

Bankers' Personal Moral Thought Evidence

Abdelrahim M. Kadomi¹ & Osama O. Jaara¹

¹ Department of Accounting and Finance, Faculty of Business, Middle East University, Amman, Jordan

Correspondence: Abdelrahim M. Kadomi, Department of Accounting and Finance, Faculty of Business, Middle East University, P. O. Box 383, Amman 11831, Jordan. Tel: 962-796-680-001. E-mail: abdelrahim.kadomi@yahoo.com

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Abstract

Many researchers claim that moral judgment is closely tied to the general moral principles, Graham, Sherman, et al. (2011), which are accused by being selectively used by workers of dissimilar general moral principles, Skitka, (2010). It is happening when they appealing to subjective preferences, dealing with moral claims seem to lack an obvious set of objective criteria or with a tricky problem domains. However, it also because individuals are vary in moral identity – that is, how much morally-relevant concerns define one's self-concept, Aquino & Freeman (2009).

Workers general moral principles may guide judgment across a wide variety of situations, serve as a first step toward drawing a specific conclusion. In this paper, bankers respondents were presented with variations on a traditional moral scenario that asked whether it was permissible to achieve a selected banking issues that have no place in their banks codes of ethic. Workers moral judgment relies upon a suitable set of moral principles from which a particular judgments need to exist, Dancy (2004). A problem arises when respondents show different moral principles.

The main objective of this paper is to investigate the type of morality bankers practice at workplace when they participate in achieving the common goals and objectives of their organization. The existence of workers with different moral principles could be counterproductive for banking management. The better understanding of these differences enabling to narrow its negative impact, and ensure integrity of ethical behavior to function effectively. The data were obtained from a distributed questionnaire to randomly chosen banks in Jordan. The results generally indicated that banking professionals are different in their moral philosophies. Some important managerial implications based on these findings were discussed.

Keywords: ethics, moral principles, relativism and idealism

1. Introduction

In practice, banks employees demonstrate different norms. The way to address, smile, interact, organize, appear, conspire, enjoy, and trust reflects set of personal morality. They may trust each other's when it is for their own calculative interests, rationality, or suitable with their morality main stream, Hughes (2008).

Morality is a social norm of human behavior consists of a group of unwritten rules and customs governing interpersonal relationship, Timmons, (2002). It reflects feeling and way of understanding moral issues for the purpose to judge or differentiate between ethical from unethical. So maximizing personal preferences is not free from constrains. Employees may adopt particular value system incorporated preferences to goals or ends but at the same time not acceptable by other employees with different value systems or not fully confirmative to general moral principles.

It is not always possible to prescribe or impose a single procedure for completing any bank service, some employees knowledge and behavior allow them to act away or separable from general moral sentiment (emotion or feeling) or principles, Dow (2010). They may act by two ways: (a) toward self interest, purely to maximize their own interest on the account of the banks they are working to, (b), or toward rationality, to maximize the interest of their organizations on the accounts of their customers.

Banking practice does not take place in a vacuum; a code of ethics can guide the employees' actions. Even thought morals can clash at the workplace where bank ethics can play against their personal morality. Plinio,

Young, and Lavery (2010) found that one of the most serious problem facing organizations today is impoverished ethical behavior. Darcy (2010), confirms that the current climate of organizations is skeptical regarding ethics. In a qualitative study completed by the author, it was discovered that sixty-six per cent of people question if ethics within even exists. This is what the author refers to as a crisis of trust.

2. The Problem

Practices at workplaces are combined by attempts to maximize the self interest and the rational choice. Individuals may exercise immoral action to maximize their own calculative interests on the account of their workplace or their customers; and rationally when they behave on the account of their customers or community to the benefit of their workplace.

To achieve profitability and productivity, banks are obliged to develop and obey right attitude of certain ethical principles such as honesty, integrity, social responsibility, accountability and fairness. Self interest (utility) and rationality turn down less moral employees to act as agents in carrying out other persons' wishes, Barnett and Valentine (2004), Audi (2007). Allow part of the financial risk to be hidden or captured. Encourage conspiring, abusing the welfare and goodness into greed, blinding banks management at workplace from realizing how moral principles are violated, preventing to activate moral standards and encouraging employees' self-generated bad incentives toward excessive risk taking.

This problem might be called a phenomenon of *moral rationalization*, provides evidence of the extent to which employees demonstrating different types of moral at workplaces enhances moral hazards. Recently, it becomes the more pointed issue because of its related costs and excessive involved risk, Calomiris (2009). It's existence caused some banks to be accused by being creed, exposed themselves and their clients to astronomical risk for the sake of very high utility. Strangely behave in granting mortgage loans away from reality, up to a high level risk. When such loans turn badly not toward their favor, they repackaged, fractionalized, insured it to look like as AAA rated financial instruments, and sell them over across international market.

