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# An Empirical Investigation of Ethical Orientation of Pakistani Managers

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*This study aims to examine the ethical orientations, perceptions, and values of managers in Pakistan, an Asian country. The study used the factor structure of Forsyth's (1980) Ethics Position Questionnaire to examine the ethical orientation of a sample of 201 Pakistani managers. According to Forsyth, the individual differences in moral judgments are influenced by individual differences in Relativism and Idealism. Results show that two constructs similar to those described by Forsyth's (1980) Ethics Position Questionnaire do exist in the sample of Pakistani managers. However, there exist differences in significance and interpretations of these constructs in Pakistani context. Results are presented and implications for future research are discussed.*

**Keywords:** Pakistan, ethical ideology, idealism, relativism, Ethics Position Questionnaire

## INTRODUCTION

Ethical orientation is the individual tendency of an individual towards an ethical perspective (e.g. deontology) (Sullivan, 2007). Individuals can form different opinions about what is ethical or not and pass different ethical judgments due to their different ethical orientations. Ethics Position Questionnaire (EPQ) is a research instrument developed by Forsyth, (1980) to determine ethical orientation of individuals.

According to Deering (1998), EPQ has been used and validated in ethics research under multiple contexts and disciplines such as education, accounting, academic research, and marketing research (Forsyth 1980; Vitell et al., 1991; Shaub & Munter 1993; Barnett et al. 1994; Barnett et al. 1998; Bass, Barnett & Brown 1999; Douglas et al. 2001; Henle et al. 2005; Chan & Leung 2006; Singh et al., 2007; Marques and Pireira 2009). All the previous studies attest to the EPQ validity and reliability. Available empirical evidence attest to the usefulness of EPQ to explain differences in moral judgments and differences in individuals' decisions.

EPQ has been successfully applied in western research studies. Therefore, the aim of the current study is to apply EPQ in a non-western context to examine the various constructs to classify the ethical orientation scale. An additional objective of the study is to understand relevancy of various items of EPQ in a non-western context by analyzing the correlations among different measured constructs of EPQ.

## LITERATURE REVIEW

### *Ethics Position Questionnaire*

Individual systems of morality can influence the ethical behavior and decision making. In this context, personality and social psychology researches have conducted many studies to describe and measure the moral difference among individuals (Rest et al., 1974; Hogan, 1970; Kohlberg, 1968). Ample empirical support is available to support the notion that individual's ethical beliefs influences his/her approach to ethical judgment & decision making (Whitcomb et al., 1998; Barnett, Bass et al., 1998; Barnett et al., 1994; Davis et al., 1998; Forsyth and Burger, 1982; Forsyth, 1980, 1981). There exists studies that examine the impact of personal ethical beliefs on ethical decision making in business issues in developed countries (Singhapakdi et al. 2013; Loe et al., 2013; Bateman et al., 2013; Bray et al., 2011; Rogerson et al., 2011; Bageac et al., 2011; Redfern, 2004; Barnett et al., 1998). However few such studies exist in the context of developing countries (Hernandez & McGee, 2014; Ardichvili et al., 2012; Alam, G. M. et al., 2010; Lu & Lu, 2010; Eckhardt et al., 2010). Available literature on cross-cultural business ethics suggests that there may exist some difference in crosscountry or crosscultural ethical ideology of individuals (Marques and Pereira 2009; Fernando et al., 2008; Henle et al., 2005; Jackson et al., 2000; Singhapakdi et al., 1999; Lee and Sirgy, 1999; McDonald & Pak, 1996; Singhapakdi et al., 1994).

In their cross-cultural study of selected countries, Forsyth, O'Boyle and McDaniel (2008) found predictable variation of the degree of idealism and relativism across regions. The westerners dominantly followed exceptionist ethics while easterners followed subjectivity and situation-based ethics. They argued that a nation's ethical position is predicted by its cultural dimensions, such as individualism and avoidance of uncertainty (Hofstede, 1980).

