

## **Model of Business Ethics in Morocco: Raising Honor or Preserving Honor**

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*As international companies globalize there is trepidation about achieving an ethically compatible corporate culture. Our qualitative case study sheds light on business ethics in Morocco. We extensively interviewed 20 business employees, managers and business owners. Our research findings identify six factors of how Moroccan business leaders make ethical decisions: Business Culture of Honor and Dignity, Business Role Model Attributes, Impact of Crises on business decision making, Policies guiding decision-making, Community Service involvement, and Key Elements impacting decision making. Companies can leverage these factors, making them more effective in the Arab business world and develop long-term sustainable partnerships.*

### **INTRODUCTION**

Business ethics are a major focal-point of discussion in news and academia. Across many cultures there are concerns on the ethical behavior and decision making of business leaders (Lysonski & Gaidis, 1991; Whipple & Swords, 1992). Unethical practices by business leaders and organizations over the last few decades have had significant negative repercussions for communities, organizations and the business profession (Albert, 2015). Both government and society expect ethical leadership. For international business this perception is especially difficult in the sense that they accommodate multiple sets of laws and cultures. While laws can be interpreted by the legal profession, understanding a foreign culture can be more problematic. Understanding local settings, collective beliefs, and values that drive ethical thought and behavior can be challenging (Forster & Fenwick, 2015; Oumlil & Balloun, 2009; Schein, 1992).

The purpose of this research is to gather contemporary business perspectives in order to build a model for business leaders so they understand the rationalization of day-to-day business norms as they exist in Morocco. In part, this study stems from the fact that most business ethics research has been focused on the United States (Oumlil & Balloun, 2009). At the same time, there are few studies within northern Africa—which holds many cultural commonalities with the Mediterranean region as a whole (Oumlil & Balloun, 2009). Understanding ethical considerations in foreign countries is of extreme importance for business leaders. “If a business manager(s) is unaware of international differences regarding ethical decisions, then there is a potential for damage not only to the firm’s reputation but also to the trust between the firm and its stakeholders” (Oumlil & Balloun, 2009: 457). We feel the need to study differences in culture as vital for business leaders to establish effective organizations internationally. This study not only contributes to theoretic model building of business ethics, but also attempts to bridge the

academic-practitioner divide by providing a model for international businesses in order to gain and maintain credibility with stakeholders.

## **BACKGROUND**

Ethics is becoming increasingly recognized as important to daily organizational life. There is sufficient evidence that it can be taught and role-modeled in the workplace, and that furthering ethical understanding and behavior has solid benefits to organizational outcomes.

Teaching ethics in business shows solid gains, to include improvements in general ethical understanding, application, and moral courage (May, Luth, & Schwoerer's, 2014). Healthy value systems are important to collective collaboration, where group members complement collective skills and gain new knowledge and generate organizational value (Abreu & Camarinha-Matos, 2008).

Ethical leadership profits organizations in the sense that it is positively related to both shared leader-follower goals and productivity (Bouckennooghe, Zafar, & Raja, 2015: 259). When leaders are perceived to be "ethical," they possess greater influence and employees are more willing to buy into organizational shared goals. On the other hand, when leaders are perceived to not share follower interests or to not act fairly, employees are more likely to pursue their own self-interest (Tyler, 2005).

Ethical leadership is also valuable in the sense that many ethical leaders cite positive influence by ethical role models during their earlier career (Brown & Treviño, 2014). Bouckennooghe et al. (2015) explain that group perception of leader role modeling is "shared" and therefore has group meaning as well as individual meaning. Therefore it is safe to say that ethical role models, in some way, can assist development of other leaders and followers. As a whole, the ethical identity of managers and employees are formed by organization's leaders, the work they do, and their education (Petriglieri & Petriglieri, 2010). In order to maintain ethical awareness in the work place, ethics must remain a part of daily life and discussion. This frequent discussion would include discussion of group values and the promotion of ethical conduct (Bird, 1996). Training and development have also shown significant impact on employee ethical awareness (Bergman, Westerman, & Daly, 2010). Training and development methods might include focus on teamwork and collaboration, as well as performance reviews focused on ethical behavior (Bergman, Westerman, & Daly, 2010).

Unfortunately, there are also significant challenges to establishing an ethical organization. Many leaders are perceived to be increasingly self-centered (Bergman, Westerman, & Daly, 2010). If low self-esteem, leaders sometimes seek to inflate their sense of self (Bergman, Westerman, & Daly, 2010). On the other hand, self-esteem can be so strong as to influence people to be unethical by thinking they are superior to others (Albert, 2015: 481).

In part, ethical consideration for decision making is influenced by values developed over time, their view of the behavior of others, and by peer pressure (Albert, 2015; Authors, 2014). Even when society clearly identifies a behavior as wrong, unfavorable perspectives of others can influence managers to be unethical (Albert, 2015: 481).

### **Cultural Perspectives**

There are a number of scholars highlighting the need for greater cross-cultural research (Doz, 2011; Nather, 20013; Schaffer and Riordan, 2003). In an international context, companies can learn commonalities across cultures that hold validity (Bouckennooghe et al., 2015). One example is that of ethical role modeling (Bouckennooghe et al., 2015). Yet, while there are many ethically related variables that hold validity across cultures, the details that operationalize themes need greater study (Bouckennooghe et al., 2015; Yazdani and Murad, 2015).

Currently, some of the least research on ethics has been conducted within countries holding various Muslim perspectives—namely the Middle East and North Africa (Nather, 2013; Oumlil & Balloun, 2009). An important context to consider for our case study is that while Morocco has a religious freedom posture, their constitution declares Islam as the state religion with 98.7 of the population listed as Muslim (U.S. Department of State, 2012).