Hypothesis:

H1: Banking professionals moral thought are not equal.

H2: Banking professionals perceive ethical banking problems are not alike.

3. Theoretical Framework

3.1 General Theoretical Background

Since action is a function of morality type, the question this paper is going to answer is the following: Do banks employees of Jordan have similar ideology to how they achieve the welfare or the goodness? Organizations especially banks learn from the past errors, new adapted practices or innovations to restore their competitive advantages. A quick recovery for bank enormous opportunities progress come into the form of employees' readiness to adapt for moral versus immoral practices. Follow standards free from immoral actions of self interest or rationality. Solutions come not only from written standards or codes but also from employees inner feelings. Plinio, Young, and Lavery (2010) found that one of the most serious problem facing organizations today is impoverished ethical behavior and nonexistent ethical leadership.

Moral principles (thought) are an important factor influencing a person's ethical actions; either in the financial sector or elsewhere. A chosen act or an influential cause to earn opportunity of much money in financial markets. A matter of aggressive attitudes of risk taking and greed, McDowell (1997).

Theories of asymmetric information and rational choice have their own explanations to ways of judging ethical issues. Immoral actions arise from cases of information asymmetry in a transaction in which one party has more information than another. More information incentivizes to behave inappropriately by one party from the perspective of another less information party. It is the risk that an individual or group will behave immorally. Moral hazard arises in a principal-agent problem, where one party, called an agent, acts on behalf of another party, called the principal. The agent such as a bank employee usually has more information about his or her action than the principal does, the principal usually cannot completely monitor the agent and his interest. Therefore, ethical evaluations in banking got to be examined in a context includes a common ethical dilemma, that is, whether services providers comply with accepted levels of moral thought, professional standards or comply alternatively on the accounts of different parties.

Rest (1986) proposed a model of ethical action in which an employee produces his final decision making based upon several steps. Firstly, recognizes the moral issue, makes a moral judgment, makes a decision to act morally or not, and finally, acts. Trevino (1986) modified this basic model with the recognition that personal and

situational factors moderate the actions made at each stage in order to explain and predict the ethical action.

Forsyth's (1980) ethical ideology theory suggests that an individual varies his/ moral beliefs and attitudes, that is either by making judgments based on universal moral rules or rejects universal moral principles in favor of some relativistic position. This model classified an individual's ethical ideologies along two dimensions: either idealism or relativism. Idealism is concerned with securing the welfare of others and avoiding negative consequences which may harm others, Forsyth (1992). Whereas relativism feels that moral actions depend upon given situations. An idealist person makes an ethical judgment based on universal moral rules and the principle of no harm to others, whereas a relativist person makes an ethical judgment based on personal feelings and situations.

The concepts of idealism and relativism are not opposites, Hoo, et al. (2010). Individuals with a high idealist moral philosophy may also identify with a high or low relativist moral philosophy. Thus there is a mix of four possible ethical orientations in Forsyth's two-dimensional model depending on whether an individual rejects universal moral rules or principles in favor of relativism, and the degree to which that individual avoids harm to others.

Forsyth's ethical ideologies are used in this study, by allowing the beliefs of individuals to vary along a continuum ranging from a strong belief in universal moral rules to a belief that perceived ethical issue is relative. Individuals take one of the four particular stances reflect types of moral thought or ideology at workplace, mentioned in table 1.

Table 1. Personal moral thought (ideology)

Ideology	Description
Situation its: High relativist and high idealist.	Reject moral rules, prefer the action yielded possible outcome in the given situation
Subjectivists: High relativist and low idealist	Reject moral rules, base moral judgments on personal feelings about the action
Absolutists: Low relativist and high idealists.	Feel actions are moral provided, yield positive consequences through conformity to moral rules
Exceptionists or Receptionists: Low relativists and low idealist.	Feel conformity to moral rules is desirable, but exceptions to these rules is often permissible

It was confirmed by Forsyth that individuals with a strong belief in universal moral rules would not be highly influenced by the views of leaders, colleagues, or in the organization he is working, Peterson (2004). They are expected to resolve ethical dilemmas based solely on these universal rules. It was proved that this model can be apply in personal ethical ideology as an explanatory tool of moral judgment and in providing preliminary evidence for its suitability in improving actions at workplace, Sockol (2009).

