

**BUSINESS ETHICS AND RELIGION IN THE FINANCIAL BUSINESS
SECTOR: CASE OF SYRIA**

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Abstract

Business ethics is one of the most discussed topics in this millennium, and one of the most conflicting subjects. Unfortunately, people nowadays believe that ethics is not related to any type of religion, but is a habit gained from culture, family upbringing and society.

This study is exploratory in nature and assesses the notion related to the absence of the true meaning of religion and how people separate ethics from religion. A survey questionnaire is used to collect data to assess respondents' knowledge, attitude, and demographics. This paper is an investigative review of how religion affects the behavior of people working in places that are more often exposed to unethical practices. This research assesses business ethics within the context of Islam in banking and insurance sectors in Syria. The expected outcome is to add to the existing literature that addresses ethics as an essential part of religion.

Keywords : Ethics, religion, banks, Islam in banking, Syria

Introduction

Business ethics is one of the most discussed topics in our millennium, and one of the most conflicting subjects within the business environments. Relating business ethics to any religion is a tough task to do, especially in the Middle East which hosts several religions.

This exploratory research adds a religious perspective to one possible field of research in applied ethics. According to millions of Muslims in the Middle East region, the core of any ethics in the material world is already manifested by God who has sent his messenger to complete the message of peace, which includes ethics, on earth. This research provides just a glance of how Islam, as a religion, affects the human nature within a selected work environment; specifically, banking and insurance sectors in Syria that are more often exposed to unethical practices.

More specifically, the research is about the assessment of a selected number of employees' practices and ethical behavior, based on their religious background.

Literature Review

Historical Background and Definition of Business Ethics

Marcoux (2008, Para. 4) contends that "business ethics is probably as old as trade itself. If law is a rough guide to widely-held moral intuitions, the Code of Hammurabi (1700s B.C.) was civilization's early attempt to establish the moral boundaries of commercial activity, concerning prices and tariffs and laying down both rules of commerce and harsh penalties for noncompliance. Aristotle's *Politics* (300s B.C.) explicitly addresses commercial relations in its discussion of household management. Judeo-Christian morality as expressed in the Talmud (200 A.D.) and in the Ten Commandments (Exodus 20:2-17; Deuteronomy 5:6-21) includes moral rules that are applicable to commercial conduct".

Research on business ethics is rampant these days due to the latest financial scandals that were attributed to extorted work ethics practiced by the various financial institutions in their actual dealings. Questions have been asked to assess the role of educational institutions in preparing students in the area of business ethics. However, to add clarity to the above mentioned issue, it is necessary to clarify that the term ethics refers to right and wrong conduct within a frame of rules and principles (Hejase and Tabch, 2012, p. 117).

Business ethics is considered a discrete, self-conscious academic discipline, and is roughly four decades old. Raymond Baumhart's groundbreaking studies in the 1960s are generally understood to be the earliest contributions to business ethics. Richard De George (2005, cited in Marcoux, 2008, Para. 5) dates academic business ethics to the 1970s, identifying Baumhart as a forerunner of self-conscious academic business ethics. Prominent contemporary business ethicist Norman Bowie dates the field's first academic conference to 1974.

Although academic instruction explicitly devoted to the relationship between ethics and commerce can be found in U.S. business schools as early as the first three decades of the 20th century, particularly in Catholic colleges and universities, the creation of academic positions dedicated explicitly to business ethics in U.S. business schools relates closely to the waves of corporate scandals that have extended from the 1980s to the present. Academic business ethicists address questions from across the functional areas of business, giving rise to various recognized specialties in business ethics (e.g., marketing ethics, finance ethics, accounting ethics). But despite the wide range of questions pursued, the bulk of the academic literature and discussion focuses on the large corporations whose ownership shares are traded on public exchanges (Marcoux, 2008, Para. 6-7).

(Marcoux, 2008) contends that "the corporate focus is evident in the titles of early works of academic business ethics that have done much to shape the subsequent discussion in the field." Tom Donaldson's *Corporations and Morality* (1982) and Patricia Werhane's *Persons, Rights, and Corporations* (1985) take

business ethics to be basically concerned with questions about the corporation's proper role in and its relationship to the social order. These questions, which govern the overall perspective of the field, are said to surround the "moral status of the corporation," meaning one or both of: (1) Is the corporation a moral agent, distinct from the persons who compose it? (2) Morally, how or in whose interests ought the corporation be managed? (Para. 9).

However, the main purpose of ethics in business is to lead businessmen and businesswomen to abide by the codes of conduct that would help them secure public confidence in the services and products they offer to the concerned stakeholders (Smith, Smith and Mulig, 2005).

For a clearer definition of business ethics, it is important first to define what ethics is. According to Jones and George (2009) "*ethics are the inner guiding moral principles, values, and benefits that people use to analyze and interpret a situation and then decide what is right or the appropriate way to behave*". Whenever the word ethics is found, it is correlated with the word ethical dilemma. Jones and George (2009) manifest that "*an ethical dilemma is the quandary people find themselves in when they have to decide if they should act in a way that might help another person or group even though doing so might go against their own self-interest*" (p.141).

Since the aforementioned dilemma is also found in the world of business, the term business ethics has been introduced. Business ethics (also known as Corporate Ethics) is a form of applied ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and business organizations as a whole. It is worth noting that applied ethics is a field of ethics that deals with ethical questions in many fields such as medical, technical, legal and business ethics (Hosmer, 1991).

Solomon, who is a Neo-Aristotle thinker, believes that "business ethics is just the broad understanding and appreciation of business life" (Solomon, 1994, p. 1). Whereas, Peter Drucker, the guru of management, sees that "Business Ethics" is rapidly becoming the "in" subject that is replacing yesterday's "Social Responsibility" (Drucker, 1981, p. 18).

There are many definitions for business ethics; they all stress the fact that managers must balance the ideal against the practical, the need to produce a reasonable profit for the company's shareholders with honesty in business practices, safety in the workplace, and larger environmental and social issues. The scope of business ethics has widened since organizations are getting larger and most of them are taking the form of Multinational Corporation.

Importance of Ethical Business Decisions

Companies and business people who wish to thrive for a long-term must adopt sound ethical decision-making practices. Companies and people who behave in a socially responsible manner are much more likely to enjoy ultimate success than those whose actions are motivated solely by profits.

Knowing the difference between right and wrong and choosing what is right is the foundation of ethical decision making. In many cases, doing the right thing often leads to the greatest financial, social, and personal rewards in the long run.

According to Jones and George (2009), there are four ethical principles against which the researcher is to analyze the effects of business decision; they are

- ✍ **Utilitarian Rule:** It is an ethical decision that produces the greatest good for the largest number of people.
- ✍ **Moral Right Rule:** It is a decision that best maintains and protects the fundamental or inalienable rights and privileges of the people affected by it.
- ✍ **Justice Rule:** It is a decision that distributes benefits and harm among people and groups in a fair, equitable, or impartial way.
- ✍ **Practical Rule:** It is a decision that a manager has no reluctance to communicate to people outside the company because the typical person in a society would think it is acceptable (p. 150).

When faced with ethical dilemmas, it is important to consider the outcomes of the decision-making process. According to Merchant (2013), one way of dealing with ethical dilemmas is by using the four-way test to evaluate decisions. This test involves asking the following four questions:

1. Is my decision a truthful one?
2. Is my decision fair to everyone affected?
3. Will it build goodwill for the organization?
4. Is the decision beneficial to all parties who have a vested interest in the outcome?

When these four questions can be truthfully answered with a “yes”, then, the decision taken is likely an ethical one (Merchant, 2013, Para. 13).

Merchant (2013) proposes another way of making sure decisions are truly ethical. He proposes the publicity test: One should ask oneself, “How would I feel if my actions were published in my hometown newspaper?” The argument behind such a procedure is that if one is comfortable in having his/her parents, grade school teachers, and other people find out what he/she did, chances are that the said decision is an ethical one. However, if one would not want these individuals to learn about his/her actions, one probably needs to rethink his/her decision (Para.14). Further, Jones and George (2009) believe that another way to approach a definition for business ethics is from shareholder’s and stockholder’s perspectives (p. 144).