According to Schlenker and Forsyth (1977), individual differences in moral judgment involve two principal factors or dimensions: Relativism & Idealism. Both factors are derived from fundamental theories of moral philosophy i.e. deontological approach and teleological approach. Both factors represent the extent to which the individual accepts or rejects universal moral rules. Universal moral rules are rules that govern right & wrong behavior in all situations. Individuals high on each item seek different approach when faced with ethical decision making. An individual high on relativism is more likely to reject the universal moral rules when making ethical judgments. While an individual high on idealism seek humanitarian consideration when making ethical judgments. Individuals following relativistic approach are compassionate and while judging a decision give more preference to circumstances than the outcome of a decision. (Elias, 2002). (Schlenker & Forsyth, 1977) argues that the two dimensions of relativism & idealism exist independently of one another. The dimension of relativism relates to deontological theory of moral philosophy that focuses on universal rules and individual behaviors and actions that are influenced by them. The dimension of Idealism is related to teleological theory of moral philosophy which focuses on the consequences of individual behavior. Ethics position questionnaire (EPQ) is a scale developed by Forsyth (1980) to measure individual difference in ethical perspective along the dimensions of idealism & relativism described by Schlenker and Forsyth, (1977). The scale consists of twenty short statements, ten measuring each dimension of relativism & idealism. Each statement is judged by using a likert scale to represent respondents' level of agreement or disagreement against each statement. Ethics position questionnaire (EPQ) has also been used in business contexts to examine the influence of personal ethical ideology on ethical decision making (Barnett et al., 1994). (Barnett et al., 1994) found significant relationship of idealism with individual's ethical judgments but no such relationship was found for

realism. (Davis et al., 2001; Davis et al., 1998; Forsyth's, 1980) found a positive relationship of idealism and negative relationship of relativism with individual ethical judgments. In most studies the impact of idealism on ethical judgment was comparatively stronger than the impact of relativism (Davis et al., 2001). In the study of business students, (Davis et al., 2001) reported that the two factor structure proposed by (Forsyth's, 1980) was not validated. Consequently (Davis et al., 2001) proposed a three factor structure adding a new factor called veracity. However the dimension of veracity had no impact on ethical judgments. In a study of US and Korean managers, (Lee & Sirgy, 1999) validated the two factor structure proposed by (Forsyth's, 1980). (Davis et al., 2001) found a negative correlation between respondent score on relativism dimension and their score on Hogan's survey of ethics attitudes (Lee & Sirgy, 1999). (Leary et al., 1986) found a negative relation between dimension of idealism & scale of Machiavellianism (Christie, 1968). Individuals high on Machiavellianism can reject conventional morality in favor of situation based ethics (Christie, 1970). (Davis et al., 2001) suggested that individuals who were highly relativistic were likely to have flexible beliefs. (Forsyth, 1988; Gilligan, 1982; Lyons, 1983) suggested that idealists my promote welfare of others. A study of Portuguese accounting professionals revealed that age was the major factor behind the relativistic ethical judgment. Older respondents exhibited significantly more relativistic judgment than the younger respondents. The study further found that the individual ethical ideology had no significant bearing on the individual ethical judgment. However, another study found that individual's ethical orientation and ethical decision making were significantly related to each other (Greenfield et al., 2008). Another study revealed that relativist individuals didn't differ significantly with respect to their assessment of fraud (Achilles, 2006). Another study used EPQ and found that in situations of high moral intensity, the ethical orientation of individuals was related to their ethical

judgments (Douglas et al., 2001). The study of Shaub et al. (1993) found that the probability of recognizing ethical issues as lower in case of individuals with high relativistic ethical orientation. On the other hand, respondents high on idealism showed higher level of professional commitment. In their study of the relationship between spiritual well-being and ethical orientation in decision making, Fernando and Chowdhury (2010) found that spiritual well-being was correlated with and predictive of idealism but there exist a weak relationship between spiritual well-being and relativism. Singh et al. (2007) study of marketing professionals in United States and China found that individual's moral philosophies and moral intensities were related to each other. The study further discovered that the moral philosophies and moral intensities of individuals varied in the two nations and while relativism appeared to be a significant predictor of moral intensity of Chinese professionals the same was not true for American professionals. Idealism was a significant predictor of moral intensity of both Chinese and American professionals. Henle et al. (2005) found that people having low idealism orientation behave less ethically.

### *Ethics Position Questionnaire (EPQ) and National Culture*

There exist studies in business ethics literature on cross-country and cross-cultural differences in ethical philosophers and the way they are applied in ethical decision making (Jackson et al., 2000; McDonald and Pak, 1996). These studies suggest that individual moral philosophies do vary across cultures and countries and individuals in different cultures vary in their degree of idealism (Singhapakdi et al., 1999). Similar results were achieved by Attia et al., (1999) that found Middle Eastern marketers more idealistic than their American counterparts. Although the two groups didn't differ significantly on relativism dimension. (Lee & Sirgy, 1999) obtained similar results in their study of Korean & American managers and Davis et al. (1998) found that degree of relativism varied

significantly among study participants in Indonesia and America.

