Business Ethics Practices and Programs in Bangladesh: An Empirical Analysis

Md. Mahi Uddin[1], Dr. Mohammad Aktaruzzaman Khan[2] and Dr. Kazi Deen Mohammad[3]

ABSTRACT

The issue of business ethics in Bangladesh is becoming important and not widely studied before. The study aims to evaluate ethical practices and programs today and for the next ten years with survey questionnaire applying non-probability purposive sampling. The study includes 43 business organizations from two largest cities, Dhaka and Chittagong. The results indicate that protecting reputation is the prime reason for ethical business while corporate scandals and rules and regulations are the influential business and external environmental factors of ethical practices. The code of conduct is the main internal ethical aspect for Board of Directors. In addition, the ethics survey and audits are the most important effectiveness measures of ethical programs. Finally, the findings draw implications for Ministry of Legal Affairs, regulatory bodies, management and policy makers to adapt multi-faceted, multi-targeted, and multi-tiered approaches to formulate effective programs in order to build a truly ethical enterprise.

Keywords: Business ethics; Bangladesh

1. INTRODUCTION

The term "business ethics" is used in many different ways. Business ethics is a form of applied ethics that examines ethical principles and moral or ethical problems that arise in a business environment (Baviskar et al, 2005). It also deals with ethical questions in the field of technical, legal, business, and medical ethics (Preston, 1997: 6-11). It applies to all aspects of business conduct (Baumhart, 1968; Ferell & Fraedrich, 1997; Singer, 1991) and is relevant to the conduct of individuals and business organizations as a whole (Bernard, 1972; Donaldson, 2002: 36). Business ethics consists of a set of moral principles and values (Jones et al, 2005: 17) that govern the behavior of the organization with respect to what is right and what is wrong (Badiou, 2001; Seglin, 2003).

----
[1]MD. MAHI UDDIN, Assistant Professor, Department of Business Administration, International Islamic University Chittagong, Bangladesh, Email: mmur_cu@yahoo.com
[2]DR. MOHAMMAD AKTARUZZAMAN KHAN, Associate Professor,Department of Business Administration,International Islamic University Chittagong. Bangladesh
Email: rajarkul2002@yahoo.com
[3]DR. KAZI DEEN MOHAMMAD, Associate Professor, Department of Qur'anic Science and Islamic Studies,International Islamic University Chittagong,Bangladesh, Email: kazideen@yahoo.com

It contains the prohibitory actions at the workplace (Collier - Esteban 2007:19; Duska, 2007). The paper examines basic four principles of business ethics and sheds light on these concepts (Kotsiris, 2003). Business ethics is the behavior that a business adheres to in its daily dealings with the world (Borgerson-Schroeder, 2008). The ethics of a particular business can be diverse (Solomon, 1983). They apply not only on how the business interacts with the world at large, but also to their one-on-one dealings with a single customer (Beauchamp, 2004). Many businesses have gained a bad reputation just by being in business (Carr, 2004). To some people, businesses are interested in making money which is called capitalism in its purest form (Antoniou, 2008). Making money has been the main purpose in many global brand businesses and can be concluded that they not too highly concern of good business ethics (Maitland, 1994). Eventually, many of them have been fined millions for breaking ethical business laws (Cory, 2005).

In the end, it may be up to the public to make sure that a company adheres to correct business ethics (Clarke, 2004). If the company is making large amounts of money, they may not wish to pay close attention to their ethical behavior (Bennett, 2003). There are many companies that pride themselves in their correct business ethics (Terris, 2005) but there are very few in numbers (Lee, 2005). In the 21st century marketplaces, the demand for more ethical business processes and actions (known as *ethicism*) is increasing (Gitlow, 2005). Simultaneously, pressure is applied on industry to improve business ethics through new public initiatives and laws. Businesses can often attain short-term gains by acting in an unethical manner (Sunstein, 2002); however, such behaviors tend to undermine the economy over time (Velentzas, 2010). Business ethics is primarily normative discipline (Anand & Rosen, 2008) while in academia descriptive approaches are also taken. Today, most major corporations put their emphasis on commitment in promoting non-economic social values under several headings such as ethics codes, social responsibility charters etc. These values are the roots of what we call "ethics" which has been defined as "the discipline of dealing with what is good and bad and with moral duty and obligation" (Moriarty, 2005). Businesses view ethics as having a big impact on their brands and reputations as well as on customer trust and investor confidence which in turn, is not only about "doing the right thing" or even avoiding the kind of scandals that can devastate a company (England, 2006).