It is easy to make generalizations about a particular culture, yet for Morocco, the influence of Islam is tied to national culture, history, family perspective, life experiences and external influences (Forster & Fenwick, 2015). And while management practices in Morocco are influenced by Islamic values, the strength and degree varies person to person (Forster & Fenwick, 2015). This variation is valuable to consider in that Morocco's ethics focus rises from relationships more so than fixed rules or law (Oumlil & Balloun, 2009).

Oumlil and Balloun (2009) provide us with other important aspects to consider. They apply a model created by Hofstede (2001), to review Morocco's cultural stance, and describe cultural characteristics as yielding to authority, avoiding uncertainty and conflict, and being emotional and relationship-family based. Their research suggests, as a collective culture, managers in Morocco are more dependent and therefore loyal to their companies than individualistic cultures, and that managers would be more concerned about organizational wellbeing than their western counterparts (Oumlil & Balloun, 2009). Oumlil and Balloun (2009; 473) also state that company values would have a stronger influence—be more easily accepted—by Moroccan business managers than western cultures.

Their findings align well with earlier work by Al-Omari, (2008) on Arab culture. He points out that collective cultures, such as the Arab culture, focus on relationships and on harmony. The central relationship is the family where its members pledge loyalty to each other. Loyalty is about submitting to the code of honor of the group or family; in business it is displayed through a culture of nepotism or *Waasta* (Al-Omari, 2008: 187). The family carries honor that is shared by the entire group and can either be gained or lost based on the actions of its members. The highest honor in the Arab culture is to describe someone as generous, and hospitality embodies that preeminent value (Al-Omari, 2008:110). Hospitality in Arabic is *Karam* and honor is *Karaameh*, thus hospitality is about honor (Al-Omari, 2008:110). In business hospitality “honor” is displayed by caring for others, treating others with respect.

## RESEARCH DESIGN

We conduct a qualitative case study to understand the ethics perspectives of business managers in northern Africa. Qualitative research is discovery oriented and seeks to understand the beliefs and perspectives of participants. Sampling in qualitative studies is open—meaning that sampling and analysis overlap and continue until no new meaning is discovered. For analysis, data is broken into meaning units and sorted into categories based on their properties and dimensions (Strass and Corbin, 1990). Interpretation of data offers insight into the relationships among categories and explains the overarching research question driving the study. We seek research validity through triangulation methods; known in qualitative circles as research *trustworthiness*. We calibrate coding methods among researchers, integrate rigorous adherence to Strass and Corbin's (1990) coding methods, align initial findings via a member check, and maintain thorough coding notes to support replication of findings.

Our case study approach examines the influences on ethical decision making as a process, and builds a theoretic framework that can be refined by future research through replication methods (Yin, 2003). As a representative case, we incorporate a *real life context* where decision making boundaries are ambiguous (Yin, 2003: 13). We integrate the knowledge of past research to aid interpretation of data, and create a theoretic framework grounded in business member perspectives.

Our research rests on an epistemological stance of *constructionism*, where collective meaning emerges from the group (Crotty, 2003). Our theoretical framework of *symbolic interactionism* embeds this meaning within group language and culture (Crotty, 2003). As researchers, we uncover collective meaning through interviews and observations, and continue qualitative data abstraction until conceptual harmony is achieved.

The primary research question driving this study is, “How are business leaders ethically influenced in their decision making?” Supporting questions include:

- What aspects of business life are important to being “ethical?”
- How are these constructs operationalized?

## **Instrument**

Our *interview instrument* has been previously used in a North American business to investigate the ethical development in an organization. We took this open ended questionnaire and translated it into Arabic. Our local researcher, fluent in the local language, field-tested the questionnaire with a couple of business managers. They were not able to understand the meaning of ethics and determined that culturally speaking the Moroccan idea that is the closest is that of honor. The survey questions were updated in order to communicate culturally in a way that business persons understood outcomes of good and right in their society. This initial field study provided enough data to structure concepts that they explained were meaningful to the phenomena under study. As a result, this also influenced categorical titles. As Strauss and Corbin (1990) point out, this can be positive, as it uses participant words to express important concepts.

## **Setting, Sample and Data Collection**

Our research takes place in a North African urban community. Interviews were conducted at various sites that represent either neutral settings such as cafes, or areas where participants work. These sites were specifically selected to place participants at ease and encourage general conversation revolving around instrument questions (see Appendix).

Our sample totaled 20 Moroccan employees, managers and business owners, and falls within Creswell's (2003) recommendation of 20-30 participants. Participants in this sample are responsible for 18 to 435 employees. Sample demographics include 14 males and six females employed in government, private schools, radio, manufacturing, restaurants and hospital venues. Each interview lasted between two and four hours, and was conducted in a very culturally sensitive way where the researcher had tea with one or two managers at a time. If a participant seemed to not fully understand the meaning of the question posed, the interviewer altered the question to ensure the question was fully understood and answered. During the conversation, the researcher made discrete notes and afterward documented the interview. In sum, these informal interviews produced the richest possible information on the subject.

Observations in this study are gleaned from the interviewer's experiences living in the research setting, his informal conversations with business people, and from other researchers we work with previously who also lived in the area. The interviewer maintained field notes concerning his observations and informal conversations to understand context and participant responses more clearly.

## **Analysis**

To ensure calibration of findings, we met to code data for half a day and compare notes and ask questions. The researchers have worked together many times before, so it did not take long before they were comfortable with understanding similar concepts and categories.

We began analysis with *open coding*, where data was broken into meaning units of words or phrases, and sorted into categories (Strauss and Corbin, 1990). When sorting began, we kept newly formed categories in groups derived from the research question in which the data was extracted. We did this to ensure we kept data in context. Once we had established greater familiarity with the data as a whole, we began to combine and change categories and resort our data in a more holistic manner. In our past work we found this technique ensures that findings remain grounded in participant meaning. Before we coded all data from our 20 participants, data saturation was achieved, so no additional sampling was needed.