Such differences in moral ideologies exists in Asia as well (Redfern, 2004). The culture within this region is very diverse and the values within any given region are very dynamic. Researchers suggest that the values in Asia region shouldn't be generalized in the context of business ethics (Koehn, 1999; Lu, 1997; Sen, 1997). Koehn (1999) suggest that it is very hard to ascertain common values shared across Arian cultures. Therefore a more appropriate approach is to analyze the Asian values of a country within its own national and regional context.

## RESEARCH OBJECTIVES

According to Davis et al. (1998) and Lee and Sirgy (1999), various studies including within Asia studies, have found factor structure of EPQ reliable and stable. However no study has attempted to examine the applicability and reliability of EPQ in a Pakistani context. Given that the factor dimensions of EPQ have been found to vary among individuals belonging to different countries (Attia et al., 1999; Lee & Sirgy, 1999; Singhapakdi et al., 1994; Davis et al., 1998) and the significant impact of their dimensions on business decisions (Barnett et al., 1994, 1996; Davis et al., 1998, 2001) it is pertinent to examine these dimensions in a developing country perspective, in this case Pakistan.

Given no previous study examining ethical ideology in Pakistan, the nature of the present study is exploratory. The study will attempt to offer some preliminary finding to provide avenues for further research. The main objective of this study is to examine the factor structure of EPQ (Forsyth, 1980) in a sample of managers from Pakistan.

This study will provide an addition to the knowledgebase of the applicability of western research scales in non-western context. It is a widely popular area of discussion on the subject of values and ethics (Adler et al., 1989; Chinese Culture Connection, 1987). Other studies have incorporated

assumptions regarding the appropriateness of EPQ in the context studies were done. However this study makes no such assumption in line with (Redfern, 2004)). As such, this study makes no hypothesis regarding the relative scores on the idealism and relativism dimensions. Instead, the responses to EPQ will be analyzed determine the appropriate dimensions in Pakistan context.

## RESEARCH METHODOLOGY

In general, factor analysis technique is used to analyze the patterns of complex, Multi-dimensional relationships to orderly simplify, summarize and reduce data (Hair et al. 2010; Child 1970). This study used factor analysis technique to generalize the key dimensions of ethical orientation of Pakistani managers.

### Sample and data collection

For this study, convenience sampling strategy was used and the data was collected from 201 Pakistani professionals working at mid-level (5-8 years of experience) managerial positions. The researcher sought help from his friends to seek suitable study respondents from their social circle. The self-administrated questionnaire was distributed to and collected by study respondents in both in hard and soft copy formats. Pakistani culture strongly emphasis on connections and relations. Conducting a research in Pakistan using mail surveys is faced with similar types of problems when conducting research in mail survey research in China and is well documented in the literature (Roy et al., 2001).

### Measures

The main research instrument used in this study was EPQ and all questions were rated on a 9-point Likert-scale (1 = strongly disagree, 9 = strongly agree). Relativism and Idealism are two distinct dimensions of individual's ethical ideology as identified by EPQ. In addition to EPQ, the survey administered also contained questions about respondents demographic and organization information.

### Analysis

The data was analyzed using SPSS software (version 20.0) and included descriptive statistics and factor analysis.

## RESULTS AND DISCUSSIONS

### Data Screening

Pallant (2007) suggests checking the data for errors before analysis. The checking involves e.g. checking of outlier values for variables and missing values of variables. The results of descriptive analysis showed that there were neither any missing data nor any outlier values out of the 201 total numbers of valid cases. According to (Hair et al., 2010), the dataset is acceptable if the proportion of total missing data is less than 10 percent. Therefore the dataset was acceptable for analysis.

### Descriptive statistics

Table 1 shows the distribution of managers by gender. There is a reasonable distribution of both males and females. In terms of age distribution, the mean ages for the male and female groups were 31.2 and 35.6 years respectively. As indicated in Table 2, the majority of respondents in both gender groups ranged in age from 26 to 45, with a slightly higher proportion of younger managers in male group. Table 3 indicates the highest level of education completed by managers. There appears to be no major differences in the level of education attained by male and female managers with a majority of managers having attained a Master's degree or above. Respondents worked in all types of organizations (see Table 4). Given the still dominant influence of the private sector in Pakistan, the majority of respondents belonged to this sector.