1.1 Ethics in literature

The role of ethics and social responsibility as components of business affecting organizational effectiveness is essential (Singhapakdi et al., 1996). Ethics in business is related to national factors as well as global perspectives, varies from country to country, and potentially it is affected by many factors including the strength of legal, business regulation and human characteristics such as ethnicity, gender, level of education and socio-cultural environment. There is often a

conflict between the pursuit of profit and the exercise of ethical conduct in business as managers pursue profit to maximize returns to investors and often to maximize their own self-interest. Carr (2004) argues that most executives are mostly compelled in the interests of their companies or themselves, while negotiating with customers, dealers, labor unions, or governmental officials. Ahmed (2009) describes this as a moral hazard that arises when managers are tempted to act in their own self-interest and not those of the principal.

By studying the moral judgements of Chinese and American Managers, Ford et al. (1997) found that the moral judgements of Chinese managers are significantly more dependent on group norms than were the American managers due to their preference and attachment to collectivism. With similar pace, Jackson and Artola (1997) compared the ethical beliefs of managers from France, Germany, the USA and Israel in which findings eventually summarizes that the ethical practices vary between the countries, deep rooted in the cultural background of the individuals. The United Nations (UN) (2003) has produced a document proclaiming norms for conduct and operations of transnational corporations and other business enterprises. These norms cover general obligations to promote recognizing international and national law, including the rights of indigenous peoples and other vulnerable groups such as consumers and workers, and also have regard to environmental protection. Ferrell et al. (2004) suggest that business ethics comprises moral principles, values and standards that guide behavior in the world of business. Thus, ethics in business is directly related to social values, norms and global business trends and is negatively related to corruption in society. In this research, evidence of social discontent with business conduct is sought through a review of significant business issues reported publicly as unethical practice.

Trevino and Nelson (1995) define ethics as the principles, norms and standards of conduct governing an individual or group. They also comment that two types of factors influence ethical behavior: characteristics of the individual and the characteristics of the organization. England (2006) suggests that ethical decisions are made by business people, based on the following considerations: (1) how employees can feel fulfilled professionally; (2) how customers can be satisfied; (3) how profit be assured for the stakeholders or shareholders; and (4) how the community can be served. Trevino and Weaver (1997) linked the matter of concern about ethics in business practices to three factors: (1) ethical failures diminish reputation; (2) articulating ethical standards now makes it easier to respond to criticism later; and (3) adoption of ethical standards is a hallmark of a profession.

Srivastava, Johri and Chaddha (2005) suggest that organizations need to deal with the sources of ethical dilemma to address the problem. A better process for understanding and dealing with ethical dilemmas faced by managers stems from

the development and use of codes of conduct, where relationships, situations and decisions are viewed from a variety of stakeholders' perspectives, and consideration is given to the interactions of multiple systems that exist within an organizational and institutional context that reflects contemporary society. Price (2006) suggests that embracing social and environmental obligations in codes of conduct together with enhanced transparency, accountability enabling effective market discipline and supervisory oversight will be the way forward in ensuring the deeper ingraining of ethical conduct in developing economies such as Bangladesh.

1.2 Business ethics in Bangladesh

As Bangladesh is an economy in transition, the evolutionary process of transforming its business ethical values, norms and moralities has greatly hampered its organizational culture (Hoque, Khan & Mowla, 2013) and development. Business organizations are not yet fully implementing international standards or codes of ethics, though, Islamic motivation significantly can contributes to the organizational ethics in Bangladesh (Ather, Khan & Hoque, 2011). In current days, business ethics is a burning issue. A low level of ethics in the business sector is a part of wider socio-economic and political problems faced by many countries: often loopholes in legal and business regulation contribute to the corruptions that can disarray business operations. As the globalization process is in progression, the world begins to resemble a global village, so business ethics has become an international issue. Business ethic measurement has been constructed by World Bank (2009) based on ten different component factors for about 180 countries. It is shown that Singapore having the best ranking while Bangladesh is ranked quite unfavorably in 119th position. This ranking does not give a good picture of business ethics in the country and indicates that further improvements in its institutional, structural and policy environments are needed. In recent years, the issue of business ethics has gained increased attention. Ethics has an immense impact on the brands and reputations as well as on customer trust and investor confidence. Hence, the concepts of transparency, good governance, and political reformation have come to the cultural spotlight of Bangladeshi elites. But there is very little research that has examined ethical issues in the newly emerging economy of Bangladesh. The study of ethical issues in Bangladesh is important to understand the views on ethics and ethical management practices. Thus, the prime focus of this study is to surface the ethical practices and programs among the organizations is desperately felt.