During the latter part of open coding, we began seeing connections between categories. As we transitioned into the *axial coding* phase, we strove to explain the context and conditions that surround each category. As this phase progressed we realized that much of participant meaning lay rooted in the concepts of honor and dignity, the influence of business role models, and decision making during crisis.

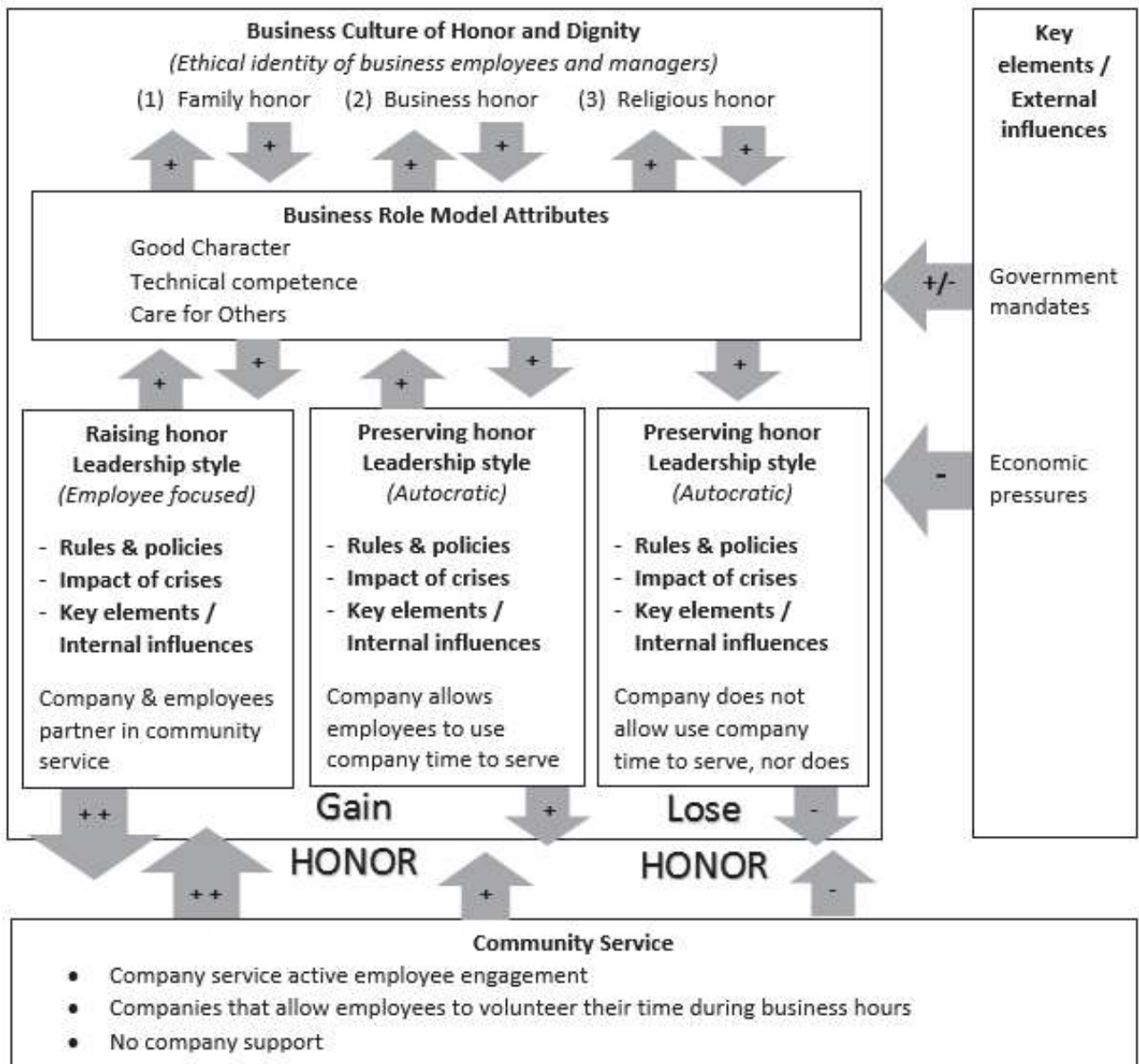
Finally, in the selective coding phase, we explained our comprehensive finding through model construction. We first determined the central category, and the relationship of the other categories to it, and to each other. In looking at the different categories we discovered a reoccurring influence of the manager leadership style. When we abstract to a higher level of analysis we could see the dominant interactions of the manager leadership style with the gaining or losing of honor.

Once we completed our analysis, we conducted a member check with a Moroccan business person not involved in the original research. Data was coded and field notes were taken after the interviews, capturing the hidden meaning of high context culture. Finally we sought the advice of an academic familiar with local culture. As a result, we made minor adjustments to our model to ensure meaning remained within cultural and group perspectives.

## **FINDINGS**

Studying Morocco shows us how different this country is from North America. We find that Morocco is a country of beautiful complexity, where communication is highly dependent on relational dynamics. In North America we are not used to this type of complexity in relationships governed by unspoken rules of conduct. Instead, we expect for people to say what they mean and mean what they say. This theory of how Moroccan business people make ethical decisions, describes people who focus on relationships where a collective sense of honor is highly valued while actively avoiding public shame. The model contains six components important to ethical outcomes: honor & dignity, business role models, rules & policies, company community service, impact of trials & crises on decision making, and key elements of decision making. The model is displayed in Figure 1.