Table 1 Respondents Distribution by Gender (%)

Male	56
Female	44

Table 2 Respondents Distribution by Age (%)

	22-25	26-35	36-45	45+
Male	14.9	61.8	16.5	5.2
Female	5.5	46.9	39	8.5

Table 3 Respondents Distribution by highest level of education completed (%)

	High School	College	Bachelors	Master	PhD
Male	4.9	23	21.1	51	0
Female	6	27	18	49	0

Table 4 Respondents Distribution by type of organizations (%)

	Private Organization	Joint Venture	State-owned Enterprise	Direct Investment	Other
Male	56	14	18	10.8	1.2
Female	52	18	17.5	12	0.5



#### Reliability Test

Reliability of constructs was estimated using Cronbach's coefficient (alpha). Higher values of Cronbach's alpha represent the higher internal consistency of the construct. Values of alpha greater than 0.9 represents very high consistency while the values between 0.5 and 0.7 represent moderate consistency (Hinton, Brownlow, McMurray, & Cozens, 2004).

It was found that the Cronbach's alpha of 10 items of Idealism construct was 0.75. Table 5 shows the Item-Total Statistics of 10 items of Idealism construct. In addition, looking at Table 6 we can see that the values of item-total correlation are high indicating that all items measuring the scale as a whole.

**Table 5: Item-Total Statistics of Items of Idealism**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q1	30.33	31.643	.552	.712
Q2	30.81	30.934	.525	.713
Q3	30.71	30.388	.583	.704
Q4	30.05	33.478	.353	.738
Q5	30.37	29.275	.685	.688
Q6	30.26	29.305	.598	.700
Q7	31.68	39.398	-.116	.798
Q8	30.43	31.377	.543	.712
Q9	31.21	30.739	.510	.715
Q10	30.94	38.136	-.025	.787

Item 4 and 7 had very low values of item-total correlation and therefore dropped from analysis. A re-test of reliability showed Cronbach's alpha of 8 items of Idealism was 0.842. Table 6 shows the Item-Total Statistics of the 8 items of Idealism.

Similarly, Cronbach's alpha of 10 items of Relativism construct was 0.684. Table 7 shows the Item-Total Statistics of 10 items of Relativism construct.

Item 11 and 19 had very low values of item-total correlation and therefore dropped from analysis. A re-test of reliability showed Cronbach's alpha of 8 items of Idealism was 0.74. Table 8 shows the Item-Total Statistics of the 8 items of Relativism.

**Table 6: Item-Total Statistics of 8 Items of Idealism**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q1	24.78	30.915	.627	.818
Q2	25.25	30.340	.580	.823
Q3	25.15	30.348	.589	.822
Q4	24.49	34.341	.283	.857
Q5	24.82	28.761	.736	.803
Q6	24.71	28.188	.696	.807
Q8	24.88	30.809	.599	.821
Q9	25.66	30.807	.508	.833

**Table 7: Item-Total Statistics of 10 Items of Relativism**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q11	29.24	33.823	.009	.712
Q12	28.43	27.776	.409	.648
Q13	27.97	28.409	.458	.641
Q14	28.36	28.441	.426	.646
Q15	28.65	25.500	.573	.611
Q16	28.60	29.892	.285	.672
Q17	28.75	28.038	.519	.631
Q18	28.62	29.978	.338	.662
Q19	28.76	31.935	-.117	.702
Q20	28.89	29.208	.326	.665

**Table 8: Item-Total Statistics of 8 Items of Relativism**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q12	22.81	23.184	.513	.697
Q13	22.35	24.680	.486	.704
Q14	22.74	24.713	.452	.710
Q15	23.03	21.599	.632	.669
Q16	22.98	26.810	.243	.749
Q17	23.13	24.317	.551	.693
Q18	23.00	26.130	.368	.725
Q20	23.27	26.530	.254	.748

The values obtained suggest that all constructs were internally consistent and each dimension of Relativism and Idealism has sufficient internal

consistency. For both constructs i.e. Idealism and Relativism, there are eight items that measured each construct.