2. OBJECTIVES

The main objective of the study is to evaluate the ethical practices and programs in business organizations today and within next ten years. In order to attain the main objective the following specific objectives have been identified - (1) to know the influential factors in today's business organizations (2) to identify the best-in-class ethics programs and practices, and (3) to know how business ethics might move from its current position to next ten years.

3. METHODOLOGY

The study is based on primary data collected through a survey questionnaire employing a purposive sampling technique. The population of the study consists of an e-mail list of senior-level human resources professionals and individual contributors, supervisors, managers and executives collected from the database of Bangladesh Society for Human Resources Management (BSHRM). A total of 63 completed questionnaires were distributed through their mail addresses and 46 (76%) were returned out of which 3 (4.7%) were rejected due to incomplete response, and finally 43 (68.25%) have taken into account for analysis. The questionnaire consists of eight core questions requiring respondents to rate multiple items within each core dimension. The response scored on a five-point Likert scale ranging from 1 as not important to 5 extremely important. The survey questions address the below-mentioned dimensions:

- The importance of business ethics to the organization
- Environmental factors driving business ethics
- Establishing and sustaining a business ethics culture
- Business ethics practices and programs
- Drivers of unethical behavior
- Ethical leadership behaviors
- Business ethics effectiveness measures
- Ethics-related global workplace issues

4. RESULTS

4.1 Demographic information

The demographic information is shown in Table 1. As the results of the table show that the major respondents are from human resources or administration (23.5%), 42.0% of the respondents are from the corporate level. Out of 43 respondents, 72.0% and 28.0% are male and female, respectively. Almost one-

third of the respondents were in the age group of 41-45 followed by 21% in the range of 46-60.

Table 1: Demographic information

Types of Respondents	Functions of Respondents	Frequency	Percentage
By Function	HR or Administrative	10	23.5
	General management	9	20.9
	Operations	8	18.6
	Marketing	5	11.6
	Finance	4	9.3
	Sales	3	6.9
	Systems/IT	3	6.9
	International	1	2.3
	Total	43	100
By Organizational level Responsibility	Plant/Office	11	25.6
	Corporate	18	42.0
	Division	8	18.6
	Region	6	13.8
	Total	43	100
Gender	Male	31	72.0
	Female	12	28.0
	Total	43	100
By age	Below 36	3	6.9
	36-40	8	18.6
	41-45	14	32.5
	46-50	9	21.0
	51-55	7	16.3
	Above 55	2	4.7
	Total	43	100

4.2 Importance of business ethics to the organization

Table 2 shows the important reasons to run a business in an ethical manner. It is seen that there will be far more emphasis on business ethics in the future than today. Generally, all the items' ratings increased dramatically over time ranging from 4.12 to 4.70. It is also noticed that protecting the company reputation is seen as the most important reason for running a business in an ethical way which is not going to change in future. It is even more important than "customer trust and loyalty". Doing the right thing, investors' confidence, are also reported as key reasons, something not expected to change in the future. Employee retention and performance are expected to become more important as reasons to operate ethically.

