively on the behaviour of the Chinese employees. If the manager has bad behaviour, then the workers may also end up copying his

behaviour (Fu & Deshpande, 232). In most cases, employees seek to emulate the behaviour of successful managers since these are held with high esteem.

#### Work Cited

Fu, W., and Deshpande, S. P. " Factors Impacting Ethical Behaviour in Chinese State-Owned Steel Company." *Journal of Business Ethics*, (2012), 105: 231-237.