Applying Forsyth model helped to identify how individuals with different moral thought come into conflict with general or universal moral principles. This conflict arises when individuals involved mainly in either maximizing their own self interest or the interest of the bank they are working to. The sympathy individuals find it less costly to act immorally, Tsang (2002). However, their own moral judgments are developed from daily social interactions as playing, sharing food, dividing labor, compromising, and resolving conflict, all of which foster cooperation among individuals to avoid inequity, Brosnan (2006).

3.2 Business Morality

Business organizations are interested in morality because of many reasons. Business's self-serving nature does border on the sin of greed. The difference between the rules of the marketplace and the rules of personal morality. Markets have always had their own rules such as charging interest on loans, puffery, or haggling. Most clients are simple such as farmers who lived in small villages found it difficult to see business as a game. Most of recent crises are manmade. The collapse of Enron, the fall of the Lehman Brothers, as well as the housing market crash; and the theft scandal was conducted by Madoff, who used to be the president of Jewish community at New York, each of them depends on employees or personal ethical values. Darcy (2010) confirms that the current climate of organizations is skeptical regarding ethics. He counted that sixty-six per cent of people drought if ethics within

leadership even exists. This is what he refers to as “a crisis of trust”. The conclusion of his study found that the biggest problem in organizations and individuals today is a lack of trust.

In the absence of trust, banks do not function effectively, undermining the vital role they play in the economy. The way they see themselves is not always the way others perceive them. This perception is critical to the future of the banks and the economy.

To achieve a strong economy there is a need for healthy banks. Employees play a vital role in shifting the focus on what the economy needs. Achieving high sales targets is affected positively by the same way their behavior influential impact on miss-selling. For customer-facing employees, banks need to build up better outcomes for customers, link reward with effective controls on risk, own a complementary set of values and a culture that permeates throughout the organization, and reinforcing the behavioral standards. These are the values that staff need to live by.

Understanding employee’s personal values has its fruitfulness applications not only on commercial banks but on all types of businesses. These values need to be supported by transparent products and processes, designed not far away from the customer’s point of view. For the hope, in time make banks more efficient and is a fundamental part of a success strategy that allow better value, creating a sustainable competitive advantage, and therefore increasing shareholder value.

3.3 Morality Types

The rule of the game for business success needs to overcome two parts of morality. The external part is nonhuman, related to business operations and external environment combined by different types of enforcement. The second part level is the personal preferences conditions, the ethical ideology or the human morality part. Workers behavior is affected by external moralities come mainly either from management or government rules.

The human morality is essentially a process of “seeing” or “perceiving” situations correctly, essentially grasping the comparative “shape of the circumstances” Smith and Dubbink (2011). The problem is seen if one’s general commitments may embody or express certain values shaping incapable common answers to a specific banking issue or dilemma about what he ought to do in specific contexts of action. Not only because of insufficient practical role do moral principles play in guiding all parties judgments across cases, but because of indispensable features of established moral coherence between employees at their workplace.

Ethical behavior is motivated both by a person’s morality and by external factors. The externals are the result of greed, unfair treatment of workers, fraudulent practices and other unethical behaviors. The internals, according to Kenyon and Tilton, (2006) is related to some individuals are more prone than others to commit unacceptable behavior.

3.4 Morality and Ethics

Mainly, morality comes from environment, symbols, genetics, and experiences. It is based on how you feel about something such as the natural law cause and effect, and the degree of how to behave toward them, Guyer (2006), a subjective issue, refers to a value judgment, originates from an outside such as a cultural authority whether religious or national. Moral is an own beliefs, while ethics is the law.

Ethics has taken on the additional common meaning of a code of conduct; invoke transcendent values and absolute principles, Pollock (2012). The ethical system consists of an ethical philosophy, an important factor that determines how employees differently apply their own philosophies in decision-making when faced with an ethical dilemma. Individuals use different ethical philosophies to respond to ethical questions. This philosophy is operationalized by Forsyth (1980) as an individual’s ethical ideology.

Based on Forsyth, an individual's ethical philosophy represents the collection of ethical principles that he holds. The ethical decision ideology is concerned with how different individuals apply their ethical philosophies. Ethical decision ideologies can be classified based on two dimensions: idealism, the belief that behaving ethically ensures positive results, and relativism, the belief that moral values depend on circumstances.

3.5 Morality in Banking

Purtilo (2000) identified moral as a necessary virtue for professionals, one that enables them to survive in changing times. He noted that morally individuals respond to situations that incite fear and anxiety without knowing the end result of their response because they believe in doing what is morally right. Moral ideals are needed to transcend employee obligations and rights into the following four components: (a) taking the right actions to effect banking promotion and quality of services; (b) possessing the necessary knowledge and skills; (c) knowing what the appropriate action should be; and (d) demonstrating a willingness to act. Kidder (2005) has

argued that an individual need to be committed to moral principles.