312

Table 2: Important reasons to run a business in an ethical manner

SL.	Items (n =43)	Extremely important		Highly important		Important		Somewhat important		Not important		Today	10 yrs future
		Today	10 Years (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	WA Rank	WA Rank
01	Protection of brand and reputation	24	34	11	6	6	2	2	1	-	-	4.32 1	4.70 1
02	To do right thing	21	32	12	7	7	3	1	1	2	-	4.14 3	4.63 3
03	Customer trust and loyalty	21	31	10	10	9	1	4	1	2	-	4.23 2	4.65 2
04	Investors' confidence	19	29	13	10	8	2	3	1		-	4.12 4	4.49 4
05	Public recognition	18	27	11	9	12	6	2	1		-	4.05 5	4.44 6
06	Avoiding Litigation	16	26	10	9	13	6	3	1	1	1	3.86 6	4.35 8
07	Positive impact on financial results	13	25	9	11	12	4	7	2	2	1	3.77 7	4.32 9
08	Employee retention and performance	12	26	15	13	8	2	5	2	3	-	3.65 8	4.46 5
09	Trust of supplier/partner	10	23	13	14	12	5	7	1	1		3.55 9	4.37 7

4.3 Impact of business environmental factors on business ethics

Table 3 reveals the importance of business environmental factors regards their impact on business ethics today and after ten years. The results indicate that "corporate scandals" is the most key environmental factor to influence business today. The recent history of different misconduct by public and private organizations is understandably a powerful motivator. As we rapidly and relentlessly progress toward a true global economy the organization's business practices will become increasingly transparent and important to the development of both consumer trust and business-to-business trust. It is also seen that "demands by investors" ranks third and fifth for today and future, respectively. The results, moreover, indicate an increase in the ranking of "globalization" from six for today to one for future, and an increase in the rankings of "pressure from prospective and existing staff" from nine for today to six for future. Hence, globalization and the resultant increased marketplace competition are the most

powerful business environmental forces will drive the business ethics, and investors will demand ethical corporate practices and organizations' employees will demand ethical behavior in the future.

Table 3: Impact of business environmental factors on business ethics

SL.	Items (n =43)	Extremely important		Highly important		Important		Somewhat important		Not important		Today		10 yrs future	
		Today	10 Years (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	WA	Rank	WA	Rank
01	Corporate scandals	22	20	13	11	6	10	2	1	-	1	4.28	1	4.12	4
02	Marketplace competition	20	22	12	12	7	7	3	2	1	-	4.16	2	4.25	2
03	Demands by investors	19	18	12	12	6	11	4	1	2	1	3.97	3	4.05	5
04	Pressure from staff and customers	16	21	11	10	12	10	3	2	-	-	3.86	4	4.16	3
05	Globalization	14	23	10	11	11	6	6	3	2	-	3.65	6	4.26	1
06	Executive compensation	13	20	14	8	9	4	4	6	3	5	3.70	5	3.74	8
07	Restructuring	10	17	13	9	13	8	5	5	2	4	3.56	7	3.70	9
08	Diversity	10	16	11	13	10	11	8	2	4	1	3.35	8	3.95	6
09	Outsourcing	5	14	8	9	16	8	9	7	5	5	2.97	11	3.46	11

4.4 Importance of external environmental factors on business ethics

The importance of external environmental factors in terms of their impact on business ethics is shown in Table 4. The outputs indicate that political issues and legal issues are the key factors for maintaining ethical business standards for today and future, respectively. The respondents of the study also predicted that both the "corporate social responsibility" and "environmental issues" will become more important over the coming decade. "Corporate social responsibility" jumped from a current ranking of nine to four and "environmental issues" leaped from eighth to second position. At present, the "political environment" is ranked first in terms of importance and dropped to eighth for the future. This decline can be attributed to the predicted growing influence of the legal and global issues.

Table 4: Importance of external environmental forces

SL. Items (n =43)	Extremely important		Highly important		Important		Somewhat important		Not important		Today		10 yrs future	
	Today	10 yrs. (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	Today	10 yrs. (Future)	WA	Rank	WA	Rank
01 Legal environment	24	26	12	8	6	5	1	3	-	1	4.37	2	4.46	1
02 Economic environment	21	19	13	14	5	9	4	1	-		4.17	3	4.18	3
03 Political environment	28	20	13	9	1	6	-	4	-	4	4.53	1	3.86	8
04 Social values	17	18	10	10	11	12	3	2	2	1	3.93	4	3.97	6
05 Level of global security	11	20	12	9	14	9	4	4	2	1	3.60	6	4.00	5
06 Technology	10	17	11	11	15	11	6	3	1		3.53	7	3.91	7
07 Corporate social responsibility movement	8	20	15	14	12	6	2	1	4	2	3.35	9	4.14	4
08 Environmental issues	8	21	13	14	14	5	5	2	2	1	3.40	8	4.25	2