Factors Impacting Business Ethics

There are various factors that may directly or indirectly have an impact on business ethics, be it gender, age, or cultural values, in addition to those that are business related.

According to Perryer & Jordan (2002), there is a body of literature that suggests that men and women differ in the way they perceive and resolve moral

and ethical dilemmas. They cited Gilligan (1982) who believed that while men are more likely to consider rules, rights and fairness, women are more likely to be concerned with relationships, compassion and caring. This difference is generally considered to be the result of gender socialization in early childhood. Traditional girls' games involve indirect competition, and are more concerned with inclusion and turn-taking, while traditional boys' games tend to have more complex and rigid rules, and involve competing against others within the parameters of these rules (Dawson, 1997).

Peterson, Rhoads and Vaught (2001) also found that age was a significant predictor of ethical behavior. They report that older people possess higher ethical beliefs, and are less likely to be influenced by people around them at work and at home. This finding is intuitively appealing, and is in line with a number of moral development models such as that proposed by Kohlberg (1969). Other studies, however, such as Cortese (1989), found that age was not significant. Both Dawson (1997) and Peterson et al. (2001) reported an interaction between age and gender. Their findings suggest that ethical attitudes develop at different rates for each gender, with the differences diminishing as age increases.

However, most of these studies examined gender differences in particular societies, professions or business courses. Perryer & Jordan (2002) found out that until recently, less attention has been given to the possible influence of cultural values on attitudes to ethics, despite the extensive body of literature attesting to cultural difference. This seems to be an important area for research in an era of increasing workplace diversity (p. 370). Moreover, the authors believe that recent studies that have examined the influence of culture have generally found it to be a significant predictor of ethical behaviors or attitudes, and that values acquired at home through gender socialization during childhood, and through moral development in general influence attitudes to ethical issues; in addition to the fact that shared values acquired from organizational life, through company's codes of ethics, socialization and management example, are also likely to influence attitudes to ethical issues (ibid, p. 371). Consequently, any studies that attempt to understand the influence of gender and age on ethical attitudes and behaviors should ensure that the effect of cultural value systems is taken into account.

According to Merchant (2013), managers who want employees to behave ethically must exhibit ethical decision making practices themselves. "A company's managers play an important role in establishing company's ethical tone. If managers behave as if the only thing that matters is profit, employees are likely to act in a like manner. A company's leaders are responsible for setting standards for what is and is not acceptable employee behavior. It's vital for managers to play an active role in creating a working environment where employees are encouraged and rewarded for acting in an ethical manner" (Para.15).

Ethical Decision-Making Process

After shedding light on the definition and factors that influence ethical decision-making, one may dissect the ethical decision-making process, analyze its elements and find the points that affect each element.

Cipoletti (2013) contends that “on a comprehensive level, ethical decision making entails following a set of guidelines that support accepted ideas about proper workplace conduct. To practice and understand ethical decision making, professionals must first understand the three steps/stages involved in the ethical decision making process proposed by James Rest, namely, moral recognition, moral evaluation and moral intention” (Para. 1)..

Moral Recognition:

To attain moral recognition, one needs to implement the following three steps:

1. Individuals are to identify that a situation involves a moral issue.
2. Individuals are to interpret or perceive situations with regard to the magnitude of consequences.
3. Individuals are to recognize that moral recognition is predicated on the weight and intensity of the morals encompassing the decision (Cipoletti, 2013, Para 3).

Moral Evaluation:

After recognizing situations that involve ethical issues, the second step in ethical decision making involves the evaluation of inherent consequences of each possible course of action. Depending on a person's background (e.g. cultural, socioeconomic, educational etc.), the factors influencing the judgment of the morally right course of action differ (Para. 4).

Moral Intention and Action:

Moral intention refers to the prioritizing of moral values above other personal values. During this phase, individuals select and choose the ethical values that will ultimately determine their action. Extensive research has indicated that the rate of moral behavior is higher in circumstances where the consequences for unethical behavior are of greater magnitude. During the course of the ethical decision making process, the individual's intention and behavior are to be guided by what is determined to be morally right (Para. 5).

While, Eric. G. Jackson (n.d.), in his power-point presentation on ethics and business ethics, defines the ethical decision making as a process of four stages, namely, 1) defining the ethical situation, 2) identifying the characteristics of the decision maker, 3) recognizing the significant influences on the ethical situation defining the decision, and 4) identifying the outcome (Slide. 41). The different components of the four stages are shown in Exhibit 1.

Exhibit 1: The Ethical decision making process

I. Characteristics of the decision maker (Slide. 42)

- ? Achievement motivation
- ? Knowledge
- ? Need for affiliation
- ? Experience
- ? Ego strength
- ? Risk taking
- ? Locus of control
- ? Machiavellianism

II) Significant influences that might affect the ethical decision making process are (Slide 43):

- ? The organization
- ? Technology
- ? Work
- ? The law
- ? Economics
- ? Professionalism
- ? Peers, immediate supervisors, customers, opinion leaders.

III) As for the outcomes, the points that might be considered are (Slide 44):

- ? Performance
- ? Feedback
- ? Rewards
- ? Promotions
- ? Satisfaction
- ? Learning

Jackson (n.d.) noticed that each part of the ethical decision-making process has several points that may have influence it. The integrated effect of these points will lead to either an ethical or a non-ethical decision.

Bearing in mind that each organization is characterized by its own culture that provides a set of values, then, its managers and employees are governed by their respective set of values.

According to Jackson (n.d., Slide 74), the top management should create an organizational culture that encourages:

- ? Open and honest communication
- ? Continual learning
- ? Personal development
- ? Respect for people

The case of top management is of high importance since, most of the time, the way the top management handles issues has a greater effect on employees than that of the code of ethics. The employee looks to his/her top management as the leader; if he/she sees that the top management is acting unethically, he/she will definitely act in the same manner because in his/her opinion top managers are the role model to be followed.

According to a presentation by Georges Seil (2008), a Biz-Consultant from Luxembourg, and referring to several writers on ethics, the leaders have moral courage when

- ? They are willing to make personal sacrifices.
- ? They do not become too preoccupied with pleasing constituents.
- ? They focus on needs of others - they have a commitment to serve.
- ? They evolve their businesses. Business as usual may be evidence of a leadership failure (p. 202).

Moreover, in his presentation Seil mentions some of the points that are to be taken into consideration when considering what is ethical, mainly that

- ? Codes of ethics do not necessarily lead to ethical behavior.
- ? The core values we profess are not necessarily those by which we live.
- ? There is a place for compassion in leadership.
- ? Bureaucracy can come in conflict with ethics.
- ? Managers who vent their frustration on subordinates (who can do little about it) are not acting ethically.
- ? The ethics of organizations which have reputations for being ethical are to be benchmarked.
- ? Ethics is to be built into the organization's policies and practices.
- ? Quality, service and integrity are to permeate the entire organization (pp. 204-205).

Principles of Professional Ethics

To establish an ethical culture within a company, typically it must begin by creating a *code of conduct*, or a set of rules and regulations that is in accordance with the beliefs and best interest of the company in question, and which all employees and associates must agree to; it outlines the rules and responsibilities of employees, including that of management.

Ethical codes further state the regulatory measures taken within a company, and iron-out what behavior is deemed un-ethical within the workplace. According to Colero (n.d.), individuals acting in a professional capacity take on an additional burden of ethical responsibility. For example, professional associations, such as that of medicine, law, accounting, or engineering, have codes of ethics that stipulate required behavior within the context of professional practices. These

written codes provide rules of conduct and standards of behavior based on the Principles of Professional Ethics, which include

- ? Impartiality; objectivity
- ? Openness; full disclosure
- ? Confidentiality
- ? Due diligence; duty of care
- ? Fidelity to professional responsibilities
- ? Avoidance of potential or apparent conflict of interest (Para. 8)

Even when not written into a code, the said Principles of Professional Ethics are usually expected of people in business, employees, volunteers, elected representatives and so on.