Bankers who are morally courageous are able to confidently overcome their personal fears and respond to what a given situation requires; they may act in the best interests of their clients. Bankers who exhibit moral reasoning and act with moral courage demonstrate a willingness to do what is right in the face of forces that would want each of them to act in some other way. Deciding whether to act with moral courage may be influenced by the degree of conflict between personal standards and organizational directives; by fear of retaliation, such as job termination; or lack of peer and leadership support.

3.6 Ethical Principles

Individuals use different ethical philosophies to deal with ethical questions. This philosophy is operationalized by Forsyth (1980) as an individual's ethical ideology. This paper adapts Forsyth classified individual's ethical ideology to determine how the individuals differently apply their ethical philosophies in decision-making when faced with banking ethical dilemma.

An individual's ethical philosophy represents the collection of ethical principles that he holds. Individuals that are more intent towards idealism and decide not to manage any banking issue by the way as it could cause harm or undesirable consequences to others, they considered this outcome as a prevented one. In contrast, individuals that are more relativist will think and make a consideration on certain circumstances by being more lenient in their a judgment. They give circumstances or situations a chance to affect their judgment on the opposite than do the idealists, Conti (2007).

Idealism is classifiable into two levels of high and low. More highly idealistic individuals have a significant concern for the welfare of others; they act by the way not to harm any party. Individuals with lower idealism are more pessimistic, believing that ethical acts will result in favorable outcomes for some, and unfavorable outcomes for others, Perri, et al. (2009).

Individuals who are more highly relativistic in their moral philosophy tend to view moral standards as fluid in determining whether an act is ethical or unethical; whereas individuals with a lower degree of relativism believe strongly in absolute moral principles when determining whether an act is ethical or not Perri, et al., (2009).

The concepts of idealism and relativism are not opposites Hoo, et al. (2010). Individuals with a high idealist moral philosophy may also identify with a high or low relativist moral philosophy. Thus there is a mix of four possible ethical orientations in Forsyth's two-dimensional model. Each one of them is depending on whether an individual rejects universal moral rules in favor of relativism, and the degree to which that individual avoids harm to others. These four ideological types are (1) situationists, (2) absolutists, (3) subjectivists, and (4) exceptionists.

As shown in table 1, there are four types of personal ideology. A person who scores is high of both of idealism and relativism is classified as a 'situationist'. A person who scores high on relativism and low on idealism is referred to as a 'subjectivist'. A person who scores high relativism and low idealism is an 'absolutist'. A person with a low score on both idealism and relativism is called an 'exceptionist'.

While relatively little is known about the relationship between moral behavior and morally-relevant individual philosophy, the effects of situational variables on moral behavior are better understood. In fact, one of the classics of the situations' perspective has provided an extensive list of situational effects on moral behavior, such as low levels of light in a room reduces honesty; Zhong, Bohns, & Gino, (2010), feelings of elevation pushing or support a specific behavior; Schnall, Roper, & Fessler, (2010), and in a situation where people cheat more when they see others cheat; Gino, Ayal, & Ariely, (2009).

3.7 Critiques against Moral Principles

A number of criticisms of the role that moral principles can play in moral judgment claim have been reported. The reliance on principles requires moral workers to abstract themselves from actual circumstances, and in the other hand it allows less moral workers to respond passively on relationships and personal commitments, *Smith and Dubbink* (2011). One objection comes from the notion that principles are incomplete statements of generalized moral commitment and therefore provide little practical guidance when workers are confronted with complicated problems in new possibly unforeseen circumstances. They are incapable of shaping answers to questions about what one ought to do in specific contexts of action. The second objection is based on a faulty understanding of how workers react on moral problems. It is seen if one's general commitments may express certain values but without being capable of shaping common answers to a specific banking issue or dilemma about what he ought to do in specific contexts of action. Not only because the insufficient practical role do principles play in guiding their judgments across cases, but because of indispensable features of established

moral coherence between employees at their workplace.