**FIGURE 1**  
**THEORY OF MOROCCO BUSINESS ETHICS**



The theory of Moroccan business ethics focuses on the importance of honor where the country is bound by a common duty, a collective mandate, to develop and protect honor. This is embedded within their business culture identity. The *first component* of the model is to understand the meaning in Morocco of honor and dignity. Honor can be broken down into three areas: family honor, business honor and religious honor. These three areas permeate the Moroccan culture and honor can be gained or lost. Being honorable is to live for others, displaying generosity, helping others and having integrity. Being dishonorable, decreases your honor and is seen as living for yourself, being self-centered, For example, using coercion and bribery to achieve self-enrichment rather than serving family, friends, employees and community. The *second component* involves role models in the business field. These role models are men and women who uphold the ideal of honor combining three values: good character, technical competence and care for others. These ethical role models inspire, coach, develop, problem solve and are described as key to the success of the company—in the sense that serve and assist others in achieving both individual

and mutual actualization. The *third component* is the impact of crises on business decision making. Managers describe two different behaviors by managers: those who focus on preserving honor by becoming hierarchal, using a heavy hand or controlling methods, versus those who choose to increase honor by empowering employees. The *fourth component* include the rules and policies guiding decision making. Within this component are two management styles that are reoccurring: those leaders who focus on preserving honor by being hierarchal, usually adopting a one-way communication style, versus those who choose to increase honor by developing employees through written company rules, codes of conduct and employee orientation which empower employees. The *fifth component* is the community service that embodies the ideal of bringing honor to the manager, the business and yourself by serving those in need in the community. In Morocco, service is often done through personal or company volunteer work in associations. Three types of company involvement exist. First, the companies that actively engage their employees in community service. Second, the companies that allow employees to use work time to volunteer in service programs. Lastly, the companies that are not involved in community service. We soon realized how important this last group is, in that by failing to support community service employee honor is strongly impacted in a negative way. The sixth component of the model involves the key elements that impact decision making. These are internal and external influences on decision making. Internal influences are business processes and two styles of leadership, honor raising or honor preservation; while external influences are government mandates and economic pressures of money and power.

### **Honor and Dignity**

Figure 2 describes the Moroccan business ideal of honor and dignity. This culture of honor and dignity has three areas of honor. Respondents reported ways that honor can be gained and lost. Finally, they discuss the realities of preserving honor.

The three areas of honor are family, business, and religious. The family and religious honor cannot be regained if lost. However, the business honor can be regained. The family honor is the strongest form of honor that is passed down from generation to generation. Family and business decisions first take into account the impact on the family honor. Being part of a family or member of a clan carries with it a collective honor that impacts decision making in business. Later findings will look at the impact of family honor in hiring or performance expectations in business.

Increasing and gaining honor is done through helping others and living with integrity where your words match your behavior. Inversely loosing honor is done through living for yourself, being self-centered, using deception and coercion to reach your goals. Many are trapped in living a double standard where for the external observer honor must be preserved while internally everyone knows that there is a loss of honor.

These values of honor have a great impact on the whole operation of business in Morocco as they influence every aspect of life and business. Individuals and collectives find ways to increase the honor of the group while hiding dishonorable behaviors. Honor is thus essential, and must be managed by the collective which demands loyalty from its members, presenting a united front to outsiders.

**TABLE 1**  
**MOROCCAN BUSINESS CULTURE OF HONOR AND DIGNITY**

The secret to honor and dignity in business.	Representative Quotes
<b>Areas of Honor</b>	Honor belongs to the family. That is why decisions are made by the family. We must keep the family's honor. The family decides who you will marry, if you will study in school, where you will live, if you will work, even who your friends will be. My husband is unemployed so the family decided that I could work. This was so the family could have money and could keep honor.
Family honor - Patriarchy (not able to be regained)	Moroccan honor and dignity are based in the family structure beginning with the grandfather then the father. From the family basis, honor can be transferred to the work environment. For instance between boss and employee, honor is based on respect which must go both ways.
Business honor	Displaying the principles and values of the organization. Following the rules such as coming to work on time. Showing solidarity and team work with others in the organization.
Religious honor (not able to be regained)	There is professional dignity where each person should work hard and employees share the workload. In Islam drinking is banned or eating particular foods is banned. To speak against the Prophet or not to show him respect would "beat the honor". Honor is always associated with religious. Those who respect religion, respect honor. The basis of honor is found in the Quran and the Sunnah. If you have broken your professional or political honor, you can save your honor by working hard. It can be regained. But religious honor cannot be regained. If someone does something against their family, they cannot regain that honor.
<b>Being Honorable</b>	
<b>- Live for Others</b>	
Generosity – help others	Employees who display honor are people of character seen in the way they treat others. They talk about honorable topics – values, religious principles such as prayer, not drinking, family, and respect. A person with honor does not cheat or steal, will do what they say they are going to do, is wise, faithful, and does not take bribes.
Integrity – values match actions	Honor is respecting religion. This is through actions not by going to the mosque. It <u>requires actions not just words</u> . A person with honor does not cheat or steal. He does not hurt others with his tongue or bad words. He does not cheat on his wife. He is trustworthy.
<b>Being Dishonorable</b>	
<b>– Life for Yourself</b>	
Self-centered	In Morocco we talk of honor and dignity but underneath it is always about what I can get from you. This is not true honor or dignity but it is reality.
Use of coercion & bribery	Their ethics are not based on religion but on selfishness. They are involved in <b>bribery</b> , paying to get things done – get job, get out of trouble, etc. In a country full of joblessness, people learn how to



take things from others whether that is food or money. They use “white weapons” – coercion, intimidation, fear – to get what they want.

**Life in the middle  
– double standards**

Hypocrite

This is a problem in all the Arab world. They may claim to fast or pray and may even do so for public viewing but in their hearts their ethics are not based on religion but on selfishness. **They live double lives with two faces** – causing problems in the street throwing rocks at police in protests while at the same time doing their religious duties and pretending.

Moroccan Arabic proverb:

الحم إلى خناز تبهزة موالية يعني أهلة.