Business Ethics in Different Branches of the Professional Workplace

Each of the many branches of traditional businesses carries its own set of potential ethical risks. For instance, *business ethics in accounting* involves proper recording, financial analysis, record-keeping, compensation records, signed documents, and other hard copy and/or digital mediums needed to prove and keep records of a company's financial information for potential auditing purposes. Whereas, *business ethics in production* concerns a proper and safe production outcome: production efforts must not create an environmental or health hazard, they must conform to safety standards, and must adhere to governmental restrictions and regulations. *Business ethics in sales* ensures that all processes within the realm of sales and marketing do not implement illegal activities such as price fixing, false advertising, morally damaging or harassing sales and marketing campaigns, anti-competitive practices - as well as libel and slander, marketing to children, subliminal advertising, and other sensitive scenarios (Today'sMarketer, n.d.).

Unethical Company

According to Robert Cooke, who was the Director of the Institute of Business Ethics at DePaul University, Chicago, USA, and as cited by Harris (2008), there are fourteen danger signs that can be noticed as a threat to ethical behavior in an organization; these signs are depicted in Exhibit 2.

Exhibit 2: Danger signs in an organization that lead to unethical behavior

The unethical organization

- ? normally emphasizes short-term revenues over long-term considerations
- ? routinely ignores or violates internal or professional codes of ethics
- ? always looks for simple solutions to ethical problems and is satisfied with 'quick fixes'
- ? is unwilling to take an ethical stand when there is a financial cost to the decision
- ? creates an internal environment that either discourages ethical behavior or

<p>encourages unethical behavior</p> <ul style="list-style-type: none"> ? usually sends ethical problems to the legal department ? looks at ethics solely as a public relations tool to enhance its image ? treats its employees differently than its customers ? is unfair or arbitrary in its performance-appraisal standards ? has no procedures or policies for handling ethical problems ? provides no mechanisms for internal whistle blowing ? lacks clear lines of communication within the organization ? is only sensitive to the needs and demands of the shareholders ? encourages people to leave their personal ethical values at the office door
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Source: Harris, 2008, Para 4.

Business Ethics in Financial Services Industry

The financial services industry is quite large. It encompasses banks, security firms, insurance companies, mutual fund organizations, investment banks, pensions funds, mortgage lenders—any company doing business in the financial arena. Federwisch (2006) contends that ethical issues in the financial services industry affect everyone, because even if one does not work in the field, he/she is a consumer of the services (Para. 1). Moreover, the industry is highly regulated, so it's likely that a higher percentage of the bad transactions are identified and reported, perhaps more so than in other less regulated industries. However, the public seems to have the perception that the financial services sector is more unethical than other areas of business. According to Ronald F. Duska, Charles Lamont Post Chair of Ethics and the Professions at the American College, as cited by Federwisch (2006), there are five reasons as to why unethical deeds may happen; these are

- 1) Self-interest sometimes morphs into greed and selfishness, which is unchecked self-interest at the expense of someone else.
- 2) Some people suffer from stunted moral development
- 3) Some people equate moral behavior with legal behavior
- 4) Professional duty can conflict with the company's demands
- 5) Individual responsibility can wither under the demands of the client (ibid, 2006, Para. 8-19).

Added to the aforementioned reasons, Bozovic (2007) believes that there are seven basic ethical principles in banking. These are shown in Exhibit 3

Exhibit 3: Bozovic's seven principles

- ✍ **Principle of mutual trust** is of special importance for the successful functioning of the business system. Important and valuable deals are very often contracted over the phone, in the absence of witnesses, whereby the relationship between the participants is dominated by the inviolable principle of mutual trust.
- ✍ **Principle of mutual benefit and interest** means that none of the partners in a business relationship feels cheated.
- ✍ **Principle of good intentions** is very important for business ethics and moral behavior. This principle means that there is no intention to treat the business partner in an immoral way, whether it refers to deception, theft or some other undesirable way of treatment.
- ✍ **Principle of business compromise and business tolerance** refers to the harmonization of the conflicting interests of participants in the business process.
- ✍ **Principle of ethical improvement of business behavior** represents the business partner's readiness to accept the mistake that has been made as a result of his own actions. He should admit the mistakes and respond in an appropriate way.
- ✍ **Principle of de-monopolization of one's own position;** monopolistic behavior on the market does not contain any ethical market value.
- ✍ **Principle of conflict between one's own interests** refers to the inability to relate personal interests to organizational interests, with simultaneous adherence to the same ethical values.

Source: Bozovic, 2007, pp.173-182.

The violation of ethical principles in banking and insurance occurs, for example, when the lenders who take too much risk try to find a loophole in the system that allows them to approve more loans. Strict adherence to the law and regulations in the field of Banking and Insurance makes it possible to grant loans to all the qualified clients in a fair way.

When it comes to general standards pertaining to loans or insurance policies, Bozovic (2006) found that the bank or the insurance company must take into account the following:

- ? It must avoid a high concentration of loans or insurance policies in one industrial
- ? branch, sector or field, with the exception of specialized institutions that have high
- ? concentration of loans as their core activity.
- ? Clients who want to obtain a loan or an insurance policy should maintain a certain
- ? amount of financial resources as a precondition for loan or policy security.

- ? Loan/policy approval must strictly follow a formal procedure in terms of purpose,
 - ? source, price, terms and the method of payment.
 - ? All loan/policy applications must be accompanied by financial reports of the debtor
 - ? for the previous year.
 - ? Loans are granted with an amortization payment schedule (p. 177).
- Moreover, Bozovic suggests that bank managers should possess certain qualities to avoid unethical decisions, namely, humane values, unselfishness, integrity, objectiveness, responsibility, honesty, and leadership (p. 180).

Religiosity and Business Ethics

Aydemir and Egilmez (2010), in their research to explore the relationship between religiosity and business ethics, contend that some scholars debate whether religious beliefs should be an appropriate grounding for business ethics. In their review of literature, they encountered researchers who debated several assumptions, namely: “religion and morality are synonymous”; business ethic has recently neglected its religious traditions; rather than excluding religion from business ethics, business ethics ought to consider religion as a healthy ground; religions make valuable contributions to business ethics; and, religions’ values, principles, and practices give sense of responsibility, and guidance to the people of the business world (p. 72).

Aydemir and Egilmez believe that the impact of religion on one’s social and economic life is an historical debate. They found that some scholars pay closer attention to the aforementioned subject and aim to explore the relationship between religious beliefs and business ethics. Exhibit 4 shows a summary of their findings

Exhibit 4: Religion and religiosity

All the mentioned researchers herein are cited in Aydemir and Egilmez, 2010, p. 73.

1. Bernardin (2006) contends that “Religion is defined as a belief system which includes God and/or supernatural”.
2. McDaniel and Burnett (1990) defined religiosity as a belief in God accompanied by a commitment to follow certain principles set by God.
3. Cornwall and Albrecht (1986) examined the dimensions of religiosity and found six core and seven peripheral dimensions. Core dimensions of religiosity are traditional orthodoxy, spiritual commitment, religious behavior, particularistic orthodoxy, church commitment, religious participation. Peripheral dimensions are religious knowledge, religious experience, personal community relations, personal wellbeing, marital happiness, physical health, and spiritual well-being.
4. Allport (1950) classified the dimensions of religiosity as intrinsic religiosity and extrinsic religiosity. In other words, he implied that people’s interest in religious beliefs and activities may come from intrinsic motivational factors (religious satisfaction itself) and/or extrinsic motivational factors (material gains etc.).
5. Paloutzian, 1996; Amabile, 1996, 1997; Unrau and Schlackman, 2006) believe that in general, motivational factors for human behaviors can be analyzed as either intrinsic or extrinsic. Although combinations of intrinsic and extrinsic motivation are common, one is likely to be primary for a given person doing a given task. Therefore, intrinsically motivated people do something because it is interesting, involving, exciting, satisfying, or personally challenging. However, extrinsically motivated people do something because it helps them to achieve some rewards. In other words, from the stand point of religiosity, intrinsically motivated people internalize their beliefs. In contrast, extrinsically motivated people involved in religion for external reasons such as social desirability etc.