#### Factor Analysis

Value of KMO and Bartlett's Test (See Table 9) shows that the sample is adequate for analysis. Initially, the factorability of the 16-item of EPQ was examined. Firstly, Table 10 suggests that 86 of the 190 correlations (45%) exceeding .30 are significant at 0.1 level. item, suggesting reasonable factorability

**Table 9: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.861
Approx. Chi-Square	1075.947
Bartlett's Test of Sphericity Df	120
Sig.	.000

**Table 10: Correlation Matrix**

		Q1	Q2	Q3	Q5	Q6	Q8	Q9	Q10	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q20
Correlation	Q1	1	0.505	0.383	0.571	0.562	0.476	0.322	-0.156	0.274	0.076	0.3	0.41	-0.053	0.371	0.26	0.145
	Q2	0.505	1	0.47	0.529	0.514	0.379	0.288	-0.057	0.297	0.199	0.291	0.392	0.071	0.357	0.267	0.103
	Q3	0.383	0.47	1	0.428	0.477	0.348	0.461	-0.042	0.178	0.051	0.255	0.273	-0.026	0.22	0.124	0.063
	Q5	0.571	0.529	0.428	1	0.68	0.529	0.416	-0.062	0.386	0.155	0.252	0.493	-0.03	0.242	0.255	0.135
	Q6	0.562	0.514	0.477	0.68	1	0.546	0.396	-0.178	0.513	0.223	0.347	0.584	0.021	0.423	0.338	0.178
	Q8	0.476	0.379	0.348	0.529	0.546	1	0.438	-0.072	0.399	0.127	0.229	0.364	-0.002	0.141	0.229	0.155
	Q9	0.322	0.288	0.461	0.416	0.396	0.438	1	0.033	0.196	0.011	0.084	0.206	0.05	0.143	0.074	0.106
	Q10	-0.156	-0.057	-0.042	-0.062	-0.178	-0.072	0.033	1	-0.179	-0.121	-0.165	-0.219	-0.067	-0.081	-0.086	-0.104
	Q12	0.274	0.297	0.178	0.386	0.513	0.399	0.196	-0.179	1	0.408	0.405	0.469	0.077	0.314	0.379	0.098
	Q13	0.076	0.199	0.051	0.155	0.233	0.127	0.011	-0.121	0.408	1	0.363	0.52	0.209	0.272	0.075	0.144
	Q14	0.3	0.291	0.255	0.252	0.347	0.229	0.084	-0.165	0.405	0.363	1	0.44	0.075	0.332	0.221	0.064
	Q15	0.41	0.392	0.273	0.493	0.584	0.364	0.206	-0.219	0.469	0.52	0.44	1	0.164	0.465	0.263	0.251
	Q16	-0.053	0.071	-0.026	-0.03	0.021	-0.002	0.05	-0.067	0.077	0.209	0.075	0.164	1	0.333	0.114	0.132
	Q17	0.371	0.357	0.22	0.242	0.423	0.141	0.143	-0.081	0.314	0.272	0.332	0.465	0.333	1	0.321	0.242
	Q18	0.26	0.267	0.124	0.255	0.338	0.229	0.074	-0.086	0.379	0.075	0.221	0.263	0.114	0.321	1	0.198
	Q20	0.145	0.103	0.063	0.135	0.178	0.155	0.106	-0.104	0.098	0.144	0.064	0.251	0.132	0.242	0.198	1

(Tabachnick & Fidell, 2007).

There were no independent variables that had condition indexes above 30 coupled with two variance proportions greater than .50 (See Table 10). Hence, based on these basic assumptions of the multivariate model, it implies that there were no statistically significant violations (Tabachnick & Fidell, 2007).

Then, the Principal Component Analysis (PCA) method with oblimin rotation was used. According to Hair et al. (2010) a factor loading of .50 and above should be considered as a significant loading on a particular factor and factors with an eigenvalue of 1.0 or more should be used for further analysis. As a result 4 factors were retained that explained 58.04% of the total cumulative variance (See Table 11).