Deceptive

English translation: Meat if it is rotten, its owner bears it.

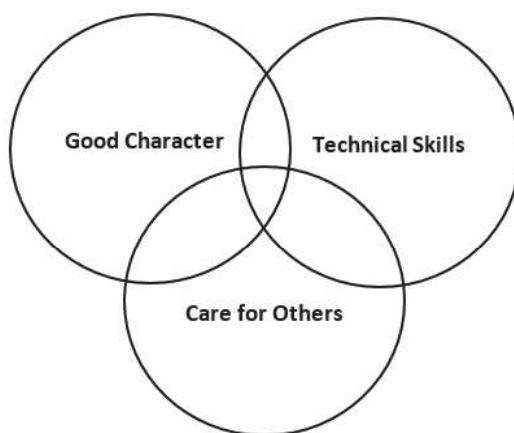
Meaning according to 2 ladies:

This is to cover a scandal in a family. If the meat smells, then it is the responsibility of the family to cover the smell so others do not know about it. For the honor of the family, we hide the problems so that others do not know. This has changed over time. It used to be that families would kick out someone who brought dishonor – such as a pregnant girl – but now that has changed to hiding all problems. What people see is more important than what is the truth.

**Role Model Attributes and Qualities**

The second finding relates to those who have honor and are role models in the company (see Figure 2). The business leaders said that their role models ranged from unique employees, managers to owners. They described these individuals as displaying good character, having technical competence, and caring for others.

**FIGURE 2  
BUSINESS ROLE MODEL ATTRIBUTES**



Interestingly some respondents mentioned that they did not have anyone in their company that they considered a role model. When they talked about negative role models they described them as: “don’t care about people”, “out for their own gain”, “no one is willing to mentor”, “lazy”. These are the opposite of the qualities of positive role models. In table 1 we describe of the attributes role models. Interestingly many of the role model behaviors are combinations of the attributes. Coaching is a combination of the technical competence attribute with the desire to help and care for other employees. “He embodies the

shared leadership model. He has a clear vision of what is needed and what should be done, then he starts with small projects in mind and involves every one of us in these projects.”

Respondents said that these role models have a great deal of influence on them and their co-workers. They say they work harder, strive to improve the business, give respect and strive to be like their role models. One comment was: “The boss sees the work ethic of this employee and uses him as an example. This person influences others to work harder and to see the value in making the company better.” The role models encapsulate the ethos and ideal of the person of honor, being a powerful force for organizational ethical development. Table 2 illustrates the detail of key attributes of the business role model.

**TABLE 2**  
**BUSINESS ROLE MODEL ATTRIBUTES AND QUALITIES**

Ethical role model	Representative Quotes
<b>Good Character</b>	Role models are hardworking, have good character, honest, do not cheat, and have all positive qualities.
Honest & hardworking	He works hard, is faithful to his work – meaning he does completely good work, 100% not 60%, takes his work seriously, doesn’t cheat, and can work independently without supervision.
Does not cheat	The owner is a very kind and benevolent boss. He considers the workers above profit.
Is not greedy	This employee often gives extra hours and volunteers without pay.
<b>Technical Competence</b>	He understands our problems. He has many contacts which makes him a great resource for us to get help.
Problem solver	He has much talent and skill in his job.
Skilled & Talented	Someone working hard, not complaining, and fulfilling responsibilities.
<b>Care for Others</b>	He helps others and is willing to train others in what he knows. He treats others well and will often work in place of others if they are sick or unable to work. The boss sees the work ethic of this employee and uses him as an example.
Helps others	His understanding and respect of our jobs is seen in meetings with us as he treats us as colleagues and not employees.
Treats Others with Respect	He speaks the language of each employee: to someone very religious, he motivates them with religious illustrations; to someone performance motivated people, he speaks in the language of performance... His goal is to know more so that he can better communicate with and motivate them.
Coaches / Develops	Our business would not be the same if she was not there to help motivate us and work with us.
Motivates	

**Crisis and Stress on Decision Making**

Table 3 reveals that in times of crisis or stress decision making is made based on one of two leadership styles. The first is preserving honor and seeks to control the situation in order not to lose

honor. Management behaviors are very hierarchal, depending on the director or the specific policies to make decisions. The preserving honor management style seeks to control decision emanating from a fear of punishment or fear of blame. The second leadership style is one of raising honor in which managers empower employees or directors in a specific context to make decisions. These managers also look to communicate with their employees and build team focus on the problem and solution to implement.

**TABLE 3**  
**IMPACT OF CRISIS AND STRESS ON DECISION MAKING**

Impact of crisis and stress on decision making.	Representative Quotes
<b>PRESERVING HONOR</b>	Even if it must be decided quickly everyone waits for answers from above
<b>Very Hierarchal</b> <i>Depend on director</i>	We do not have the right to go above the director for approval or help. This does cause problems sometimes if the director is not here. Sometimes things stop while waiting for her to return but that is the system. First people look to the policies.
<i>Depend on policies</i>	In a time of crisis, we first go to the institutional rules for guidance
<b>Controlling</b> <i>Fear of punishment</i>	I have no power to make a decision by myself. If it is right, then I would get no credit. If it is wrong, I would be fired. Nobody wants to be punished so everyone just sits and waits while the problem gets worse.
<i>Fear of blame</i>	Employees do not want the responsibility of making decisions during times of stress. They always go to the director for instructions or to cast blame.
<i>Intervention / decision making by employee is seen as an infraction</i>	If he [boss] is not available then we wait. We do not have the right to go above the director for approval or help. This does cause problems sometimes if the director is not here. The employee does not have the right to intervene.
<b>RAISING HONOR</b>	
<b>Empowerment in specific contexts</b>	Crew chiefs have the authority to make decisions during times of crisis or stress. Each employee has the power to make emergency decisions.
<i>Power to make emergency decisions</i>	At this time we all work as a team to accomplish the task. This helps us in stressful times If there is a problem, the manager will call an immediate meeting to discuss the situation. We can then solve the problem as a team. Or the manager will instruct us on his decision to solve the problem.
<i>Work as a team</i>	

### Rules and Policies Guiding Decision Making

Table 4 shows the rules and policies that govern typical decision making in organizations. We see the re-occurrence of the leadership styles of preserving and raising honor. Furthermore, managers told us about clashes of honor that happen in the organization when family honor trumps business practices. Preserving honor in the day to day business rules and policies is characterized by hierarchical supervision that can have management disagreement and a lack of communication when the leader is absent.