Business Ethics in Islam

Williams and Zinkin (2005) conducted an extensive literature review on Corporate Social Responsibility (CSR) and business ethics. CSR is a concept that embodies similar approaches like “*corporate accountability, corporate sustainability, corporate sustainable development, corporate responsibility, corporate ethics, and corporate citizenship, and is also known as stewardship, triple bottom line and responsible business*” (Industry Canada, 2012, May 03). Williams and Zinkin found that organized religion is a key factor in determining stakeholder’s attitudes and behavior towards business ethics, and that empirical

research exploring both, the relationship between religion and ethical values and religion impact on managerial attitudes and decision-making, support the idea that religious people have a wider notion of CSR than non-religious people. The aforementioned researchers also found that research has most often focused on the Judeo-Christian tradition and has explicitly linked the Bible and Rabbinic writings to the way these faiths expect business to be undertaken. While a small but growing literature has begun to investigate the influence of religious teachings in Islam on the attitudes of Muslims towards the ethical behavior of firms (p. 6).

Moreover, Ati (1995) and Beekun & Badawi (2005) contend that Islamic teaching on normative business ethics draws on four main texts. The primary source is the Quran which is considered the verbatim word of Allah as revealed to the Prophet Muhammad; the second source is the *Sunnah* or *Hadith* which is a record of the words, actions and teachings of the Prophet; the final two sources are the consensus views of Islamic scholars (*Ijmaa'*) and the analytical method of deduction by analogy (*Qiyaas*). *Qiyaas* is used to provide guidance on new situations based on similar issues dealt with in the Qur'an and/or the *Hadith*.

Muslims have to adhere to ethical standards, not only in business but also in all aspects of life. Both business and ethics are interrelated. There is a reference to this point in the Qur'an: "For you in the Messenger of Allah is a fine example to follow" (Surat/Chapter Al-Ahzab 33:21).

According to Williams and Zinkin (2005), the aims of the Islamic system of business are therefore not primarily materialistic but are based on the concepts of human well-being and the achievement of an overall good life. It stresses community values, socio-economic justice and a balance between the material and spiritual needs of its followers. It also draws heavily on the life of the Prophet himself and of many of his companions and contemporary followers who were actively engaged in trade and had laid down the ethical foundations of Islamic business practice at the inception of the religion (p. 7).

The ethical basis for Islamic business provides a clear framework along which firms should operate: They should produce and sell only products that are lawful or permissible (*halal*) and avoid any forbidden (*haram*) transactions – defined as being any trade which involves cheating, injustice, exorbitant profits or the promotion of something that is *haram*. Transactions and businesses, involving usury, interest, market manipulation or elements of speculation and risk, are not allowed. All business transactions should be done within a clear and transparent ethical framework, solidified in a written contracts as required by the Qur'an (Surat/Chapter Al-Baqara2:282); corruption, deception and bribery are outlawed; and, direct and derivative stakeholders such as shareholders, suppliers and competitors, must be treated fairly and with respect. The basis of these rules in the religious texts of Islam provides a form of codification (Williams and Zinkin, 2005, p. 10).

Furthermore, in Islam, a number of *Hadith* state principles such as, "It is not permissible to sell an article without making everything about it clear, nor is it permissible for anyone who knows about its defects to refrain from mentioning it"

(ibid, p. 11). As a result, Muslim businesses are expected to apply high standards at all times or to reveal the exact standard that has been used to produce and supply a particular product if it is different than the norm. The issue of quality standards can be seen by analogy with Quran teaching on weights and measures for example (Surat/Chapter Al Shua'ra' 26:181-183) "*Give just measure and cause no loss (to others by fraud). And weigh with scales true and upright. And withhold not things justly due to men, nor do evil in the land working mischief*". Whilst this does not of itself imply that the same standard should be applied everywhere, it does require that full information be provided on the standards used.

Punishing Unethical Behavior

Williams and Zinkin (2005) found that the concepts of worship through action and the lack of separation between public and private ethics mean that Muslims should avoid prohibited activities in Islam (*haram*) and should choose only activities that are lawful (*halal*). This means that Muslims should be more active in punishing businesses that are engaged in unethical behavior even if there is a strong benefit to them in material terms. For example, they should choose *halal* products and businesses even if the price is higher or the investment return is lower (p.13).

Factors Influencing Ethical Behavior in Islam

Based on Aydemir's and Egilmez's (2010) research on the individual religiosity being it, intrinsic or extrinsic motivated, and on the determinants of individual ethics as approached by Barney & Griffin (1992), Beekun (1996, pp. 5-8) contends that ethical behavior in Islam is governed by several factors.

Legal interpretations

In secular societies, legal interpretations are based upon contemporary and often transient values and standards; in an Islamic society, these values and standards are guided by the Shari'ah and the collection of previous *fiqh* judgments.

Organizational factors

Organizations can affect and influence participants' behavior. One of the key sources of organizational influence is the degree of commitment of the organization's leader to ethical conduct. This commitment can be communicated through a code of ethics, policy statements, speeches, publications, etc.

Codes of ethics are gaining in popularity in many organizations, and often vary from one industry to another. Although such codes may enhance ethical behavior among organizational participants, their use is sometimes inappropriate. Some organizations may be trading in or selling *alcoholic drinks* or other prohibited (*haram*) products or services; hence, implying that the conduct of the whole organization is unethical. Developing and enforcing a code of ethics in this

type of organization is clearly erroneous since Allah Almighty has said in the Qur'an:

They ask you concerning wine and gambling. Say, "In them is great sin, and some profit for men; but the sin is greater than the profit." (Surat/Chapter Al Baqara 2:219).

Accordingly, organizations engaged in lawful (*halal*) businesses can foster ethical behavior through the development of an Islamic code of ethics. That is, an organization's code of conduct should be integrative in its impact not only on people but on all organizational transactions as well.

Individual factors

Individuals come to work with different values. Factors affecting one's ethical behavior include stages of moral development, personal values and morals, family influences, peer influences, and life experiences (Beekun, 1996, pp. 8-11).

Stages of Moral Development

Prophet Mohammad (pbh) suggested that individuals undergo two stages of moral development: the minor or prepubescent stage and the adulthood stage. So, two facts can be inferred. First, certain types of people are not responsible for their behavior: the sleeper, the lunatic and the child before puberty. Second, an individual is not responsible for his actions until the age of reason.

In addition to physical and mental development, Islamic scholars have suggested that there are three states of the development of the human soul (*nafs*):

- 1) Nafs al`Ammara Bissu' (The Nafs that urges evil)
- 2) Nafs al`Lawwama (the Nafs that blames)
- 3) Nafs al`Mutma`inna (The Nafs at peace) (The Light of Islam, 2009).

(1) Al`Ammara Bissu' (Surat/Chapter Yousuf 12:53), "*The human soul is certainly prone to evil*", and, if not checked and controlled, will lead to perdition;

(2) *Lawwama* (Surat/Chapter Al Qiyama 75:2), "*And I do call to witness the nafs that blames*", which feels consciousness of evil, and resists it, asks for Allah's grace and pardon after repentance and tries to amend; it hopes to reach salvation; and,

(3) *Mutma`inna* (Surat/Chapter Al Fajr 89:27), "*O Self, in complete rest and satisfaction!*" — the highest stage of all, when the soul achieves full rest and satisfaction after '*aql* (intellect) has checked the evil tendencies of man.

If a Muslim persists in behaving unethically, he is succumbing to the *ammara*; if he is behaving according to Islam, he is fighting the evil impulses of the *ammara* and responding to the directions of the *lawwama* and the *mutma`inna*. Of course, what will govern the person's ethical behavior and the interaction among these three states of the soul is his level of *taqwa* or piety. Depending on which level his *nafs* is at and whether he is winning or losing the battle against

temptation and evil, he may be more or less prone towards behaving ethically (Beekun, 1996, pp. 8).

Personal Values and Personality

An individual's values and morals will also influence his or her ethical standards. A person who stresses honesty will behave very differently from another who does not respect other people's property. Furthermore, a key personality variable which may affect the ethical behavior of an individual is his/her locus of control. The locus of control of an individual affects the degree to which he perceives his behavior as influencing his life.

According to Jones and George (2003), an individual has an internal locus of control if he/she believes that he/she can control the events in his/her life. As a result, individuals with internal locus of control (internals) are likely to take responsibility for the outcomes of their behavior. Conversely, an individual with an external locus of control believes that fate or luck or other people affect his life. Such an individual is likely to believe that external forces cause him to behave either ethically or unethically. Overall, internals are more likely than externals to make ethical decisions, are less willing to cave in to pressure to behave unethically, and will resist hurting others, even when ordered to do so by a superior (p. 79).

