The Role of Corporate Culture in Business Ethics

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Abstract:
In difficult financial times, companies face various moral issues to try to keep up with their competitors. Although these issues have a direct impact on employee decision making, businesses rarely address how employees should assess the ethics of their actions and incorporate ethics into their decisions. Often this can be alleviated by creating and maintaining a corporate culture with a focus on ethics. Corporate culture is often considered to be both a source of various problems and the basis for solutions and is certainly a factor that determines how people behave in an organization. The role of management in the organizational culture is important as it both acts as a role model for the employees and can also directly influence the behavior and culture to improve organizational performance. Of course there are better methods that management can use to incorporate ethics into the corporate culture or increase the likelihood that its employees will act ethically and these methods are explored.

Keywords:
Corporate culture, ethics, corporate core values, ethical leadership, business culture.

1. Introduction

Although businesses have always faced various challenges, since the financial crisis began, even more forces seem to affect the business climate. Governments have increased sales, corporate, income and other taxes. Various environmental and other regulations have come into effect placing a greater financial burden on companies. In addition to these extra expenses, banks have reduced the amount of loans they are willing and able to provide. Furthermore, sales have been reduced in many cases and there are fewer tenders and contracts available to firms. All these factors have increased the pressure on companies. In an attempt to reach their goals, keep up with their competitors or simply survive, companies face various moral issues and may be tempted to "cut corners" [8].

Although the previously mentioned issues have a direct impact on employee decision making, businesses rarely address how employees should assess the ethics of their actions and incorporate ethics into their decisions. Often this can be alleviated by creating and maintaining a corporate culture with a focus on ethics. Support for the ideas presented in the article come from various journal articles as well as interviews with managers from various international companies operating in Slovakia. This paper will focus on corporate culture as it is often considered to be both a source of various problems and the basis for solutions and is certainly a factor that determines how people behave in an organization. Furthermore, the role of management in the organizational culture is important as it both acts as a role model for the employees and can also directly influence the behavior and culture to improve organizational performance. Of course there are better methods that management can use to incorporate ethics into the corporate culture or increase the likelihood that its employees will act ethically, and these methods are explored.

2. Ethics and Ethical Climate

Technically there is a difference between *ethics* and *morals* or *morality*. Ethics is considered to be a philosophy that examines the principles of what is right and wrong or good and bad, while morals refer to the beliefs that a society has about what is right and wrong or good and bad [2, 11]. However, since the general public often use these terms synonymously, there will be no distinction between the two in this article.

Ethics provides a system of rules or principles that guide people in making decisions in various situations. Naturally, diverse cultures have diverse values that determine what actions are acceptable. For example, a recent study in Russia by Jaffe and Tsimerman (2011) demonstrated that Russian MBA students and managers lack ethical principles (according to typical international standards) particularly when their behavior is compounded by an economic crisis [8]. However, the diverse cultures do not have to relate only to national boundaries. Different companies within a country or even within one town have different organizational cultures.

Indeed, every business entity has its own ethical climate. An ethical climate can be defined as the perception of what constitutes proper behavior. This is not characterized by an individual's ethical standards; rather it is how the individual's ethical standards are perceived by the members of the entity [8]. It functions as a barometer of organizational practices that have moral outcomes [8] and acts as a psychological mechanism that manages ethical issues. In other words, the ethical climate in a company influences not only the decision making within the company, but also the behavioral responses to ethical situations, which are later reflected in work outcomes [14]. In a business environment then, ethics and the ethical climate relate to what both the leaders of a company do as well as what their subordinates do [1]. In conclusion, one's organizational behavior and perceptions are influenced by three factors: institutional factors (e.g., ethics legislation), personal factors (e.g., moral development), and organizational factors (e.g., ethics program) [17]. The latter is the focus of this article.

2.1 Codes of Ethics

As just mentioned, institutional factors are one of the factors that influence organizational behavior and perceptions. The most relevant one for the purpose of this paper is the code of ethics. An organization's code of ethics can be defined as "a statement setting down corporate principles, ethics, rules of conduct, codes of practice or company philosophy concerning responsibility to employees, shareholders, consumers, the environment, or any other aspects of society external to the company" [17]. In other words, it is a written expression of a company's values and ethical norms [11], and is often a part of a corporation's ethics program. Best practices indicate that the code of ethics should not only be specific, pertinent to the employees, publicized, communicated and enforced, but also revised [16].