Managers with a raising honor leadership style use company policies and rules to guide employees to work effectively and efficiently. Many codes of conduct and dress codes were mentioned as positive rules in the organization. Furthermore, employees pointed to helpful new employee training programs. The honor conflicts surrounded the family honor when certain family relations receive hiring preference over others. Other times family relations are exempt from performance evaluations.

**TABLE 4**  
**RULES AND POLICIES GUIDING DECISION MAKING IN THE ORGANIZATION**

Influential Rules and Policies	Representative Quotes
<b>PRESERVING HONOR</b>	Multiple supervisors that often do not agree and rarely meet together... frustration of knowing who to obey.
<b>Hierarchical Supervision</b>	Hierarchical structure which from the top includes the executive director
<i>Management disagreement</i>	who lives in another city and rarely is on site.
<i>Management lack of communication</i>	Managing director who comes to the company one time a month. When I have had questions I have been able to ask others and understand the policies though they are not written
<i>No written policies</i>	There are basic policies but in the end everything operates on a “do as you are told” basis. Do not ask questions.
<b>RAISING HONOR</b>	There is a written internal law for the organization
<b>Company Policies</b>	There are national policies of the organization that must be followed
<i>Written internal rules and policies</i>	We have written policies in a book given to us at the beginning of each year.
<i>Employee orientation</i>	There is protocol for the factory
<i>Codes of conduct and behavior</i>	Everyone sees that the new employees assimilates quickly and is guided through company policies and procedures. We have an employee code of conduct which governs uniforms, hair styles, music on the job, violence in the workplace, etc.
<b>HONOR CLASHES</b>	
<b>Family honor integration</b>	“Policies and rules are in place, but personal relationships or nepotism determines decision making. Job performance, rules, and policies are trumped by relationships within the corporation.”
<i>Family honor in hiring and job performance</i>	

**Company Service Activities**

Table 5 shows us the activities organizations are involved in while serving their community. There were three types of company involvement. First some companies offered free services, and managers encourage employees to participate in service activities. Many of these services were directed to the less fortunate in society—the poor, the sick, the elderly and the children. Secondly, others said they allowed their employees to volunteer during work time as long as their primary responsibilities were completed. Both methods of community involvement helped the employee, manager and company gain honor by helping the poor. Thirdly some leaders said that their companies did not do service activities in the community. They mentioned that their leaders did not see service to the community as a goal of the company, nor was there a mentality for helping others. Even when companies did do event sponsorship, this does not involve their employees. Employees mention that they were not given time to serve. Finally,

another reason given for not helping the community was a mistrust of associations. They point to cases of corruption and extortion where associations were set up to steal money.

**TABLE 5**  
**COMPANY SERVICE ACTIVITIES IN THE COMMUNITY**

Employee engagement in Community Service.	Representative Quotes
<p><b>Company engages employees in service</b></p> <p><i>Free services to associations</i></p> <p><i>Helping the poor: elderly and children</i></p>	<p>Our company often gives free services to local community groups or associations. We are encouraged to participate if we want. I am happy to work with others. It makes me happy to use my skills for good not just for work.</p> <p>The director informs us of the opportunities and encourages participation but it is not required.</p> <p>We do activities to help the poor, especially at holidays. We help get eyeglasses for older ladies who cannot see to read. We help associations with projects with children.</p>
<p><b>Company allows employees to volunteer during work hours</b></p> <p><i>Employee work for association while at work</i></p>	<p>Many employees belong to associations and even do some association work while here at work. And that is not frowned on if it does not hurt their actual jobs. Many have gotten other employees involved in their projects.</p>
<p><b>No Company Community Service</b></p> <p><i>Not the goal of the company</i></p> <ul style="list-style-type: none"> <li>- No mentality of helping others through company</li> <li>- Sponsorship of events but not involvement of employees</li> </ul> <p><i>Distrust of association – corruption</i></p>	<p>Companies here do not care about helping the community.</p> <p>There are no activities like this. Some employees choose to participate in local associations which participate in community activities but they are not sponsored nor mentioned at the company.</p> <p>We do not participate in community activities. If you ask the owner about this he would say that we exist to make money and to build more facilities.</p> <p>The mentality of helping others is not here.</p> <p>We have given trophies and uniforms to sports teams sponsored by associations. Employees do not participate. That is not their job.</p> <p>Someone opens an association then asks for donations from the government or private organizations. After getting the money they do just enough to justify their existence but the money really goes to the directors.</p>

### **Key Elements Impacting Decision Making**

The sixth finding, presented in Table 6, concerns the key elements or people that have a big impact on making decisions. The main influences come from either an internal or external source. In figure 1 the external influences are grouped on the right side of the figure and impact the raising or losing of honor. The internal influences are primarily linked to the manager’s leadership style and are included in the three different styles of management at the center of the figure.