Family influences.

Individuals start to form ethical standards as children. The Prophet (pbh) emphasized the importance of family nurturing when he said:

Command your children to pray when they become seven years old, and discipline them for it (prayer) when they become ten years old; and arrange their beds (to sleep) separately.

Children are likely to develop high ethical standards if they perceive other family members consistently adhering to high standards and if they are rewarded for ethical behavior but punished for being untruthful, stealing etc. Mixed messages from parents are likely to result in unethical behavior on the part of the child. An example of mixed messages is that of a child who is told that stealing is bad, while at the same time, he is given supplies "borrowed" from the parents' office at work (Beekun, 1996, p. 10).

Peer influences.

As children grow and are admitted to school, they are influenced by the peers with whom they interact daily. Thus, if a child's friends engage in drawing graffiti, the child may imitate them. If the child's peers avoid such behavior, the child is likely to behave accordingly (ibid).

Life experiences.

Whether positive or negative, key events affect the lives of individuals and determine their ethical beliefs and behavior (ibid).

Situational factors.

People may behave unethically in certain situations because they may see no way out. For example, a manager may record fictitious sales in order to cover losses within his area of responsibility. According to Islam, debt is a major reason why individuals behave unethically. Since indebtedness is likely to lead to unethical conduct, Muslim lenders are encouraged to show leniency to debtors. At the same time, debtors are urged to repay debts promptly (ibid, p. 11).

Business Ethics in Islamic Finance

According to QFinance.com (n.d.), the ever extending principles of Islam had set the operating framework for every aspect of how business is to be conducted within the Islamic world. While the shifting of boundaries of acceptable behavior in conventional Western business are set by laws, regulations, and corporate governance guidelines, Islamic business is governed by divine principles that govern values such as fairness, equality, and morality dating back for over a thousand years (Para. 1).

Islamic finance encourages and adopts a long-term partnership approach between businesses, often based on investors essentially taking an equity stake in businesses. Islamic (*Shariah*) law outlaws the charging of interest of any kind; while in the wider context, the use of money to generate interest is not permitted. Speculation of any kind is also forbidden; investments are required to deliver social benefits to the community. Islam also forbids activities in prohibited areas such as gambling or alcohol, specifying that *shariah* compliant businesses should focus on legitimate trade-based activities (ibid).

The practice of Islamic business ethics capitalizes on the following advantages (Para. 3):

- ✍ Business ethics in Islamic finance reflects the moral principles and standards which every Muslim must follow in every aspect of his/her life.
- ✍ Islamic business encourages a long-term partnership approach, based on mutual interest and a spirit of cooperation.
- ✍ Islamic business's principles are embedded with honesty, integrity, and a sense of genuine fair play.

However, several hurdles are identified in the process of implementing the aforementioned practice, namely (Para. 4):

- ✍ Muslim businesses may be less able to capitalize on short-term market opportunities given that speculative activities are not permitted by Islamic ethical standards.
- ✍ Islamic business managers do not enjoy the same financial incentives which drive managers of many mainstream Western businesses, though they are motivated by moral objectives and standards.

✍ Given the moral and ethical goals of Islamic businesses, less efficient businesses could hamper the development of newer, more entrepreneurial, customer-focused start-ups.

The current research has been carried out in Syria; accordingly, it is worth presenting a brief profile of the country.

Syria: Brief Profile

Syria is a Middle Eastern country, bordering the Mediterranean Sea, between Lebanon and Turkey. Its population amounts to 22,530,746 inhabitants with 90.3% Arab, Kurds, Armenians, and 9.7% of minorities. The population consists of 74% Sunni Muslim (Islam - officials), 16% belong to other Muslims (includes Alawite, Shias, Druze), and 10% are Christian (including various denominations, namely, Armenians, Assyrians), and Jewish (tiny communities in Damascus, Al Qamishli, and Aleppo) (CIA, 2013). Moreover, modern Syria gained its independence from France in 1946, but has lived through periods of political instability driven by the conflicting interests of these various groups culminating in the last two years to a state of civil war (BBC, 2012).

Research Methodology

This paper has so far presented a basis according which ethics in Islamic Financial Institutions is defined. The research in this project depends on the collected opinions from a sample of employees working in selected Syrian banks and insurance companies. This paper is exploratory in nature and intends to assess awareness, response, attitude and willingness of a selected group of employees the majority of whom profess the Islamic faith to ethical behavior. A survey questionnaire is designed for such purpose.

Hypotheses

Based on the literature review and purpose of the current research, the following hypotheses are to be assessed:

1. Syrian employees working in banks and insurance companies base their decisions on religious beliefs.
2. Financial institutions' regulations have large impact on employees' decision making.
3. Syrian employees working in banks and insurance companies believe in Islamic Banking.
4. Financial institutions' regulations influence employees' ethical behavior.
5. Syrian employees who pray frequently believe that punishment enforces ethical discipline.

Survey Design

The survey tool, used in the current research project, is a systematic and structured questionnaire that is divided into four sections:

1. Section one: It is designed to collect demographic information. In this survey, questions one to eight are demographics questions.
2. Section two: It is designed to assess respondents' knowledge. In this research survey, questions nine to twelve are knowledge questions.
3. Section three: It is designed to assess the respondents' attitudes covering parameters like the degree of likeness, hate, acceptance...etc. In this survey, questions thirteen to twenty-one are attitude questions.
4. Section four: It is designed to assess implementation issues and aims to collect suggestions or actions that should be taken for a certain situation. In this survey, questions twenty two to thirty are implementation questions.

The survey was designed purposefully for the current research. For validity purposes, it was initially administered to a small group of MBA students who are Syrian nationals. Modifications were carried out as were needed.

Sample Selection

The questionnaire was distributed to 260 Syrian employees who work in banking and insurance section in different functional areas. The banks that are involved in the research are located in the capital city Damsacus and are as follows: Audi Bank-Syria, Byblos Bank-Syria, Qatar National Bank in Syria, Bemo Syria, Orient Bank, Bank of Syria and Overseas, Gulf-Syria Bank, Barakeh Bank, Arabic Bank, Sham Islamic Bank. The Insurance companies are also located in Damsacus: AropeSyria IC, Arab IC, Trust IC, United IC, Syrian Kuwaiti IC, Syrian Insurance Company, Daoud IC, and Gulf IC.

The response rate was around 77%; that is, 200 out of 260 distributed survey questionnaires in the banks and insurance companies were useful.

Data Analysis

Data generated from the survey was processed using SPSS (Statistical Package for the Social Science), and was classified, organized and presented using descriptive statistics.

Results and Findings

Demographics

Results show that the respondents are 58.50% males and 41.50% females. As for the respondents' age distribution, two age categories are salient, namely the respondents' ages are in the brackets of 26 & 30 years and 31 & 35 years. This bracket consists of 89.5% of the overall sample. Respondents under 25 years old and older than 36 years old are divided equally with 10.5% each. The average age is 31 years, indicating that the representative sample of respondents for this research is mature enough to voice personal opinions and feelings about ethics at work. Moreover, 98% of the respondents are university graduates with 66.5% having a BS or a BA degree, 27% with a master degree, and 4% with a doctoral

degree. This distribution indicates that the respondents' sample is characterized with high level of education.

Religious conducts.

Results show that respondents were mainly Muslims with 67% distribution, followed by Christians with 31%, and a low percentage minority of 2% belonging to different nominations. Also, 57% of the respondents practice their religious duties by visiting the house of God daily, weekly, or monthly; 36.5% of the respondents by visiting the house of God occasionally or during the celebration of religious events. Only 6.5% do not visit the house of God; however, the latter group may be practicing their religion at home. Furthermore, 52% of the respondents pray daily, 18% pray weekly, 25.5% of the respondents pray occasionally or during the celebration of religious events. Only 4.5% do not pray.

Respondents' knowledge about ethics

As shown in Table 1, 55% of the respondents believe that religion has no influence on people's personality; 84% know the difference between right and wrong. This result demonstrates, at least from the principles' end, that the selected sample, in its majority, acts ethically. Practically this has to be supported in the coming results. Also, 84.5% of the respondents feel that the morals of their own religion are universally applied.