4.5 Establishing and sustaining a business ethics culture

It is depicted in Table 5 that having a code of conduct is by far the most important internal practice for ethical culture. It makes sense that an organization must carefully state its position on ethics and stick to it. Organization should ensure that everyone understands what behaviors are acceptable and what behaviors are not. Appointing an ombudsman and/or creating a helpline are two very tangible practices that supportive to ethical culture. These practices encourage employees to take ethics seriously by providing access to available help on issues and remedies.

Table 5: Internal practices and programs for an ethical culture

SL. Items(n=43)	Extremely Important	Highly Important	Important	Somewhat Important	Not Important	WA	Rank
01 Code of conduct	28	11	3	1	-	4.53	1
02 Ethics training	24	11	6	2	-	4.32	2
03 Corporate social responsibility programs	22	10	7	3	1	4.21	3
04 Ombudsman–confidential, neutral and off-the-record resource to discuss	19	14	5	4	1	4.07	5
05 Ethics helpline	18	9	10	3	3	3.84	8

06	Ethics audits	20	11	9	2	1	4.14 4
07	Ethics committee	21	10	6	4	2	4.02 6
08	Ethics surveys	8	12	15	3	4	3.32 10
09	Ethics office	20	12	5	3	3	4.00 7

4.6 Important practices and programs for Board of Directors

Table 6 details the programs and practicing policies relating to Board of Directors of an organization in terms of maintaining an ethical culture. The results indicate that codes of conduct are viewed as the most important aspect for boards which has a direct impact on the reputation of the company. Establishing the right tone at the top is the best way to protect an organization's reputation, which can easily be destroyed when employees act unethically. This remains the most important responsibility of the Board in establishing a corporate ethical culture. The Board should ensure that an "ethical values filter" is applied to decision making. Ethics training, independent directors, and diversity are also important issues for ensuring an ethical conduct.

Table 6: Important practices and programs for board of directors

SL.	Items	Extremely Important	Highly Important	Important	Somewhat Important	Not Important	WA Rank
1	Ethics training	23	11	6	4	-	4.30 2
2	Directors' code of conduct	28	10	3	1	1	4.46 1
3	Direct reporting from ethics helpline, internal ethics audits and survey	17	9	9	4	4	3.72 6
4	Independent directors	19	13	6	3	2	402 3
5	Diversity	20	10	7	5	1	4.00 4
6	Non-management directors	15	12	10	4	3	3.81 5
7	Unfiltered issue trend reporting from neutral ombudsman	13	12	8	8	2	3.60 7

4.7 Factors of unethical behavior

In today's cut-throat competitive business environment more and more individuals and business organizations are following unethical business practices to succeed due to various reasons. It is noticed from Table 7 that working environment, pressure to achieve the objectives, desire to advance one's career are the key factors influencing people to compromise with ethical standards. The other factors like desire for protection, improper training, and lack of consequence are also important reasons to come up with ethics. People may compromise with ethical standards because they are ambitious for or because they are afraid of something. A strong sense of ethics in the workplace can improve a company in various ways, both internally and externally.

Table 7: Factors that influence to compromise ethical standards

SL.	Items	Percentage	Rank
1	Pressure to meet unrealistic business objectives and/or deadlines	52.4	2
2	Desire to further one's career	38.2	3
3	Desire to protect one's livelihood	42.5	4
4	Working in environment with cynicism or diminished morale	73.6	1
5	Improper training	32.8	5
6	Lack of consequence if caught	28.1	6
7	Need to follow boss's orders	24.6	7
8	Peer pressure/Desire to be a team player	20.7	8
9	Desire to steal from or harm the organization	14.2	9
10	Wanting to help the organization survive	09.3	10

4.8 Ethical Leadership Behavior

The results in Table 8 displays that keeping promises is the most important ethical leadership behavior. The leaders must "be a model of ethical behavior". The leaders must demonstrate ethics in doing activities, making decisions and lead (Weber, 2007). Encourage open communication and ensure no retaliation, keep employees informed, discussing the importance of business ethics internally and externally. Leaders should keep investors, customers and community informed are the next important aspects of ethical leadership. Managers need to support ethical behavior and punish unethical behavior. The ethical leaders let their employees to know and practice ethically important values like teamwork, ambition, honesty, efficiency, quality, accomplishment, and dedication.