Internal influences that impact decision making are: processes and leadership style. The leadership style of the managers is divided into two main styles. The first is the employee focused leadership style that seeks to show respect, encourage innovation and allow employees to learn from errors. This style increases the honor of the business and individuals as employees increase in competence, goals are

completed and unity is achieved in the business. We also see the role model attributes from Table 1 reflected in these findings. There is a clear backdrop of ethical (honor) expectation by respondents. The second management style is a top down approach where decisions are centralized, where personal initiative or communication is not appropriate. This style decreases the honor of the business as the one-way communication does not show respect between managers and employees, and employees are not as intentionally developed. Finally, processes are mentioned to have a key impact on making decisions. Described are the benefits of an office system is establishing equity, accountability and discipline in work. This increases the honor of the employee and the business as the office system facilitates increased productivity and efficiency while helping truth to succeed and keep harmony in the employee relationships.

External influences that impact decision making are: the government and economic pressures. This describes a difference on how managers choose to preserve or raise their collective honor. Governments give mandates that have a big impact on businesses. These mandates are sometimes seen as having an honor raising or an honor losing effect. Managers point to the fact that changes without concern and ability to help in implementing the changes decrease the honor of the government. The second big external influence on decision making is the economic pressure of money and power. This is seen as a decrease of honor as people become more self-centered, greedy and corrupted.

**TABLE 6**  
**KEY ELEMENTS IMPACTING DECISION MAKING**

Key influencers in decision making	Representative Quotes
<b>INTERNAL</b>	
Business process: <i>Office system</i>	The system of our office and the organization must be followed. There are limits to what each employee can do. And there is a limit to what clients can ask for. Discipline is necessary to always go through the system in doing each job. This cannot be abused. But it can also limit the work because going through the system does take time.
Leadership style <i>Honor raising / employee focused leadership:</i>	When employees are treated well, they will respect me and I will respect them. Employees must have self-respect first and this comes by my treating them with gentleness and respect. Trust is very important. Outside sources often influence decisions in the organization. Outside organizations will bring new ideas or new programs to implement. These are often encouraged by the director. So these new ideas require us to make changes in our work.
- Show respect	
- Innovative	
- Learn from errors	There is a freedom to learn from your mistakes (if the mistake is unintentional). The director is encouraging to the employees and allows mistakes to be made as long as the employee learns in order to become a better employee in the future. This gives the freedom to make decisions as they come without fear of anger or being fired.
<i>Honor preserving / top-down leadership</i>	A big factor at our business is good leadership. Our leaders make us feel like a team. We can all work in each other's place or help each other in different jobs. We are also encouraged to have new ideas and present them to the each other. The types of jobs we do and the way we do them are always changing so that it makes it a good atmosphere to work. Friends who work at another business say it is not like that there and

they can only do what they are told and not ask questions or give their opinions.

Most decisions are top down.

The director makes all the decisions. She tells the supervisors what to do and they tell us.

## **EXTERNAL**

### **Government mandates**

*Set of rules*

### **Economic pressures**

*Money & Power*

The biggest thing that impacts our decision making is the government. We have to do an incredible amount of work just to operate legally and the government officials aren't always interested in helping us.

The biggest things that influence companies is money and power. This is bad but the truth. Instead, people should be willing to help others but people do not think like that.

The biggest factor in any organization is money. Money controls everything including decisions. Clients with money are treated differently than other clients. Workers are influenced by money.

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## **DISCUSSION**

Our study answers the primary research question on how business leaders are ethically influenced in their decision making by proposing six factors of influence embedded in a Moroccan cultural context. Specifically, we address our supporting questions by outlining aspects of each factor important to being “ethical” in business life, and explain how they are operationalized.

Leadership in all cultures, in all organizations, is a fundamental component. Business managers in Morocco describe two basic leadership styles key in developing an ethical identity for the organization. The first is an employee focused style that strives to build respect in the manager employee partnership, use two-way communication, and seeks to empower the employee in specific circumstances. The second is an autocratic leadership style that is based on control by the manager, use of one-way communication and top down pressure where there is no employee initiative. Respondents discussed on how the employee focused style raised the honor of the employees, managers and company, while the autocratic leadership style sought to preserve the honor but did not raise it. The fundamental prerequisite for raising honor was the display of perceived ethical and honorable behavior of good character, care for others and technical competence.

Role models in business are by far the most powerful catalysts for ethical behavior in the organization. Earlier we saw that Bouckennooghe et al. (2015) explain that ethical leaders the important to productivity, and that Brown & Treviño (2014) note the importance of ethical role models on the development of others. In this study we gain further detail into how these leaders are defined by follower perceptions. Ethical leaders are seen as ethical role models that blend technical competence with a true sense of care for others that leads them to develop, train, and assist others. They are the organizational glue that employees to keep companies running smoothly and accomplishing collective, shared business goals.

Community service was also a key element of the employee developing a sense of ethical identity – of honor. Companies can actively engage their employees in community projects lead by the company or take a more passive approach and support community service through allowing employees to use their work time to serve. Both of these strategies by the company resonate with the Arab value of honor bringing honor to the employee, manager and company as a whole. Companies that do not participate in any way to serve the community are missing out on an opportunity to leverage intrinsic ethical motivation that comes from being honorable, adding value to both employee sense of ethicality and of company stature in the community. Furthermore, the impact of inaction is not neutral but carries with it a loss of honor in the eyes of employees which perceive this inaction as un-ethical, selfish and dishonorable. In those cases, the ethical honor expectations of the employees are not met, and they perceive the inaction of

managers as unethical. There is sufficient literature addressing the impact of service programs on the ethical development of students (Authors, 2014; Pascarella & Terenzini, 2005), but little addressing the development of employees.

A number of things can decrease the honor of the group or business—threatening the accepted ethicality of the employee and organization. The first comes from external economic pressures that can produce a self-centered focus on gaining money and power. The pressures themselves are seen as unethical and results in losing honor by those who succumb to them. Secondly, inactive support for community associations that help the needy and poor is seen as a loss of honor, as companies that do not help others are all about themselves, something which is dishonorable. Thirdly, employees and managers can also lose honor by not being respectful but abusive, deceptive and corrupt.