There are several important reasons for a company to develop a code of ethics. In the first place, there are some business related reasons. A code of ethics can boost corporate reputation and brand image. It can create a positive image about the company's business practices. In addition, corporations are sometimes even required to have a code of ethics in order to conduct business. For example, if a company wishes to get listed on the New York Stock Exchange, it must have one that conforms to all the required compliance standards and procedures [17]. Furthermore, research indicates codes of conduct play an important role in institutionalizing ethics in a company and creating an ethical culture in a company [11]. This is because they can help familiarize employees about ethical issues. Some researchers have found statistically significant levels of employee commitment to organizations with codes and have found that it can, in conjunction with other ethics related factors, positively affected job satisfaction [17]. Most significantly for this paper, research indicates that they can help create a sense of community within the organization and "rally employees around a corporate culture", as its values are expressed in the code [17].

However, there are also some criticisms and disagreement among the research of codes of ethics and its effectiveness in influencing the behavior within an organization. First of all, there is almost no causal evidence about the influence that a code of ethics alone has. Furthermore, Sinclair (2003) cites that they do not offer real answers to the ethical dilemmas employees face. In some cases, a negative relationship between codes of conduct and violations has been found [16] and in other studies, the results are mixed [15]. Nevertheless, some managerial effort is better than none. While just establishing a code of conduct is not enough, supplementing it with other compliance measures and other ethics initiatives, including creating an ethical corporate culture, can help. These issues will be discussed later in this article.

2.2 The Importance of Ethical Behavior

The introduction indicated that individuals in firms may regress to unethical behavior, especially in times of crisis. However, proper ethical governance entails recognizing that there is more to good business practice than the financial bottom line [11]. What may be good for business leaders to know is that much empirical research documents the advantages that firms and stakeholders obtain from maintaining both ethical behavior and good corporate governance (CG). For example, the findings by Jin, Drozdenko and Deloughy (2013) showed that ethical financial organizations achieved higher profits [9]. Chan and Cheung (2011) have also reported on positive financial performance as a result of CG. These include: a higher return on equity, performing better on the stock market, a higher than average return to stockholders, higher sales growth, lower capital expenditures and other expenses, and lower external funding costs [5]. While corporate governance practice and ethical sensitivity (the ability to recognize ethical issues) may not be the same, they are related. Therefore, even if a manager has a lower ethical sensitivity, he/she may be required to adopt CG practices. In a like manner, a corporate management team with higher ethical sensitivity is more likely to employ better CG practices, leading to the benefits previously mentioned [5].

Looking at the issue from another financial perspective, Nelson et al. identified cost categories relating to ethical conflicts. Unethical behavior may lead to an increase in operational, legal, marketing and public relations costs [12]. (Please see Figure 1.) The results from their analysis are explored from direct, indirect and long- term

costs associated with ethical conflicts. The table indicates, among other things, that the stress from ethical conflicts can affect the morale of the staff, leading to burnout and higher job turnover, making it harder to employ new staff [11]. However, not only their study has found such results.

Figure 1: Potential Costs of Ethical Conflicts

Operations cost categories	Direct costs	Staff time Ethics consultants time
	Indirect costs	Staff and consultants time diverted from main activities Staff and consultants stress Decreased staff morale
	Long-term costs	Staff burnout Staff turnover Additional staff needed
Legal cost categories	Direct costs	Risk management staff time Legal fees Court fees Settlement costs
	Indirect costs	Staff work diverted from other activities Staff stress
	Long-term costs	Higher malpractice costs Budget adjustments for settlements and awards Additional staff needed
Public relations cost categories	Direct costs	Public relations time Public relations consultants costs Advertising costs
	Indirect costs	Public image needs to be rebuilt Staff work diverted Staff moral and stress
	Long-term costs	Negative public image Loss of self-referrals and market share Decreased philanthropic support

Source: Nelson et al. 2008 [12]

Furthermore, job satisfaction and organizational commitment in the context of ethical climates have been examined in many studies [3, 14]. The results indicate that both of these have positive associations with ethical climates. As Singh (2011) reports, people feel more motivated and empowered to "do the right thing" in companies that have comprehensive ethics and compliance programs [17]. Finally, and most importantly for this article, a strong organizational culture has been linked to ethical organizations [3].