Table 8: Importance of ethical leadership behaviors

SL.	Items	Extremely Important	Highly Important	Important	Somewhat Important	Not Important	WA	Rank
1	Keep promises	31	10	1	1		4.65	1
2	Encourage open communication and ensure no retaliation	29	11	2			4.53	2
3	Keep employees informed	26	10	6	1		4.42	3
4	Providing Support to apply appropriate disciplinary actions for violations	25	10	5	2	1	4.30	4
5	Discussing the importance of business ethics internally and externally	22	12	7	1	1	4.23	5
6	Apply and articulate ethical criteria with decisions	21	13	6	3	-	4.21	6
7	Provide resources for ethics-centric culture	16	10	13	3	1	3.86	8
8	Participate in ethics processes	14	12	10	3	4	3.67	9

4.9 Measuring the effectiveness of business ethics

A responsible ethics and compliance programs have specific, measurable, action-oriented, relevant, and timely performance measures which tends to drive performance. The results of effectiveness measures of ethics programs are presented in Table 9, shows the output relating to the ways of assessing the effectiveness of ethics programs. The results indicate that conducting ethics survey, ethics audit, and collecting ethical complaints of customers are the key methods. Completion of ethics goals and associated business results, checking fraud, and financial malfeasance are also important ways to effectiveness measure. When theft, fraud and lawsuits occur, the organization must often assume a defensive posture and go into damage control. These indicators can be a sign that the other ethics programs are not working effectively.

Table 9: Ways to assess the effectiveness of ethics programs

SL.	Items	Percentage
1	Results from ethics surveys – employees, suppliers, investors and customers	50.3%
2	Results from ethics audits – internal and supplier (external)	46.0%
3	Customers' ethical complaints – number, types, trends	45.0%
4	Completion of ethics goals and associated business results	34.3%
5	Theft, fraud, financial malfeasance – number, types, costs, trends	31.4%
6	Lawsuits – number, types, costs, trends	23.0%
7	Public recognition	21.1%
8	Issue trend data from ombudsman	20.5%
9	Case data from ethics help lines	18.5%
10	Case data from ethics offices	9.5%

4.10 Ethical global issues

Due to the globalization of workplace and competition, the adaption of global ethical standards has become a necessity. Global ethical issues have a significant impact on ethical performance of business organizations. Therefore, in this study, impact of global issues on the ethical consideration has also been assessed which is demonstrated in Table 10.

Table 10: Impact of global issues on ethical practices

SL.	Items	Extremely Important	Highly Important	Important	Somewhat Important	Not Important	WA	Rank
1	Forced labor/child labor	26	9	5	3	-	4.381	
2	Health and safety in workplace or working conditions	22	12	5	4	-	4.212	
3	Discrimination/harassment	21	9	10	2	1	4.093	
4	Financial scam	18	13	10	1	1	4.074	
5	Fraud/theft	19	10	5	4	5	3.797	
6	Gift-giving/bribes	17	11	12	2	1	3.955	
7	Conflicts of interest	16	10	11	5	1	3.816	
8	Diversity	11	7	13	10	2	3.359	

It is noticed from the Table that the top most global ethical issues are forced labor/child labor, health and safety, discrimination/harassment, and financial scam. Although there is more pressure coming to bear on countries that tolerate poor labor practices to improve working conditions, an increasingly fierce global competition to provide goods and services at the lowest possible price also leads to labor force exploitation. Therefore, it must ultimately be the global business community, with support from the consumer that sets and enforces workforce practices and workplace conditions.