Increasing honor instead of losing honor is the key element in creating a healthy work environment that actualizes the ethical identity of its employees and managers. This increased ethical identity enables teams to work better together, through two-way communication and find answers to problems previously unsolved. It also increases employee engagement and productivity. The business role models operate as the key human element in raising honor, while the company strategy to assist community associations is the institutional reinforcement to validate the ethical identity of its employees and managers.

## **IMPLICATIONS**

Initial findings point to a very complex but structured collective organization in Moroccan business. There are a number of practical implications—the first is how foreign or national businesses can leverage these finding to increase ethical behavior and build competitive advantage.

For success of multinational corporations in Morocco or other countries embedded within an Arab worldview, the foundation rests on understanding the culture in the area in which they operate. While traditional values may be challenged in Morocco, the basic ethic of helping others and honor “raising” is critical in the way the organization gains or loses influence with employees, as well as the company stature in the community. One implication, as the model suggests, is active consideration of raising employee honor increases employee cohesion and satisfaction; this in turn increases productivity. To operationalize employee and manager perceptions of promoting honor for them and the business can be aided through empowering employees to pursue community support as a collective goal of the company.

Also, companies can further discussion and highlight that ethics and honor are important by having employees involved in fashioning company values. Hill and Rapp (2014) also point out ways for management to capture collective ethical aspirations through honor code development. Joint creation of values and codes help both their enforcement and the resulting self-esteem of those involved (Hill and Rapp, 2014; McCabe, Butterfield & Trevino 2006). Managers are key to creating an ethical culture as they choose to be employee focused instead of autocratic.

Another implication is that promoting and assessing leaders as role models, promotes organizational honor and leader influence. This work provided three role model attributes that can be developed and assessed—good character, technical competence, and problem solver. These attributes are employee supportive. Role models can be an employee or manager or owner that is technically competent, has good character and cares for others.

Finally, business needs to find a valid community service project to support. While they can provide time for employees to pursue community activity, pursuit by the company makes this ethical activity important to the group, thus promoting ethics of caring and binding groups in shared goals. The support and engagement of employees to serve in the community will increase both the honor of those involved, and the company as a whole.



## CONCLUSION

Like in western businesses where long term partnerships are based on ethical foundations that build trust, so in Arab businesses partnerships are based on honor foundations that build trust. Companies that want to be successful in Morocco must seek to increase the honor of their group and the business as a whole, through the honorable actions of its leaders and members. Critical to raising honor in a company is the function of the role models who live out the honorable attitudes and behaviors. Not only does the business leader need to invest in creating a healthy culture of honor inside the company, leaders must leverage the external community service opportunities available.

Future research might pursue a couple of areas—one being the replication and elaboration of this theoretic model. Another might study if there is a link between low self-esteem, emanating from a self-centered approach, and the autocratic leadership style of preserving honor. Particularly the autocratic style that does not engage or support employee community service. Understanding the motivations behind the Arab perspective of autocratic leadership style would be helpful to determine if there are motivations of fear or pride.

Considering the influx of Arab refugees into Europe future research might also focus on developing communities that understand and welcome honor cultures. National governments could look to establish immigrant collectives or associations grouped by ethnic culture. These immigrant collectives would be set up with the purpose of re-establishing family honor networks where the immigrant elders would seek to raise the honor of the family, immigrant collective, by promoting ethical behavior of its members—role modeling, community service, and other aspects that create an ethical society.

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**APPENDIX  
INTERVIEW INSTRUMENTS**

***First Instrument (Field Tested)***

1) How do you feel the organization is changing ethically?	ما هو شعورك حول التغيير في المؤسسة من الناحية الأخلاقية؟
2) What do you think is changing?	ما الذي يتغير في رأيك؟
3) Do you feel that the organization is becoming more ethical or less ethical?	هل تعتقد أن المؤسسة تصبح أكثر أم أقل ارتباطاً بالأخلاق؟
4) Why do you think that is?	لماذا تعتقد ذلك؟
5) What kinds of things are influencing this change?	ما هي الأشياء التي تؤثر على هذا التغيير؟
6) Do you think that the degree of change is fast, slow or at a standstill? Why?	هل تعتقد أن درجة التغيير سريعة؟ بطيئة؟ أم متوقفة؟ لماذا؟
7) How does the company (or managers) influence employee ethics?	كيف تساهم المؤسسة في تغيير مستوى الأخلاق لدى العاملين بها؟
8) Describe ways the company fosters ethics	صف الطرق التي تنهجها المؤسسة في تحسين المستوى الأخلاقي؟
9) Describe ways the company could improve your moral decision making	صف طرقاً يمكن أن تنهجها المؤسسة للتحسين من طريقتك في اتخاذ قرارات أخلاقية؟
10) How does your manager influence you to make better moral choices?	كيف يساهم مديرك في اتخاذك لقرارات أخلاقية؟
11) Describe ways the company hinders ethics?	صف الطرق التي تنهجها المؤسسة في عرقلة الأخلاق؟
12) Describe ways the company decreases your moral decision making?	صف سبباً قد تنهجها المؤسسة و تأثيرها سلباً على قراراتك الأخلاقية

***Final Instrument Used***

- 1) In your company are there activities to serve others in the community? Describe them: Do you participate?
- 2) What rules or policies influence making decisions in the organization?
- 3) How do times of crisis/stress impact decision making in the organization?
- 4) Think of a person who is a role model in the company. Do you see that person as having influence? Why? How does that person influence others?
- 5) Can you think of someone or something in the organization (that you have not listed) that has a big impact on making decisions?
- 6) What is the secret to Moroccan honor and dignity?