In spite of the previous criticisms, the moral judgment is still necessarily endeavor tied to a careful awareness and assessment of the complicated features of specific situations, *Smith and Dubbink* (2011). When two parties do not share one moral judgment, they hold different expectations and demonstrate different moral functioning. Each party may believe that their ways of doing things and thinking about things is the best, Soule, Hedahl, & Dienhart, (2009). React differently toward a banking dilemma. Incapable of shaping common answers to a specific banking issue or dilemma ended by a lack of moral coherence between employees. However, the root of this common disagreement is related to the role that moral principles guiding sound moral judgment, or the applicability of general moral principles, Michael, (2006). They shape an influential of oneself in acting by a specific way, Darcy, (2010).

3.8 Literature Review and Previous Related Studies

Old civilizations such as Hammurabi of Iraq 1700 b.c. imposed both of commerce rules and harsh penalties against noncompliance with prices and tariffs standards. Islamic taught has introduced before 1450 years the GOLDEN RULE, "do unto others as you would have them do unto you". Aristotle 300 B.C. addressed commercial relations in his discussion of household management.

Freidman model allows individuals at workplace to follow unlimited ethical actions without violating the rules of the game, Corpanzano *et al* (2003). His combination of stockholder theory with utilitarianism offers managers by new ways of thinking about how to grasp the greatest happiness of any act and then to decide whether it is moral or not. Freidman model lefts organizations and individuals to develop their own standards and still straying from no common workplace ethical rules.

Morality at workplaces is a dilemma problem. It holds a perplexed impact, conflict of interest, Shaw (2002), impedes the common good action, holds individuals overly positive views of themselves, presses individuals to over claim credit and acts in racist ways without being aware. Contains contradicted advices and signals of to do what is right (ethical signal), versus to what is less right maximize utility (management's or economics' signal), Hayton *et al*, (2002), accepts others unethical behavior when it occurs slowly, causes absence of universality ethical principles, Bazerman, & Moore, (2008), holds a lag rule of creating and stimulating appropriate workplace conditions or the required knowledge to what is good. Irrelevant for those who are seeking power and influence. A source of conflict between self – interest and the best course of action taken in a given situation seeking not to prevent harm, *Sachs*, (2012).

Skovira and Harmon (2006) identified common constructs that identify an organization's ethical environment such as, "corporate policy, codes of conduct, financial affairs, environmental concerns, human resources, organizational reputation, relationships, and the personal moral frame". Ward (2007) confirms that the idea of knowing one's true self is an ethical task. It involves questioning and reexamining deeply held beliefs and convictions, Souba (2011). Reinforcing values by the means of practice, Malphurs (2004). Watching more what one does rather than what one says. Developing inner values by application and action. Thinking ethically without bias, Binns (2008).

King (2008) noted eight common ethical values shared by all. Those are "honesty, loyalty, dedication to purpose, benevolence, social justice, strength of character, humility, and patience". These values may be learned but ultimately originated from a religious faith or spiritual foundation. Reflects how the individual approaches a dilemma that deals with values," Duffield and McCuen (2000). Holds the ability to deal with complex dilemma without being influenced by bias. Proposed that valuable employees can provide great insight into the overall ethical pulse of the organization, Kaptein, *et. al.*, (2005).

Banks need to adhere to a strong set of values crucial for their survival, Chiami and Fullenkamp, (2002), unethical practices kill their system, Dunn *et al* (2004). Mostly related to members of staff ethically versus rationality action, Capoor and Ambrosi (2007), or by small business owners and managers who intend simultaneously to act morally and rationally. However, it increases when limited resources imposed tougher rules, managed by very subjective option or by an adapted rule of the game, Postow (2007).

There are significant costs to unethical behavior. Range from loss of revenue due to customer defections, decreased ability to borrow money, and the termination of careers, Osland, Kolb, Rubin, & Turner (2007). One reason for high costs is the lack of management knowledge of ethics. Reluctance of managers to discuss the ethical aspects of decision-making. Their own lack of training in or awareness of ethics, Bird & Waters, (1989). And ignoring a personal moral principles, Drucker (2007).

Ward, (2007) examines the reason for ethical failures and found that ethical failures do not occur because of selfishness, but rather out of ignorance. He assured that often times an employee may feel excused from moral

requirements that others follow because the senses of his role is separated from his inner self.