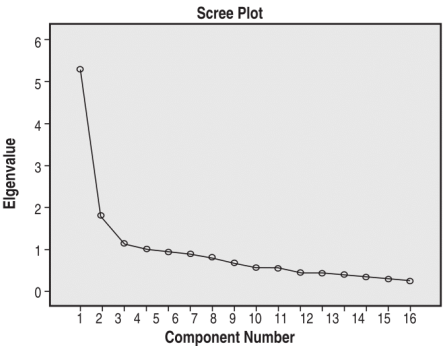
Table 11: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.291	33.067	33.067	5.291	33.067	33.067	3.875	24.216	24.216
2	1.821	11.380	44.448	1.821	11.380	44.448	2.472	15.447	39.663
3	1.152	7.202	51.649	1.152	7.202	51.649	1.541	9.633	49.297
4.	1.025	6.405	58.055	1.025	6.405	58.055	1.401	8.758	58.055
5.	.942	5.888	63.943						
6	.902	5.637	69.580						
7.	.815	5.096	74.675						
8.	.694	4.336	79.011						
9.	.594	3.711	82.722						
10.	.561	3.506	86.228						
11.	.459	2.870	89.098						
12.	.440	2.749	91.847						
13.	.411	2.567	94.414						
14.	.351	2.195	96.609						
15.	.291	1.817	98.426						
16	.252	1.574	100.00						

Extraction Method: Principal Component Analysis.

Looking at scree plot (see Figure 1) a clear break between third and fourth factor was observed. According to Catell (1966), factors above the break in the plot should be retained for analysis. These factors are the factors that explain the most variance in the data set. Therefore, three factors were retained for further analysis that explained 52% of total cumulative variance.

Figure 1: Scree Plot



Classification of Constructs

A principle-components analysis (PCA) of the sixteen items of EPQ was performed. The PCA revealed three factor solution that explained 52% of the variance. All items had primary loadings over 0.5 (See Table 11). According to Pallant (2007), the ideal number of component loadings on each factor should be three items or more. A factor with fewer than three items is generally weak and unstable; 5 or more strongly loading items (.50 or better) are desirable and indicate a solid factor (Costello & Osborne, 2005). Therefore we dropped the third component with loading of only two factors.

Table 12 shows the factors extracted from the responses of Pakistani managers to EPQ. Table 12 identifies the two factors revealed from the responses made by the Pakistani managers on EPQ. Idealism was perceived as the most important

criteria of ethical orientation. Idealism had seven items, i.e., "never necessary to sacrifice the welfare of others", "existence of potential harm to others" "threaten the dignity and welfare of another individual", "harm an innocent other", "dignity and welfare of people", "intentionally harm others", and "risks to another". Compared to the original EPQ, these items belong to the ten items of Idealism scale. This lends support for the validity of this measure in the Pakistani sample. Thus we have labeled this dimension Idealism, consistent with Forsyth. However, it should be noted that not all of the Idealism items in the original questionnaire loaded strongly on this factor. Furthermore, it should be acknowledged that the Idealism factor might not represent precisely the "Idealism" construct as interpreted by Forsyth (1980). Indeed, when the items loading on the factor in the Pakistani sample are examined at face value, they appear to reflect

Table 12: Results of Factor Extraction

	Component			
	1	2	3	4
Q9: It is never necessary to sacrifice the welfare of others.	.764			
Q3: The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.	.756			
Q5: One should not perform an action which might in any way threaten the dignity and welfare of another individual.	.746			
Q6: If an action could harm an innocent other, then it should not be done.	.662			
Q8: The dignity and welfare of people should be the most important concern in any society.	.662			
Q1: People should make certain that their actions never intentionally harm others even to a small degree.	.645			
Q2: Risks to another should never be tolerated, irrespective of how small the risks might be.	.636			
Q13: Moral standards should be seen as being individualistic; what one person considers to be moral may be judged to be immoral by another person.		.853		
Q14: Different types of moralities cannot be compared as to "rightness".		.696		
Q15: Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.		.617		
Q12: What is ethical varies from one situation and society to another.		.599		
Q16: Moral standards are simply personal rules which indicate how a person should behave, and are not to be applied in making judgments of others.			.780	
Q17: Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulated their own individual codes.			.512	
Q20: Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.				-.677
Q18: Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustment.				-.651
Q10: Moral actions are those which closely match ideals of the most "perfect" action.				

Extraction Method: Principal Component Analysis

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 24 iterations.

notions of humanity and kindness, avoidance of harm and a focus on the welfare of others, rather than a definitive description of the Western philosophical construct of Idealism as described by Forsyth (1980).