5. DISCUSSION

Various ethical issues that have a significant bearing on business today and for the next ten years have been evaluated in this study. It is noticed from the analysis that there will be far more emphasis on business ethics in the future than today. Corporate scandals were identified as the top-rated business environmental factor to influence business ethics today. The results of the study, moreover, indicate that globalization will be more important in future than today in terms of its influence to the business ethics in Bangladesh. Political environment is the primary driver in ethical business practices today and legal issues are the key driver for future. The respondents of the study predict that both corporate social responsibility and environmental issues will become more important over the coming decade. Organizations must integrate ethics into their goals, business processes and strategies. Leaders must both communicate the importance of ethics and model ethical behavior. Ethics should be further driven by measures in practice to assess the effectiveness of business ethics programs and strategies in the organization's human resource management system. Training for all employees is also necessary to reinforce the code of conduct and to make sure that everyone understands the acceptable and unacceptable behaviors. The training should be a sincere effort to encourage ethical behavior as a fact of the corporate culture. Codes of conduct are viewed as the most important practices and programs for board of directors. The leaders should keep their promises to demonstrate ethical leadership behavior and be a model of ethical behavior.

It is also seen that the most effective method to assess the effectiveness of ethics programs is to ask, and listen to the organization's employees, suppliers, investors and customers that can be achieved by reviewing the results of any combination of surveys, audits, focus groups, help lines, and ombudsman input. The top three ethics-related global workplace issues are work place conditions, forced labor/child labor, health and safety and discrimination/harassment. Hence, the organizations should adapt the policies addressing the global issues to be ethical.

6. CONCLUSION

The study tested the responses of 43 organizations which were purposively selected employing structured questionnaires from eight dimensions. Ensuring ethical behavior of organization requires creativity, quality, and efficiency. Goals and expectations need to be integrated with codes of conduct, and results need to be evaluated, measured, and constantly re-examined. Rules and regulations are, and will remain, the most influential external drivers of corporate behavior. Corporate leaders need to communicate ethical values throughout the organization and must do more than issuing a series of instructions in order to establish and sustain an ethical culture.

This study has few limitations. As it used purposive sampling, the results may not be a true representation for the two cities. This research might also be limited due to the issue of 'social desirability' where subjects may respond to what they think is 'socially desirable'. However, the best effort has been made to minimize this by given respondents the assurance that the questionnaires will be treated anonymously. Future studies may use larger organizational samples from more cities in the country and include the effect of other variables not covered in the present intervention to create a more detailed understanding.

REFERENCES

Ahmed, P. (2009). Integrating ethics into finance curriculum. *Independent Business Review, 2*(2), July.

Anand, V., & Rosen, C.C. (2008). The ethics of organizational secrets. *Journal of Management Inquiry, 17*(2), 97-101.

Antoniou, A.S. (2008). Business ethics (I-II) [in Greek]. Athens: Sakkoulas.

Ather, S.M., Khan, M.A., & Hoque, N. (2011). Motivation as conceptualised in traditional and Islamic management, Humanomics*, 27*(2), 121-137.

Badiou, A. (2001). Ethics: An essay on the understanding of evil. London: Verso.

Baumhart, R. (1968). An honest profit: What businessmen say about ethics and business? New York: Holt, Rinehart and Winston.

Baviskar, S., Harned, P.J., & Seligson, A.L. (2005). National Business Ethics Survey-2005. Ethics Resource Center.

Beauchamp, T. L. (2004). Case studies in business, society and ethics (5th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.

Bennett, C. (2003). Ethics in business. Mason, OH: South-Western.

Bernard, W. (1972). Morality, Harper & Row. International conference on applied economics–ICOAE 2010, 807.

Boatright, J. (2009). Ethics and the conduct of business, (6th ed.). Prentice Hall.

Borgerson, J.L., Schroeder, J.E. (2008). Building an ethics of visual representation: Contesting epistemic closure in marketing communication. In M.P. Morland, & P. Werhane, Cutting edge issues in business ethics, (87-108). Boston: Springer.

Carr, A. (2004). Is Business Bluffing Ethical? In T. Beauchamp, & N. Bowie (Eds.). Ethical Theory and Business (7th ed.). Prentice Hall.

Clarke, T. (2004). Theories of corporate governance: The philosophical foundations of corporate governance (Ed.). London and New York: Routledge.

Collier, J., & Esteban, R. (2007). Corporate social responsibility and employee commitment. Business Ethics*: A European Review, *16*(1), 19-33.

Cory, J. (2005). Activist Business Ethics. Boston: Springer.