3.9 Related Studies

- 1) In the case of misconduct with principles and standards, Duran (2007) explains the conditions which led to the Enron scandal in accounting practices due to uncertainty surrounding specific facts prevented the company attempts in showing their financial position.
- 2) Dow (2010) explored that moral hazard has arisen in specific banking crisis. Since banks enjoy the guaranteed support by the government, this support incentives undue risk-taking including moral hazard which have been seen in different ways. The government paying-offs to senior executives of failed banks, the apparent rewards come from imposing costs on society represented by high interest profit margin, and the government's policies in allocating not yielding funds to cover faulty banking practices, Boatwright (2006).
- 3) It was found in monitoring managers' actions, that they act as relativistic, their main objectives is maximizing interests or happiness of stakeholders party on account of others, and their best choice is for situation yields the highest outcome. Goldar, O'Connor, and Taylor (2005).
- 4) It was indicted that 24% of ethical ideology of 230 finance practitioners in industries located in Finland, act away from idealism; condone insider trading and stealing clients, Hartikainen and Tostila, (2004).
- 5) Actions have been taken in confusing cases of crisis, where managers allow for self-interest to become the only clear guide. *Sachs (2012)* confirmed that the invisible hand: self-interest failed to operate through markets for the common good. When market competition breaks down. Relying on self interest allows the absence of a large value system.
- 6) Respondents in a study of Johnson (2007), indicated that a high level of idealism (mean = 5 on a seven – point scale) act more ethically compared to the level of relativism (mean = 3.7). Respondents' correct actions produce desirable results when it is taken on the basis of not harming others or based upon situation or personal involved. Individuals who are highly relativistic and highly idealistic strive to produce the best possible consequences; to them the moral rule was not equally apply across all situations.
- 7) Karnde, Rao, and Singhapakdi (2002) classified relativism among marketers by those who generally feel that moral actions depend upon the nature of the situation and the individuals involved, their readiness in violating ethical principal or natural laws and willing to use deceptive advertising.

4. Methodology

The methodology of this paper is a descriptive survey generated in one stage process. A questionnaire was submitted by hand to 100 individual bankers of 18 randomly chosen commercial banks located in Jordan, during October, 2012. The questionnaire is of two components.

Hypothesis 1 tests the employees moral similarity or differences. To do so, the first component of the questionnaire (see Appendixes A) is composed of twenty questions; the first ten is designated to identify relativism morality bankers; while the other ten is specified to idealism morality.

The second component of the questionnaire composed of banking ethical evaluation two types of scenarios, (see Appendixes B). The first type is composed of 4 self-interest maximization scenarios; and the second type is composed of 4 rational scenarios related to the bank maximization interests. This paper consistencies with the measuring methodology followed by Singhapakdi, et. al. (1999), who measured the perceived ethical problem by asking the respondents about a given described situation involves a real ethical problem. In this paper the respondents were asked whether the given described situation (see appendixes B) represents an ethical problem at the workplace.

The respondents were asked to express their degrees of agreement or disagreement regarding prescribed scenario. Each respondent has been asked to indicate on the scale of 1 to 5 his level of agreement in conducting each of eight scenarios. Each one involves an ethical problem at workplace, (see appendixes B). A Likert type scale was used for measurement (1 = Completely Disagree, 5 = Completely Agree). The mean of 3 is the midpoint of the scale. Responses with the scale of 3 or less are classified by lower agreement level, above 3 by higher agreement level. Ethical differences could be a result of the variation within the individuals' perceived ethical problem.

Hypothesis 2 tests banks employees ethical perceptions across the eight scenarios differences based on their personal self-interest and rational types of moral philosophy. Eight banking ethics scenarios developed and tested by the same respondents of the 20 questions. Each respondent perceived ethical problem was measured by asking the respondents whether the situation described in each of the eight scenarios involves an ethical problem. They were asked to express their degrees of agreement or disagreement regarding each statement presented in

each scenario, (see Appendixes B). The first four scenarios are specified to test the presence of self interests moral; and the second four is to test the rational type of moral.

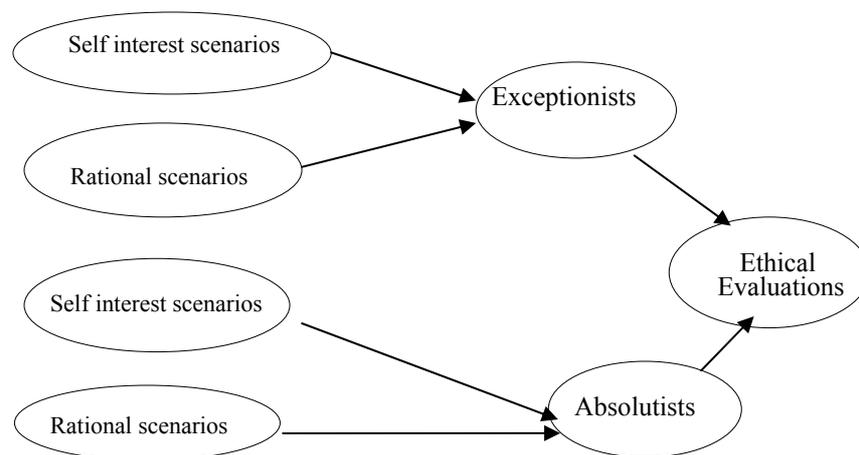


Figure 1. Ethical evaluation

Figure 1 explains how different combinations of exceptionists' and absolutists' personal moral philosophy hold different perception about ethical scenarios at work places. Each party holds different levels of rationality and self interest.