We have four items with significant loading on our second construct i.e. "moral standards should be seen as being individualistic", "moralities cannot be compared", "what is ethical for everyone can never be resolved", and "what is ethical varies from one situation and society to another". Again, compared to the original EPQ, these items belong to the ten items of Relativism scale. This lends support for the validity of this measure in the Pakistani sample. Thus we have labeled this dimension Relativism, consistent with Forsyth. However, it should be noted that not all of the Relativism items in the original questionnaire loaded strongly on this factor. The second factor contains items which emphasize an individualistic interpretation of the situation (Q12, 13, 14, 15). These items overlap significantly with Forsyth's (1980) "Relativism" construct. This seems to suggest that the individual assessment of the situation reflected in this construct, relies on something other than a black and white, rational consideration of the consequences. It seems Pakistani managers does not emphasize any ethical theory of hypothetical choices to determine action in each situation, but relies on situational intuitions which are harmonious with nature. That in turn shows that Forsyth's (1980) "Relativism" construct (eigenvalue = 1.82, variance explained= 11.4%, Cronbach's Alpha = 0.74) is applicable in the Pakistani sample.

The results seem to support those of other authors who have suggested that Idealism has a stronger prevalence in more Westernized or industrialized economies (Lin, 1999; McDonald & Pak, 1996; Whitcomb et al., 1998). Thus, it is possible that there may be a convergence of values in the Pakistani managers toward that more consistent with individuals from Western countries.

## CONCLUSION

This is the first study on analysis of ethical orientation of Pakistani managers using EPQ ethical orientation scale developed by Forsyth (1980). The overall results established that 11 items of the original EPQ were found suitable for measuring the ethical orientation of the Pakistani managers. Due to insufficient loading or insufficient number of items loading, five items were dropped. Four items were excluded from Relativism scale and one item was dropped from Idealism scale.

The issue of the applications of western-origin research scales to measure psychological constructs in non- Western environments is important that has been investigated by many researchers of cross-cultural psychology and management (Adler, 1989; Chinese Culture Connection, 1987, etc.). Still there exists few empirical studies that examine the appropriateness of western-origin research scales (such as EPQ) for developing countries cultures. There exist studies that have attempted to analyze ethical ideologies in Eastern cultures using Forsyth's (1980) Ethics Position Questionnaire. EPQ is a well cited measure of ethical ideology in the psychology and management literature. However, we see little evidence of analyzing the appropriateness of two major items while applying EPQ in developing countries. These two major items include appropriateness of the items within EPQ and the labeling of the EPQ constructs themselves (Redfern, 2004)).

The present study has attempted to provide a preliminary investigation of the issues surrounding application of EPQ in a non- Western context of the Pakistan. The factor analysis performed in the study revealed two factors or dimensions which were essentially orthogonal. These two dimensions significantly overlapped with the two dimensions provided by the original EPQ developed by Forsyth (1980) i.e. Idealism and Relativism. The findings of the study are consistent with the findings of previous studies (Barnett et al., 1994; Davis et al.,

2001; Forsyth, 1980, (Redfern, 2004)). Thus, the results of this study attest to the reliability of the dimensions of EPQ in a Pakistani context.

However, the item loadings on factors in this study showed that themes within Pakistani context were different from themes of original EPQ. It was also found that Pakistani managers were high on "Idealism". This observation may be suggestive of the higher levels of exposure to Western lifestyle practices and ideology enjoyed by Pakistani managers. With respect to the dimension of Idealism, these themes are consistent notions of benevolence, and the importance of harmony in human relationships. With respect to the dimension of Relativism, these themes suggest that Pakistani version of Relativism reject the utilitarian approach of decision making in a given situation and the decision making approaches of Pakistani managers may be quite different from those proposed by Forsyth (1980) as Relativist.

The findings of this study are expected to provide some "food for thought" for researchers of values and ethics to gain a deeper understanding of methodological and ideological issues in cross-cultural settings. The findings suggests a new scale with two dimensions of ethical orientation having different constructs than the original EPQ. It is hoped that this new scale would provide insight into the appropriate items for the constructs of EPQ and contribute to a more meaningful application of EPQ in Pakistani and other Asian contexts.

## LIMITATIONS OF THE STUDY

One limitation of this study is the use of convenience sample. As such, there are limitations on the findings of this study with respect to their generalizability to the population of Pakistani managers. Future studies should verify the new scale developed in this study on Pakistani and other Asian managers to further enhance the reliability of the scale. This study provides a snapshot of Pakistani culture at a given time and place. Every culture has certain values. It

should also be noted that values are dynamic and change over time under the influence of a variety of factors such as economic and societal factors and geo-political situation.

## AREAS OF FURTHER RESEARCH

While this study provides the dimensions and item loadings of EPQ in Pakistani context, future research can further analyze and test the constructs and their items to establish precise nature of the relationships among the moral dimensions. In addition,

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