3. Defining Organizational Culture

As one can observe, several of the benefits and issues mentioned about business ethics concern the organizational (or corporate) culture. Indeed, organizational culture is considered to be one determinant of the extent to which people behave ethically in an organization and has been increasingly documented. Giberson et al (2009) define organizational culture as "a collective phenomenon emerging from members' beliefs and social interactions, containing shared values, mutual understandings, patterns of beliefs, and behaviors that tie individuals in an organization together over time" (p. 123) [7]. The beliefs and assumptions that are considered valid or effective are passed down through the organization and taught to new members as the way they should perceive, feel and act in the organization. In other words, it guides how things are done in an organization and indicates what should be important to the employees [3]. It helps explain what happens in organizations since the behaviors within the company should be consistent. As a result, the culture and corporate values help to create a sense of identity and enhance social stability.

It can be stated that organizational culture holds the organization together and drives members of the organization to commit to it and produce good results. This is one reason it is so important, especially in the context of ethics. Nel, Nel and du Plessis (2011) report that there is a definite direct relationship between ethical behavior and corporate culture [11]. Although the culture may not be the sole determinant of the behaviors in organizations, it certainly influences them. This is clear when looking at typical elements of an organization's culture:

Core values—These explain what the members of the organization believe are the right ways to behave.

Stories— Events conveying core values get passed around an organization and are used to exemplify these values.

Heroes—These are often people from the present and past who have exhibited core values.

Symbols—Every organizational culture has its own symbols, including language, which convey core values. These unique features are used to unite members of the organization.

Rites and rituals—Every organization should have their own way of doing things. This includes how they celebrate the heroes of the organizations and events that demonstrate the core values.

Organizational culture is often considered to be a "multilayered phenomenon". The inner layer of the organizational culture contains deep and more permanent core values. These follow the company's mission or vision statements from its inception. The more superficial layers are described above. These are more pliable and more easily influenced by management. Indeed, as can be seen, a company can reinforce and amend its ethical culture through its stories, symbols, rituals and routines. Using these aspects of the culture in tandem with the firm's organizational structure, power structure and control and reward system, management can influence the culture, and therefore ethics, within the company [10]. This also falls in line with Sinclair's (1993) idea that managers view the organizational culture as both a source of problems as well as the basis for solutions, and therefore use the culture to devise organizational changes [16]. This shall be discussed more in latter sections.

Before discussing how organizational culture can be changed to improve ethics in an organization, it is useful to describe different types of organizational culture. Sauser and Sims (2007) distinguish among four types with respect to their ethical behavior in business: Defiance, Neglect, Compliance, and Character.

In a *culture of defiance*, members of the organization may openly resist authority or refuse to recognize or obey it. There would be low ethical standards and cutting ethical corners, not following the law (if the rewards outweigh the possible consequences) or intentionally misinterpreting the law may be the norm. In this type of culture, upper management encourages such behavior in order to meet financial goals. Of course it denies guilt if unethical or illegal behaviors are found out and made public [15]. There are many cases of such a culture in Slovakian construction companies, where not only are workers often employed illegally, but companies also disregard the building standards and permits since fines are often much lower than the benefits of completing projects. In fact, it is an open secret that such expenses are expected and are calculated into the budget of building projects.

In a *culture of neglect*, leaders of organization may actually want to follow legal and ethical norms, in contrast to the previous type of culture. However, due to various shortcomings in the culture, they are not always successful. There are several reasons for this. They may not adequately know or understand the legal and ethical codes of the industry, they may not properly communicate those standards within the organization, they may not detect and/or discipline the violators of the codes within the organization, and they may lack appropriate care or attention in performing tasks, which may unintentionally lead to moral failure [15]. The management of such a company often lacks due diligence in detecting and correcting ethical violations even though following ethical standards is their goal.