Steps involved the use of matched pair t-test to evaluate claims about the two hypotheses. SPSS computer program is used to calculate the mean and standard deviation of the questions. At 5% level of significant, the t table is consulted for the critical value. If the test statistics is less than or equal to the critical value, the null hypothesis is accepted, if it is greater than the critical value, the null hypothesis is rejected.

Testing hypothesis 1

Matched pair t-test is used in testing the first hypothesis provides two points. The first point revealed no sufficient evidence to reject the null with small chance of error, at 5% level of significant (2- tailed). Table 2 and 3; demonstrate that all respondents hold mean of (3.19) idealism type of moral, and mean of (2.8) relativism type of moral. Both means are with values not significantly different from 3. Banks employees with low score of idealism and relativism put them in exceptions type of moral.

Their unique ethical differences ended by a desirable conformity to moral rules, which by definition are not fully qualified in firmness rejection any moral codes of ethics, and at the same time they are ready to exercise exceptions at their work places due to differences related to personal involved. Indicated that a high level of idealism (mean = 3.19 on a five – point scale) act more ethically compared to the level of relativism (mean = 2.81). Respondents' more prevailing actions show desirable results when it is taken on the basis of not harming others due to a higher idealism mean. At the same time, they demonstrated a readiness to act out of idealism, violating ethical principal or natural laws and willing to use deceptive action based on the employees involved. They preferred actions yielded possible outcomes based on their moral personal feelings, feel conformity to moral rules and demonstrate readiness in violating moral principles for the exchange of additional pleasure or goodness.

Table 2. Testing relativism versus idealism

Morality	Respondents number	Mean	Standard deviation
Relativism	86	2.81	1.29
Idealism	86	3.19	1.27

Table 3. Analysis testing for differences

Morality	Respondents number	Mean differences	Standard deviation	t-test	Sig. (2- tailed)
differences	86	0.38	.029	-1.38	0.17

Testing hypothesis 2

After identifying that the respondents are low in both relativism and idealism, it becomes a vital issue to determine how they react as an exceptionists against different eight scenarios of Appendix B. The first four self-interest maximization scenarios; and the second four rational scenarios have been questioned. Table 4 shows that the average “perceived ethical problem” scores for the eight scenarios of Appendix B range from 2.73 to 4.06.

Table 4. Bankers' exceptionists responses

Number	Scenario	Mean	Stand deviation	t-test	Sig. 2 tailed
1.	Withholding relevant information against the bank	3.08	1.3.0	.579	.56
2.	Failing to honor the transferred money	2.73	1.51	-1.64	.10
3.	Discriminating between customers	4.06	1.16	8.45	.00
4.	Failing to honor management instructions	3.36	1.30	2.6	.01
5.	Causing unintentional psychological harm to clients.	3.12	1.49	.72	.47
6.	Withholding relevant information concerning the product against clients	3.86	1.22	6.55	.00
7.	Minimizing the cost of money for the benefit of the bank	4.00	1.27	6.80	.02
8.	Giving false advises for the benefit of the bank	3.65	1.35	2.54	0.03

Respondents were significantly highly sensitive in their ethical judgment on scenarios number 3 and 4 and tolerant on scenarios number 1 and 2. In searching for an opportunity to maximize their own interests, they demonstrate no significant readiness to withhold relevant information against the bank and not to honor the transferred money. Difficulties imposed by their banks may prevented them from being able to react positively toward these two scenarios. However, readiness to react positively exists in holding a desire to self-interest maximization.

Responses of scenario 3 and 4, embrace a moral philosophy based on “skepticism.” In order to maximize their own self interest, they discriminate between customers, and fail to honor management instructions. They weighted banking issues beyond the ethical principle they hold as exceptionists. They allow for self-interest to become the only clear guide when it becomes possible for them in these two scenarios.

Searching for rational behavior is achieved through scenarios 5,6,7, and 8. Both of self interest and rationality are sources of situational risk. Respondents show readiness for acting rational. Although of no opportunity of acting rationally in scenario 5 due to spot obstacles prevented them from doing so, they exploited all chances in scenarios 6, 7, and 8 to maximize the benefit of their banks on the account of their clients. Exceptionists show up how less idealistic employees sometimes hold the necessity for using harm in circumstances to produce well. They demonstrate readiness of using false advice, minimizing the cost of money and withholding relevant information for the benefit of their banks on the account of their customers.