Table 1: Respondents' knowledge of ethics

Statement	Frequency	Percentage, %
A person can be good or bad if he/she doesn't follow a religion (or is an atheist)		
Agree	110	55.0
Uncertain	34	17.0
Disagree	56	28.0
Know what is right or wrong		
Agree	168	84.0
Uncertain	32	16.0
Disagree	0	0.0
Moral principles of one's own religion apply to everyone else (Universal)		
Agree	169	84.5
Uncertain	20	10.0
Disagree	11	05.5

Basis of the decision that something is right or wrong.

When respondents were asked about the basis that they rely on to judge if something is right or wrong, 48.5% chose religious beliefs, 15.5% chose culture and society habits, 13% chose family upbringing, 12.5% chose wisdom, 6.5%

chose institutional regulations and laws (banks and insurance companies), and 4% chose personal experience. Knowing that the Syrian society is conservative in nature and is religious-- being Muslim or Christian-- one may group together several of the aforementioned factors, such as , religious beliefs, culture and society habits, family upbringing, wisdom and experience. Accordingly, 93.5% of the respondents make their day's decisions based on the overall impact of religious beliefs and cultural and societal habits. Only 6.5% base their decisions on the financial institution's regulations.

Attitude towards Ethical Issues

Results in Table 2 show that 63% of the respondents disagree with the fact that a person has the right to kill an innocent person in order to save the life of another; 21.5% of the respondents are indifferent, and only 15.5% agree on such an act. Also, 61.5% of the respondents accept autopsies, possibly because most of the time the law demands such a procedure when necessary; 64.5% of the respondents disagree with mercy killing; a fact that is highly tied to religious principles. On the other hand, 21% of the respondents are neutral and may be hiding their real feelings about the subject; and, a minority of 14.5% accepts the issue.

53.5% of the respondents believe in genetic engineering. Possibly those who agree understand the technology and believe that God has permitted man to know more; therefore, having a religious conviction that science is helpful. 28% of the respondents are indifferent and 18.5% disagrees. Asking about sex outside of marriage, is a question that is considered a taboo, and can't be addressed in Syria where people, irrespective of their religion, will not respond to it easily. However, 72% of the respondents do not accept sex outside of marriage, 14% are neutral and 14% agrees on the issue.

The next question about polygamy could be felt offensive to the mixed community of respondents; however, religious persons belonging to Islam may give it the appropriate moral weight based on their beliefs. The Glorious Qur'an recites: "Marry woman of your choice in twos' threes' or fours' but if ye fear that ye shall not be able to deal justly, (with them), then only one' (Surat/Chapter Al-Nisa 4:3). Before the Qur'an was revealed, there was no upper limit for polygyny and many men had scores of wives, some even hundreds. Islam put an upper limit of four wives. Islam gives a man permission to marry two, three or four women, only on the condition that he deals with them justly. In the same chapter i.e. Surat Nisa verse 129 says: "It is very difficult to be just and fair between women" (Surat/Chapter Al-Nisa 4:129). Therefore, polygamy is not a rule but an exception. Many people are under the misconception that it is compulsory for a Muslim man to marry more than one wife (Naik, n.d.).

With the aforementioned information as a background, study the results that are delineated in Table 2; it shows that 43.5% of the respondents agree that having multiple spouses is an immoral act, 17.5% are indifferent, and 39% deny the immorality of the act. Table 2 also shows that only 15% of the respondents

agree that divorce is not acceptable; 11% are neutral; and, a grand majority of 74% believes that divorce is acceptable. It is a matter of interpretation of the acceptability by the respondents. One possible interpretation is that when there are justifiable causes, then, it is fine to divorce. Finally, when respondents were asked about their point of view of capital punishment, 51% rejected it and 49% agreed to it; thus, reflecting almost an indifferent position on the average.

Table 2: Attitude towards Ethical Issues

Statement	Frequency	Percentage, %
Right to kill an innocent person in order to save the life of another		
Agree	31	15.5
Uncertain	43	21.5
Disagree	126	63.0
Acceptance of “autopsies”		
Agree	123	61.5
Uncertain	51	25.5
Disagree	26	13.0
Acceptance of “mercy killing”		
Agree	29	14.5
Uncertain	42	21.0
Disagree	129	64.5
Genetic engineering is a progressive technology		
Agree	107	53.5
Uncertain	56	28.0
Disagree	37	18.5
Acceptance of sex outside marriage		
Agree	28	14.0
Uncertain	28	14.0
Disagree	144	72.0
Acceptance of polygamy		
Agree	87	43.5
Uncertain	35	17.5
Disagree	78	39.0
Acceptance of divorce		
Agree	148	74
Uncertain	22	11
Disagree	30	15
Support capital punishment		
Agree	98	49.0
Uncertain	00	00.0
Disagree	102	51.0

Implementation Issues

As shown in Table 3, 63.5% of the respondents believe that the stricter the bank/insurance agency’s regulations are, the more ethical the employees are. Only 47.5% of the respondents are ready to take action in favor of their customers if the institution where they work commits an error; 30% kept their responses neutral, which reflects a concern to tell the truth. Moreover, only 26.5% of the respondents believe in interest-free banking; 36.5% are neutral; and, 37.5% do not believe in such a system. The results shown in Table 3 may seem surprising since the researchers found that 67% of the respondents are Muslims; a fact that may support the notion that not all Muslims deal with Islamic Banking.

Table 3: Ethical behavior in practice

Statement	Frequency	Percentage, %
The stricter the bank/insurance agency’s regulations are, the more ethical the employee will be		
Agree	127	63.5
Uncertain	31	15.5
Disagree	42	21.0
Informing the customer if institution commits an error against his/her favor	95	47.5
Agree	60	30.0
Uncertain	45	22.5
Believe in interest-free banking		
Agree	53	26.5
Uncertain	73	36.5
Disagree	74	37.0
I feel that a person’s religious values govern his/her behavior even if they are different from those of work values	148	74.0
Agree	30	15.0
Uncertain	22	11.0
Disagree		

Furthermore, respondents were asked an independent question: ‘Which are the most ethical banks?’ Results show that 69% of the respondents believe that Islamic as well as conventional banks are ethical. However, 26% of the respondents opted to say that Islamic banks are more ethical. This last number matches the finding of the third statement of Table 3. Finally, 74% of the

respondents do believe that religion beliefs do not change no matter what the work values are.

Respondents were also subject to four vignettes about ethical behavior in practice. Table 4 delineates the results.

Table 4 shows that the majority of the respondents or 76.5% are ethically concerned about the fact of making copies of software to friends. Such a result is interesting especially in Syria where there are no apparent copy-writing laws enforced. Also, 88% of the respondents are very sensitive and reject the act when it comes to stealing money. Such an attitude is highly desirable, in particular, in financial institutions.

Table 4: Ethical behavior in practice: Case Studies

Statement	Frequency	Percentage, %
<p><i>Case One: Assume your bank has purchased a site license from a software company for a new computer program. A friend in another bank wants to use it and asked if he could make a copy for business use. Making such a copy raises no ethical concern.</i></p> <p>Agree Uncertain Disagree</p>	<p>19 28 153</p>	<p>09.5 14.0 76.5</p>
<p><i>Case Two: If you found out that your manager is stealing money from the bank/ client and he/she has offered you a part of the stolen money in order to keep quite, you would accept the money.</i></p> <p>Agree Uncertain Disagree</p>	<p>5 19 176</p>	<p>02.5 09.5 88.0</p>
<p><i>Case Three: If your brother works under your supervision in a bank, and you found out that he was sharing confidential information with a competitor, you would terminate his job.</i></p> <p>Agree Uncertain Disagree</p>	<p>103 50 47</p>	<p>51.5 25.0 23.5</p>

As shown in Table 4, people are very emotional when it comes to family situations, and that 23.5% of the respondents will not take any action. However, it is worth noting that 51.5% do not tolerate deviant behavior even from family members.

Cross Tabulation

This section is intended to provide a first-hand assessment of how religion affects the behavior of people working in places that are more often exposed to unethical practices, with special emphasis on analysis of ethics as practiced by Muslim employees in banks and insurance agencies. To comply with the above, cross-tabulations are used to show the following:

1. Impact of religion affiliation on employees' choices to act ethically.
2. Assessment and definition of relationships between employees' attitudes, demographic variables, and employees' choices of ethical actions.