On a more positive note, a *culture of compliance* does as the law or ethical standards require even though members of the organization, including the leaders, may not agree with them. In other words, they reluctantly comply with such standards, but do not internalize and accept the true spirit of such value systems. Employees may feel that the only reason for abiding by ethics/compliance programs is to protect the top management. Management may use "strategic ambiguity" in giving directions (e.g. "Sell more this month than last month.") to be able to deny giving consent to break rules. In other words, such messages from the management may indicate to the employees that the company does not value what is right, but only goes through the motions to do what is right [15]. This can often be seen on the Slovak political scene. Since the European Union requires certain laws to be passed, the Slovak parliament passes them. However, there is often little enforcement of these laws. In any case, many companies have a code of ethics simply to meet requirements; however, they actually fall into this type of culture,

The final type of organizational culture is the *culture of character*. In contrast to the three previous types of cultures, this type not only knows what is right, but it also does what is right and values what is right. Such cultures are characterized by a high level of morality, trust, fairness and integrity and the leaders and members of the organization are actually committed to ethical behavior and making it a component of every action. In other words, in such a culture, high ethical standards are ingrained within the organization [15]. Leaders explicitly state what it expects and abides by the same rules. Furthermore, value statements and codes of ethics are more than just a piece of paper. They act as benchmarks to judge organizational policies as well as each member's conduct. As described earlier, ethical behavior certainly has its benefits and therefore companies should strive to implement such a culture.

In *cultures of character,* vision statements and mission statements are more than just pieces of papers or links on their websites. The ideas expressed in these statements form the values of the company, and likewise,

these values form the foundation of the corporate culture. This is because they not only provide a sense of direction for the employees, but also provide guidelines of how to accomplish this. They determine the standards to decide on priorities, for example what is considered an attractive order, which customers are more important, and which products are more attractive [10]. In *cultures of character*, these values should guide and inspire the members, and not change very frequently.

Walmart serves as a negative example of this: "We exist to provide value to our customers" – to make their lives better via lower prices and greater selection; all else is secondary [5]. Looking at its other core values, it is understandable why the corporation has received such a negative image and many lawsuits relating to ethical issues. None of the core values relate to ethics, fair treatment, etc. U.S. Steel Košice, s.r.o., on the other hand, makes ethics one of its main priorities in both its statements as well as behavior. For example, one statement in U.S. Steel Group's Vision is "A company that values diversity in its workforce, fosters a safe and healthy workplace, is environmentally responsible and at all times conducts itself in an ethical manner." [18] In an interview with Joseph A. Napoli, General Counsel at U.S. Steel Košice, s.r.o., it was revealed that they will even do things to the detriment of their business to make sure that things are done ethically and safely. Not long before the interview, they had thrown a big contractor out of one of their plants for safety violations. Although he expected that the company would face a law suit, the company believes if a contractor cannot take care of his or her people, and thereby take care of their, they do not want them there. This demonstrates that the values are indeed ingrained in the organizational culture and are guide the behavior of the employees and management.

From the previous example, one can gather that *cultures of character* have a clear vision and picture of integrity which is owned and embodied by top management. Furthermore, not only the policies but also the practices of the organization are aligned with the vision. They also make the good of various stakeholders as part of their own good and expect stakeholders to uphold the same values. Such cultures possess other common characteristics. Sauser and Sims (2007) report that organizations with this kind of culture are obsessed with fairness and yet see responsibility as something individual, i.e. individuals are responsible to themselves rather than to the collective. Furthermore, they have a reward system that is aligned with integrity. Finally, members of the organization understand that all major leadership decisions have ethical value dimensions [15].

So far the description of corporate culture has ignored the mindset and values of individuals in the organization. One reason is because members of the organization adapt their values to that of the organization and especially to the most influential individuals in the company. Research has demonstrated this. In fact, according to Sinclair (1993) the culture may even encourage members to act in ways which "are not necessarily consistent with individual or pre-existing norms, but apparently induced by organizational membership" (p. 64) [16]. The extreme can be found in the *culture of defiance*. Members of the organization may submit to behavior that can be considered "out of character" to their own personal values due to the influence of the corporate climate and culture of the organization and even lead to illegal practices [10]. However, the purpose of this paper is to demonstrate the positive role that the organizational culture can play on ethics within the company.

4. Management and Ethical Organizational Culture

One of the tasks that management has is to make sure that employees are engaging in behaviors that meet the organization's goals. In other words, they need to control the activities of the employees. This can be achieved in a couple of ways. The traditional way included using formalized rules, i.e. bureaucratic systems, material rewards and punishments and other norms that determined how the work was to be done. While this method has its merits, the 1980s saw corporate culture starting to be used to enhance managerial control. This concept became attractive since it assumed that organizational culture not only explains why members of an organization act and react in certain ways, but also presented the possibility of managing the culture to meet the company's goals even better [10]. Because members of an organization should have a shared sense of purpose and meanings, the corporate culture could enhance effectiveness in the organization directly [16]. As has already been established, organizational culture can explain both unethical behavior within the organization as well as ethical actions. Through a skilled and diligent management, the unethical behavior can be altered into a more ethical one.