Donalson, T. (2002). Constructing a social contract for business. In T. Donalson, & P. Werhane (7th Ed.), *Ethical issues in business: a philosophical approach* (153-166). Englewood Cliffs, NJ: Prentice-Hall.

Duska, R. (2007). Contemporary reflections on business ethics. Boston: Springer.

England, L. (2006). Business Ethics. Retrieved October 23, 2013, from *http://owl.english.purdue.edu/owl/resource/560/10/*.

Ferell, O., & Fraedrich, J. (1997). Business ethics: ethical decision making and cases. Haugton Mifflin.

Ferrell, O., Fraedrich, J., & Ferrell, L. (2004). Business ethics: Ethical decision making and cases, (6th ed.). Boston, USA: Houghton Mifflin Company.

Ford, J.B., LaTour, M.S., Vitell, S.J., & French, W.A. (1997). Moral judgment and market negotiations: A comparison of Chinese and American managers. *Journal of International Marketing, 5*(2), 57–76.

Gitlow, A. L. (2005). Corruption in corporate America. Who is responsible? Who will protect the public interest? Lanham, MD: University Press of America, Inc.

Hoque, N., Khan, M.A., & Mowla, M.M. (2013). Organisational culture: Features and framework from Islamic perspective, Humanomics, 29(3), 202-219.

Jackson, T., & Artola, M.C. (1997). Ethical beliefs and management behaviour: A cross-cultural comparison. *Journal of Business Ethics, 16*(11), 1163-1173.

Jones, C., Parker, M., & Bos, R. (2005). For business ethics: A critical text. London: Routledge.

Kotsiris, L. (2003). *On business ethics* [in greek].

Lee, M. (2005). Critiquing code of ethics. In C. Elliott, & S. Turnbull (Ed.), Critical thinking in human resource development. London: Routledge.

Maitland, I. (1994). The morality of the corporation: An empirical or normative disagreement? Business Ethics Quarterly*, 4*, 445-458.

Moriarty, J. (2005). On the relevance of political philosophy to business ethics. Business Ethics Quarterly*, 15*(3), 453-471.

Preston, D. (1997). Can business ethics really exist? *Computers and society*, 6-11.

Price, T. L. (2006). Understanding ethical failures in leadership. Cambridge, NY: Cambridge University Press.

Seglin, J. L. (2003). The right thing: Conscience, profit and personal responsibility in today's business. Rollinsford, NH: Spiro Press.

Singer, P. (1991). A companion to ethics (Ed.). Malden, MA: Blackwell.

Singhapakdi, A., Vitell, S.J., Rallapalli, K.C., & Kraft, K.L. (1996). The perceived role of ethics and social responsibility: A scale development. *Journal of Business Ethics, 15*(11), 1131–1140.

Solomon, R.C. (1983). Above the bottom line: An introduction to business ethics. Harcourt Trade Publishers.

Srivastava, M., Johri, S., & Chaddha, R. (2005). Ethical dilemma: A perceptual study. *Journal of the People's University of Bangladesh, 2*(2), 10-17.

Sunstein, C.R. (2002). Switching the default rule. New York University Law Review*, 77*, 106-134.

Terris, D. (2005). Ethics at work: Creating virtue in an American corporation. Waltham, MA: Brandeis University Press.

The United Nations (2003). Norms on the responsibilities of transnational corporations and other business enterprises with regard to human rights. United Nations, Doc.E/CN.4/Sub.2/2003/12/Rev.2.

Trevino, L., & Nelson, K. (1995). Managing business ethics - straight talk about how to do it right. New York: John Wiley & Sons.

Trevino, L., & Weaver, G. (1997). Ethical issues in competitive intelligence practice: Consensus, conflicts, and challenges. Competitive Intelligence Review, *8*(1), 61-72.

Velentzas, I. (2010). AE Company limited by shares, [In Greek]. IUS International Conference on Applied Economics – ICOAE 2010 819.

Weber, J. (2007). Business ethics training: Insights from learning theory. *Journal of Business Ethics, 70*, 61-85.

World Bank (2009). Doing business 2010: Bangladesh. The World Bank, Washington D.C.: USA. Available at *www.worldbank.org*.