Table 5 shows the relationship between religion affiliation and the belief in Islamic Banking. It illustrates that 50 out of 134 respondents (or 37%), who are Muslims, believe in interest-free banks. However, 46/134 or 34% of the respondents are neutral, and 38/134 respondents (or 28%) do not believe in interest-free banking. The aforementioned results do not apparently support the hypothesis that respondents who are affiliated with Islam fully agree on the concept of interest-free banking. However, when looking at the Christian respondents, one observes that 26/62 or 42% are neutral and 36/62 or 58% do not believe in interest-free banking. These facts partially support the hypothesis that states that Syrian nationals who are Muslims tend to use interest-free banking more than other religious affiliates.

Table 5: Religious Affiliation: * I believe in interest-free banking service

I believe in interest-free banking service					
Count		Strongly Agree	Neutral	Disagree	Total
Religious Affiliation	Christian	0	26	36	62
	Islam	50	46	38	134
	Druze	0	1	0	1
	Other	3	0	0	3
Total		53	73	74	200

Table 6 shows that respondents are grouped under three main categories: religiously affiliated (75/97), or 37.5% of the total sample of respondents; influenced by culture and society (19/31), or 9.5% of the total sample of respondents; and, those influenced by their family upbringing (9/26), or 4.5% of the total sample of respondents. These three categories that add up to 51.5% of the total sample, agree that the stricter the bank regulations are, the more ethically the employees will behave. Such an agreement matches the subconscious employees' belief emanating from religion about punishment and reward when certain acts are practiced.

**Table 6: On what do you base your decision that something is right or wrong?
* The stricter the bank regulations are, the more ethically the employees will behave**

Count		The stricter the bank regulations are, the more ethically the employees will behave			
		Strongly agree	Neutral	Disagree	Total
	Religious beliefs	75	7	15	97
	Bank's regulations and laws	9	1	3	13
	Culture and society habits	19	3	9	31
	Family upbringing	9	16	1	26
	Wisdom	10	2	13	25
	Experience	5	2	1	8
Total		127	31	42	200

Table 7 shows that 94/110 or 47% of the total sample of respondents believe that even an atheist knows the difference between right and wrong, similar to what a religious person believes. Moreover, Table 7 shows that 94/176 or 47% of the total sample will not accept stolen money. Therefore, one may conclude here that being ethical is a matter of social morality irrespective of the religious affiliation.

Table 7: A person can be good or bad even if he/she doesn't follow a religion (or is an atheist) * If you found out that your manager is stealing money from the bank/ client and he/she has offered you a part of the stolen money in order to keep quite, you would accept the money

Count		If you found out that your manager is stealing money from the bank/client and he/she has offered you a part of the stolen money in order to keep quite, you would accept the money				Total
		Strongly Agree	Neutral	Disagree	Strongly disagree	
A person can be good or bad even if he/she doesn't follow a religion (or is an atheist)	Strongly Agree	3	10	20	5	38
	Agree	0	3	43	26	72
	Neutral	2	6	4	22	34
	Disagree	0	0	19	31	50
	Strongly Disagree	0	0	1	5	6
Total		5	19	87	89	200

Table 8 shows that the higher the frequency of pray, the more agreement exists that respondents prefer more rigorous regulations to enforce ethical behavior. 98/139 or 70.5% of those who pray frequently agree that punishment is needed to enforce the discipline of ethics. Thus, an overall 69.5% (139/200) of the respondents reflect clearly the Syrian conservative population’s perspective on the above topic. However, one may infer that it could be the strict political regime environment that enforces strictness and respect for rules.

Table 8: Frequency of pray * The stricter the bank regulations are, the more ethically bank employees behave.

Count		The stricter the bank regulations are, the more ethically bank employees behave					Total
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
Frequency of pray	Daily	29	49	9	16	1	104
	Weekly	10	10	1	14	0	35

	Monthly	0	1	0	0	0	1
	Every now and then	11	12	12	9	1	45
	Never	2	0	7	0	0	9
	On Religious Festivals	0	3	2	0	0	5
	On Special Occasions	0	0	0	1	0	1
Total		52	75	31	40	2	200

Table 9 shows that 87.1% of Christian respondents, and 82.1% of Muslim respondents, agree that they know what is right and what is wrong. Consequently, such a fact enforces the notion that Syrian employees who are attached to religion are well aware what ethics and their applications are. However, the Chi Square Table does not show any statistical significance (Pstat is larger than $\alpha = 5\%$) of the relationship between religion and ethics since it was also found earlier that respondents believe that atheists are also aware of what is meant by ethics.

Table 9
“Religious Affiliation”* “I feel I know what is right and what is wrong”

Crosstab		I feel I know what is right and what is wrong			Total	
		Strongly agree	Agree	Neutral		
Religious Affiliation	Christian	Count	14	40	8	62
	% within Religious Affiliation		22.6%	64.5%	12.9%	100.0%
	% of Total		7.0%	20.0%	4.0%	31.0%
Islam	Count	24	86	24	134	
	% within Religious Affiliation		17.9%	64.2%	17.9%	100.0%
	% of Total		12.0%	43.0%	12.0%	67.0%
Druze	Count	1	0	0	1	
	% within Religious Affiliation		100.0%	.0%	.0%	100.0%
	% of Total		.5%	.0%	.0%	.5%
Other	Count	0	3	0	3	
	% of Total		0.0%	7.5%	0.0%	7.5%

	% within Religious Affiliation	.0%	100.0%	.0%	100.0%
	% of Total	.0%	1.5%	.0%	1.5%
Total	Count	39	129	32	200
	% within Religious Affiliation	19.5%	64.5%	16.0%	100.0%
	% of Total	19.5%	64.5%	16.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.934 ^a	6	.327
Likelihood Ratio	7.061	6	.315
Linear-by-Linear Association	.444	1	.505
N of Valid Cases	200		

a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .16.

Regression Analysis

In addition to the aforementioned cross-tabulation analysis, it is recommended to study the influence of the variables against each other in order to further assess the research questions in hand.

Results of the first regression analysis conducted show that ANOVA test illustrates a strong relationship between the independent variable (frequency of pray) and the dependent variable (Islamic Banks or interest-free banks).

Table 10 shows the strong statistical significance between the 2 variables where Pstat = 0.011 is less than a = 0.05. Moreover, The ANOVA test, as well as the regression coefficients, indicates a strong statistical relationship supported by a Psig of 1.1%. This illustrates that the more frequent respondents pray, the more acceptance to Islamic Banks or interest-free banks exists.

Table 10: Regression analysis of frequency of pray versus “I believe in interest-free banking service”

ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
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1	Regression	9.013	1	9.013	6.625	.011 ^a
	Residual	269.367	198	1.360		
	Total	278.380	199			

a. Predictors: (Constant), frequency of pray

b. Dependent Variable: I believe in interest-free banking service

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.819	.134		21.098	.000
	frequency of pray	.108	.042	.180	2.574	.011

a. Dependent Variable: I believe in interest-free banking service

Upon conducting the second regression analysis, it was found that the ANOVA test illustrates a strong relationship between the independent variable (The stricter the bank regulations are, the more ethically bank employees will be) and the dependent variable (A person can be good or bad even if he/she doesn't follow a religion (or is an atheist). The relationship is statistically significant such that Pstat = 0.000 less than $\alpha = 0.05$.

Table 11: Regression analysis of “The stricter the bank regulations are, the more ethically bank employees will be” versus “A person can be good or bad even if he/she doesn't follow a religion (or is an atheist)”

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	38.380	1	38.380	34.132	.000 ^a
	Residual	222.640	198	1.124		
	Total	261.020	199			

a. Predictors: (Constant), The stricter the bank regulations are, the more ethically bank employees will be

b. Dependent Variable: A person can be good or bad even if he/she doesn't follow a religion (or is an atheist)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.640	.176		9.320	.000
	The stricter the Bank regulations are, the more ethically Bank employees will be	.400	.068	.383	5.842	.000

a. Dependent Variable: A person can be good or bad even if he/she doesn't follow a religion (or is an atheist)

One may interpret the relationship by saying that irrespective of the religious beliefs, employees will behave ethically based on the regulations of the bank.