5. Conclusions

This paper is a descriptive to how individuals at workplaces behave based upon/ the moral principles they claim to follow. In considering both of their ethical beliefs and their actions, it finds out that bankers are willing to act not according to the codes of ethics but according to their own descriptive of these codes. These results are similar to what has been found by Kelly (2003) about the way individuals who view themselves as fractionally moral exempt themselves from the moral standards to which they suppose to hold.

It is a fact to say that, banks employees can do whatever their business contracts allowed them to do, their real

problem is deceived themselves into believing that they are engaged in both of rational and self interest profession even when they are apparently unable to recognize that . They are ready to deceived themselves by involved in actions without eliminating moral hazard, the risk which may fail banks. It is to recommend that banks need not to fail again if they manage not only capital requirement, maximize its investments in building up computer networks but more necessarily to manage its personnel moral hazard.

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Appendix

Appendix A. Ethical ideologies

- (1) A person should make certain that their actions never intentionally harm another even to a small degree.
- (2) Risks to another should never be tolerated, irrespective of how small the risks might be.
- (3) The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.
- (4) One never psychologically or physically harm another person.
- (5) One should not perform an action which might in any way threaten the dignity and welfare of another individual.
- (6) If an action could harm an innocent other, then it should not be done.

- (7) Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.
- (8) The dignity and welfare of people should be the most important concern in any society.)
- (9) It is never to sacrifice the welfare of others.
- (10) Moral actions are those which closely match ideals of the most “perfect” action.
- (11) There are no ethical principles that are so important that they should be a part of any code of ethics.
- (12) What is ethical varies from one situation and society to another.
- (13) Moral standards should be seen as being individualistic; what one person considers to be moral may be judged to be immoral by another person.
- (14) Different types of moralities cannot be compared as to “rightness.”
- (15) Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.
- (16) Moral standards are simply personal rules which indicate how a person should behave, and are not to be applied in making judgments of others.
- (17) Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.
- (18) Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustment.
- (19) No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.
- (20) Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.

* Items 1 through 10 are idealism items. Items 11 through 20 are relativism items.

Source: Forsyth (1980).

Appendix B

Please indicate on the scale of 1 to 5 your level of agreement in conducting each of the followings eight scenarios:

1. Withholding relevant information.

A bank customer applied for a loan, he is badly in need for this loan. Because of his bad financial status he needs a help in submitting his financial statements to look like in a good shape. There is a possibility of advising him not to include specific bad information.

2. Failing to honor the transferred money.

In a joint account opened for a wife and here husband, a wife owns pharmacy business and she is a general manager of a local company. Usually, several monthly received payment are deposited in here personal account, here salary is transferred to here joint account. A banks employee cooperated with here husband to transfer payments not to here personal account but to the joint one.

3. Discriminating between customers.

Bank instructions required a charge for any statement required by the customers. Some employees may issue free statements to selective type of customers.

4. Failing to honor management instructions.

Usually, banks present gifts at Kris mass or New Year. Gifts are given based upon special instructions such as to very important customers. As a bank employee, it is impressments not to give gifts to some friends or relatives even though they are small customers.

5. Causing unintentional harm to clients.

Usually, employees' friends or relatives are also clients of the bank. An employee is witnessed giving such clients a higher recognition and special treatment.

6. Withholding relevant information concerning the product against clients (Please indicate your level of agreement toward either two cases).

Case 1: At times, a young employee anxious for showing himself to his boss, has been withholds relevant information concerning the product. Instead of telling about longer time needed for the new customer to receive his VISA and ATM card, he doesn't clearly disclose such information.

Case 2: Bank rules allow for monthly discounting JD2 from the customers saving or current accounts if the balance declines bellow JD200. The employee offers this information only if the customer directly asks.

7. Minimizing the cost of money.

Usually, banks pay different rates of interests based on size classes of deposits. For an example, they may pay the rate of 3.75 percent on a deposit above JD50000. For any deposit less than this balance banks pay fewer rates. Some employees don't expose this type of information for the benefits of the bank at their direct bosses' awareness of this action.

8. Giving false advises.

A customer with a large deposit may decide to withdraw his money to buy stocks in Amman Stock Exchange Market. This customer is aware and has sufficient knowledge about what is going on in the market. A bank employee is badly trying to convince him by not doing so; his main hidden objective is to keep the money at the bank.