4.1 The Unitary Corporate Culture

Sinclair (1993) evaluated two approaches to managing organizational culture to improve ethics in organizations. The first approach is that of creating a unitary corporate culture around core ethical values. These kinds of organizations fit the description of the *culture of character*, with organizational values and norms being shared by all members of the organization (not just the leaders), believing in the norms and following them, regardless of the geographical or departmental divisions. This approach argues that management can and should manage the organizational culture actively [16].

The methodology to establish a unitary corporate culture that emphasizes strong moral leadership has been well-established in research. Therefore, it will only be presented in brief here. In the first place, the organization must determine the commonly-held moral beliefs and values of the members of the organization and codify them. The end result is the corporate strategy, philosophy, mission and, most importantly for this article, the code of ethics. The code of ethics should be posted in prominent places to serve as a constant reminder about the values the organization has adopted [6]. Of course, this isn't enough. Research indicates that code is effective only if it is linked to its communication (including external stakeholders) and is enforced within the organization [17]. One way it can be communicated is through ethics training. Although it may seem redundant to review the code of ethics, there might be ideological differences between the leaders of the organization and other employees [2]. Training and reviewing the organization's belief systems will help create a more unified organizational culture. Furthermore, providing ethical training to employees indirectly communicates that ethical behavior is valued and needs to be considered in decision-making [3, 11].

An organization's culture is further reinforced through organizational enforcement mechanisms. In this first case, it means hiring and promoting ethical people. Collecting like-minded employees should strengthen the unitary culture and promote ethics more. The next aspect of these mechanisms is an ethics program. These programs can be designed in two different ways: a values-based approach (rewards and encourages ethical behavior) and a compliance-based approach (detects, prevents and punishes breaches of rules). Research by Trevino & Nelson has found that a values-based approach is more effective because it encourages an ethical culture [11]. Fudge and Schlacter (1999) further propose that creating an environment where ethical behavior is not only encouraged, but also rewarded, motivates behavior by increasing employee's instrumentality and also their valence. Since both of these variable positively influence motivation, developing an ethical culture where such behavior is rewarded can have a positive impact on employee behavior [6]. However, both punishments as well as rewards are needed. In any case, management should confirm the organizational values that result in sustainable ethical practices and high ethical standards.

The last, yet extremely important factor, in creating a unitary ethical culture is what Sauser and Sims (2007) term "empowering the guardians of integrity" [15]. This is based on a multilevel model of ethical leadership. In the first place, the leaders must embed shared values through their influence on the ethical culture of units at various levels of the organization [13]. In other words, the business leader needs to lead by example. This may be the best ethical training members can get. The leader must reinforce in word and deed the values of the organization. If there is no visible commitment by the senior leader of the organization, ethics programs may lack credibility among members of the organization especially among senior management, whose commitment to ethical culture is critical. The leader alone will mostly likely not be able to establish an ethical organization without other key figures supporting him/her. In conclusion, leadership behaviors that support ethical behavior will lead to the development of an ethically oriented culture

Furthermore, the above-mentioned factors are enhanced by and also form the foundation for a transformational leader. According to Carlson and Perrewe (1995), transformational leadership may just be the best approach for implementing ethical behavior in organizations and establishing an ethical organizational culture [3]. Transformational leadership refers to the process of influencing important changes in employee attitudes so they can internalize the vision of the leader and the organizational goals. As the leader should have integrity and ethical traits and understand human needs, it is easier for him/her to build trusting relationships with his/her subordinates. The outcome of which can be a dramatic change in the organization's culture.

The second layer of this process strongly relates to the outcome of transformational leadership and that is that the leaders' behavior should influence other members' ethical cognitions and behavior as well. The leader's influence occurs not only directly among immediate subordinates within a unit, but also indirectly at various hierarchical levels as the senior leader's influence cascades throughout the organization establishing an ethical culture at all levels [13]. In addition, the leader must empower all members of the organization, no matter what the individual's position is in the organizational hierarchy, into a "guardian of the firm's integrity" [15]. By empowering them to take personal action, it demonstrates the organization's commitment to ethics and establishes a culture of integrity, honesty and ethicality. In this way, employees may no longer seek merely self-interest, but do what is beneficial to the organization as a whole [3]. While the cascading effect of positive ethical values can occur passively, leaders may also seek out subordinates who already have ethical values ingrained in themselves to serve as models, and then work to shape and reinforce these values actively in others in order for the values to be accepted throughout the organization. A credible, ethical and transformational leader leads employees to accept the organization's values as their own. Thus, the combination of the transformational leader behaviors with the previously mentioned elements influence the organizational character, making it self-sustaining and transcend the leader's influence [15], thus firmly establishing a culture of character.