Table 12: Regression analyses with dependent variable: “I feel I know what is right and what is wrong”

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change F
1	.231 ^a	.053	.049	.582	.053	11.169	1	198	.001
2	.320 ^b	.103	.093	.568	.049	10.797	1	197	.001
3	.354 ^c	.126	.112	.562	.023	5.163	1	196	.024

a. Predictors: (Constant), I feel that a person’s religious values govern his/her behavior even if there are different from those of the work values

d. Dependent Variable: I feel I know what is right and what is wrong

ANOVA^d

Model		Sum Squares	df	Mean Square	F	Sig.
1	Regression	3.778	1	3.778	11.169	.001 ^a
	Residual	66.977	198	.338		

	Total	70.755	199			
2	Regression	7.258	2	3.629	11.259	.000 ^b
	Residual	63.497	197	.322		
	Total	70.755	199			
3	Regression	8.888	3	2.963	9.386	.000 ^c
	Residual	61.867	196	.316		
	Total	70.755	199			

a. Predictors: (Constant), I feel that a person’s religious values govern his/her behavior even if there are different from those of the work values

b. Predictors: (Constant), I feel that a person’s religious values govern his/her behavior even if they are different from those of the work values; I think that moral principles of my religion apply to everyone. (Universal).

c. Predictors: (Constant), I feel that a person’s religious values govern his/her behavior even if they are different from those of the work values; I think that moral principles of my religion apply to everyone. (Universal); and visit the house of God for worship

d. Dependent Variable: I feel I know what is right and what is wrong

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	1.948	.119		16.429	.000
	I feel that a person’s religious values govern his/her behavior even if they are different from those of the work values	.227	.046	.369	4.911	.000
	I think that moral principles of my religion apply to everyone. (Universal).	-.143	.046	-.228	-3.103	.002
	Visit the house of God for worship	-.048	.021	-.159	-2.272	.024

a. Dependent Variable: I feel I know what is right and what is wrong

Table 12 shows that regression analysis was conducted using step-by step elimination of non related variables. Three models were developed and during

each step statistical significance was tested to evaluate the dependency issue. Model three shows the final results as follows:

Dependent Variable (I feel I know what is right and what is wrong) =
= **Cte. + 3 Independent Variables.**

Thus, the resultant relation is:

(I feel I know what is right and what is wrong) = Cte + .369 (I feel that a person's religious values govern his/her behavior even if they are different from those of the work values) -.228 (I think that moral principles of my religion apply to everyone. (Universal) -.159 (visit the house of God for worship).

In the above relationship, there is statistical significance between dependent and independent variables with $P_{stat} \ll \alpha = 5\%$. However, respondents manifested that Syrian employees govern their actions and behavior based on their personal religious beliefs rather than on workplace values. Such a behavior positively enforces (direct relationship) the employees' choice of what is right or wrong. Moreover, the regression equation shows that respondents' personal moral principles influence their knowledge of what is right or wrong (negative sign indicates that the governing factor is the religious morals that are individualistic and not universal). The third factor manifests that not visiting the house of God for worship, does not enforce the respondents' ethics (negative sign indicates that when respondents visit less the house of God, their knowledge of what is right or wrong diminishes).

Regression Analysis with Dependent Variable (Unethical Manager who is Stealing Money).

Another ANOVA test was conducted and it was found that there exists a strong relationship between the independent variable (Decisions are based according to what: religious beliefs, home upbringing, society) and the dependent variable (Unethical manager who is stealing money). The statistical significant is 0.0% less than $\alpha = 0.05$ and indicates a strong relationship. The negative coefficient ($B = -0.401$) also indicates a 0.0% statistical significant, which means a strong relationship. However the relationship shows that the influence of the society is more 1 than that of personal beliefs. So, the more the person is governed by a conservative society, conservative upbringing, and religious rules, the more his/her decisions will be ethical in any situation, even against an unethical manager who tries to share stolen money. It is worth mentioning that as depicted in a previous relationship, the Syrian community is highly influenced by social values since respondents believe that ethical conduct applies even to atheists.

Overall results show that the surveyed respondents representing Syrian employees working in the financial business sector are conservative, base their decisions on religious values, and their respect of law and order emanates from the strict rules applied in the public sector. Moreover, general ethical values are not necessarily practiced by religious people only but also by non-religious individuals.

Conclusion and Recommendations

The purpose of this paper is to provide a first-hand assessment of how religion affects the behavior of people working in places that are more often exposed to unethical practices. Selected respondent employees, working in the financial business sector, namely in Syrian banks and insurance agencies are taken as the sample.

People, across the centuries, have embraced ethics principles that emanate from different sources, including family upbringing, culture, society, wisdom, experience, social classes and wealth. However, in the current research ethics is assessed based on religious values.

Important results necessary to assert the research hypotheses include the following:

- ? 64% of the respondents make their day's decisions based on religious beliefs and cultural and societal habits. Only 6.5% base their decisions on the financial institution's regulations.
- ? Only 26.5% of the respondents believe in interest-free banking. 36.5% are neutral, and 37.5% do not believe in such a system. The results may seem surprising since the researchers have found that 67% of the respondents were Muslims, a fact that may support the notion that not all Muslims deal with Islamic Banking.
- ? 88% of the respondents are very sensitive and reject the act when it comes to stealing money. Such an attitude is highly desirable, in particular, in financial institutions.
- ? 63.5% of the respondents believe that the stricter the bank/insurance agency's regulations are, the more ethical the employees behave.
- ? 70.5% of those who pray frequently agree that punishment is needed to enforce the discipline of ethics. Also, an overall 49% of the respondents clearly reflect the Syrian conservative population's point of view on the above topic. However, one may infer that it could be the strict political regime environment that enforces strictness and respect for rules.

Recommendations

This research has shown that people who base their decisions on religious beliefs are ethical and such a behavior is convenient to banks and insurance agencies. However, it is important to note that organizations have their own set of values emanating from their corporate social responsibility, and most of the time, take into consideration the values of the surrounding community. Therefore, employees are trained and educated to follow organizational regulations which are aligned with their own moral principles and professional training. Based on the aforementioned reasoning, the following is recommended:

1. Design "induction" sessions for all employees, during which the organization introduces its value system to all its employees, at all organizational levels.

2. Provide ethics training to all employees on a continuous basis. It is a must to use case studies and vignettes to align employees' beliefs with the organizational values. Such an alignment ensures harmony and loyalty.
3. Encourage universities to prepare their students on the topics of ethics, behavior, and organizational corporate responsibility. Graduates of such universities are more easily aligned with organizational cultures seeking ethical behavior and conduct.
4. Encourage organizations to design a clear and fair organizational policy to safeguard itself from unethical behavior and its consequences.
5. Encourage organizations to design adequate and rewarding human resources' policies based on good conduct and ethical behavior to enrich employees' performance.

The implications of the current research are clear to researchers who seek to relate religion to business practices. Amid the wave of social protests characterizing the Arab world, the researchers believe that exploratory research opportunities are abundant and may be conducted in more than one Arab country. One may find richer data on the topic in question in the Indian peninsula or the south East Asian countries including India, Pakistan, and Malaysia (Beekun, 1996; Nath (n.d.); Prasad & Kathawala (Spring1993); Williams & Zinkin (October 2005)). Therefore, more research is needed in the Middle East and North Africa regions.

The researchers believe that an important outcome of the research is its academic contribution to the few publications found on the subject matter in Lebanon and the region.

Several limitations were encountered in the research, including

1. Difficulty in distributing more survey questionnaires due to the current conditions of the country and the sensitive nature of the topic.
2. Results can not be generalized because of the research's exploratory nature.

Future Research

According to Sidani, Zbib, Rawwas and Moussawer (2009), "research focusing on business ethics in the Middle Eastern region is not extensive and far from being comprehensive. There are only few studies that have addressed business ethics in different parts of the region including Saudi Arabia, Kuwait, Egypt, and Lebanon" (p. 214). Consequently, as future research, it is advisable to perform a similar research across selected economic sectors and across Middle Eastern countries in order to assess a cross country comparison on the topic.

Furthermore, a comparative study of testing the application of ethics and religion in financial institutions including banks is recommended. Moreover, it is recommended to relate ethics to corporate governance and its impact on employees' performance in financial institutions.

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