4.2 The Subculture Approach

As stated earlier, cultural forces appear to explain why people in organizations behave ethically or unethically better than any other factor. However, it may be difficult to influence the culture to achieve corporate goals. In contrast to the first approach, the subcultural approach recognizes and encourages diversity within the organization. The differences could be national, racial, ethnic, professional, occupational, etc., in other words, there are subcultures within the organization. Instead of trying to create one unified culture, it attempts to understand the value differences of the subcultures. Unlike in the first approach, it doubts whether management can or even should directly control organizational culture to accomplish organizational goals.

Research indicates that the repository of organizational values and norms is more likely to come from the subcultures of an organization than the corporate culture [16]. The values gained from the subcultures may be longer lasting and more significantly influence employee behavior. Therefore, the role of management should not be to try and create or control one single culture, but instead should try to understand and unleash the subculture's ethical commitment towards the goals which are consistent to those of the organization. In other words, management should relinquish power to the subcultures. The result should be that commitment can be nourished and communally-mediated control can be increased [16]. As an added benefit, it prevents groupthink and simply maintaining the status quo, and also serves as a watchdog over members of the organization who have privileged positions. Furthermore, according to Sauser and Sims (2007), "It is consistent with findings about the nature of organisational culture and it promises to provide a spur to more reasoned ethics in organisations where a hierarchy is entrenched." Therefore, there are certain advantages to this approach.

Implementation of this approach is more difficult than the first one. In the first place, management must try to understand the "native" subcultures and do an inventory of existing ethics, values and points of difference. By indentifying controversial areas, they can develop points of consensus or a cohesion profile. This should form the basis for the organization's core ethics. While different subcultures may have different ideas on how to achieve the corporate goals, they may still share the common values and the desire to achieve them. Identifying the common core values, therefore, can serve as a benchmark against which management can evaluate operating norms. Finally, this approach requires the devotion of considerable resources to determine how subcultural practices and norms are to be reconciled without compromising core values and ethics [16].

As can be seen, this approach does not impose a single corporate culture. It attempts to use the values of the subcultures to stimulate more ethically-aware behavior. It sees management's role as sponsoring the co-existence of subcultures, determining, accepting and consolidating the value difference and the porousness of the organization to changing external values. The subcultural approach avoids imposing standards; instead, it encourages the individual processes of self-inspection, critique and debate. This debate, however, occurs in a broadly managed framework [16]. Although it depends on individual/subcultural factors rather than institutional processes, the result is that it produces an overall better ethical climate in the organization.

5. Conclusion

Ethical issues have posed major challenges to companies in recent years and there will undoubtedly be more in the future. Good ethical practices may not be easy to maintain. However, with a well-designed ethics policy, ethical leadership and implementing ethics into organizational strategies and processes, it will make it easier [4]. The reason is because these factors are incorporated into the organizational culture. How might a *culture of character* be developed? It is certainly by intention. It is the responsibility of particular individuals within the organization, i.e. it leadership [10]. Strong leaders model and pass on ethical aspects of the culture and use techniques like structure, decision-making processes, rewards, norms, heroes, stories, rituals and other artifacts to create a strong culture. This is the foundation for creating a *culture of character,* where members of the organization "know what is right, value what is right, and do what is right."

In summary, this article has defined organizational culture and demonstrated the role it plays in ethics within the organization. Benefits of ethical behavior have been established. Furthermore, methods for managing organizational culture to enhance ethics have been explored and suggestions for creating an ethical organizational culture have been briefly presented. In all cases, management must be committed to ethical conduct.

To conclude, despite the economic crisis, there are clear and long-lasting advantages of establishing an ethical culture. With a more open and ethical organizational culture, the more positively employees tend to commit to corporate social responsibility and this will generate more honest environments. As a consequence, this may not only reduce the unhealthy environment that began the financial crisis, but will also help in restoring the health of the financial system that caused it.

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