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Ethnic diversity, corruption and ethical climates in sub-Saharan Africa: recognizing the significance of human resource management

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Most experts agree that human resource management plays a critical role in furthering ethics. The human resource management function can play an instrumental role in creating an ethical culture. However, a literature review shows that researchers have mostly ignored ethics in the African context. Given the growing importance of Africa in terms of global trade, it is critical to study ethics on the continent. This paper documents an exploratory study of ethical climates in sub-Saharan Africa. We develop propositions linking key social institutional factors, i.e. ethnic diversity and corruption, with three types of ethical climate, i.e. self-interest, benevolence and principle. The propositions are empirically investigated using a qualitative case study approach in five companies in Nigeria and South Africa. The results provide varying support for these propositions and highlight the critical role that both the national context and the organizational context play in shaping ethical climates in companies. Furthermore, given the role of human resource management in managing both ethnic diversity and ethics, we discuss the implications of our results for this critical management function.

Keywords: Africa; corruption; ethical climates; ethnic diversity; human resource management

The role of human resources management (HRM) in furthering ethics and ethical behaviors in companies is undeniable (Caldwell, Truong, Linh and Tuan 2011). The HRM department often provides the means by which ethical practices are implemented (Miceli, Near and Dworkin 2009) to build an organization with an ethical culture. This view is echoed by Winstanley and Woodall (2000, p. 45) who say that ethics is 'particularly pertinent to HRM because of the extent to which individuals and their lives are affected by the way they are managed in the employment context'. Furthermore, as more companies globalize, the HRM interest in cross-cultural understanding of ethics and ethical climates is becoming stronger (e.g. Parboteeah, Cullen, Victor and Sakano 2005; Martin, Cullen, Johnson and Parboteeah 2007). As such, continued scholarly exploration of cross-national ethics remains important.

Despite the increasingly intensive scholarship devoted to cross-cultural ethics, a literature review suggests that scholars have largely ignored Africa (for some exceptions, see Prinsloo 2000; Rossouw 2005; Gichure 2006; West 2006). Reviews of the leading business ethics journals such as *Journal of Business Ethics*, *Business Ethics Quarterly* and *Business and Society* reveal a handful of articles dedicated to understanding ethics in the African context. Additionally, Tsui, Nifadkar and Ou's (2007) review of cross-cultural studies on ethics in the leading management journals shows that none were done within the African context. However, those articles written within the African context pertain to

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ethics issues such as corporate governance and ethical attitudes (Prinsloo 2000; Rossouw 2005; Gichure 2006; West 2006). No studies to date have looked at ethical climates, the prevailing expected standards for decision-making when organizational members are faced with situations with ethical implications (Cullen, Victor and Bronson 1993) in the African context.

This neglect of the African context is surprising given the growing importance of the region in terms of global trade. Many multinationals consider Africa as a market for expansion due especially to its wealth of natural resources as well as its immense growth opportunities (*The Economist* 2011). Chinese companies, for instance, see Africa as a haven of opportunity and a proving ground for their globalization policy. China has become Africa's largest trade partner, and this presence has even led Jackson (2011) to suggest that management scholars must start developing alternative theoretical lenses to understand such presence in African management theories. Thus, from a strategic HRM perspective, adequately understanding the African context is critical if multinationals want to implement effective HRM practices to encourage ethics.

Given the growing economic importance of Africa (Kahn 2006; *The Economist* 2011), it is necessary to develop a deeper knowledge of the cultural and institutional environments influencing ethics at a cross-cultural level within the African context. Such scholarly effort is needed to design appropriate HRM strategies and internal processes to encourage more ethical organizations. Furthermore, examining the African context can also make an important theoretical contribution to understanding ethical climates in an otherwise neglected part of the world. Therefore, in this paper, we consider the relationship between the social institutional environment of two African nations and ethical climates of companies in these countries. Specifically, we contribute to the literature by analyzing the effects of two social institutional factors in sub-Saharan Africa, i.e. ethnic diversity and corruption, on an established conceptualization of ethical climates (Victor and Cullen 1987, 1988). Our research thus applies an accepted conceptual framework of ethical climates to a vastly under-researched but highly relevant cultural context, i.e. sub-Saharan Africa. We follow Kostova (1997) and Parboteeah and Cullen (2003) in recognizing the influence of both national culture and social institutional factors, and offer a novel conceptualization of differences in ethical climates across two major sub-Saharan societies. In-depth case studies of companies located in Nigeria and South Africa are used to investigate and refine our propositions. Furthermore, given the particularly unique nature of these two societies with respect to both ethnic diversity and corruption, we also discuss the critical implications of considering the HRM function.

Ethical climates and propositions

The ethical climate construct delineates a group of prescriptive climates reflecting organizational practices with moral consequences and remains one of the most popular approaches to study ethics within organizations (e.g. Parboteeah and Kapp 2008). Ethical climates arise when members believe that certain forms of ethical reasoning and/or behavior are expected standards or norms for decision-making within the organization or subunit (Victor and Cullen 1988). Thus, ethical climates are not characterizations of the individual's ethical standards or level of moral development. Rather, like all work climates, they represent components of the individual's environment as perceived by its members.

Although previous research has considered a number of issues to understand ethics at a cross-national level (e.g. see Cullen, Parboteeah and Hoegl 2004, for justification of

ethically suspect behavior, and Martin et al. 2007, for bribery), we focus on ethical climates for a number of reasons. First, compared to other ethical issues, ethical climates, as important concepts to understand the notions of right and wrong within organizations, have received extensive conceptual and empirical validation (Martin et al. 2007). It therefore provides a robust way of understanding the ethical environment within organizations. Second, scholarly research has also shown the usefulness of ethical climates as they have been related to a number of critical organizational variables such as job satisfaction, organizational commitment and many dysfunctional variables (see Martin et al. 2007, for a meta-analysis). Furthermore, ethical climate work stays strong, and recent research has related ethical climate types to safety behaviors (Parboteeah and Kapp 2008) and organizational citizenship behaviors (Leung 2008).

We also note that from an HRM perspective, ethical climates represent an important window to understanding the ethical orientation in a company. Understanding the ethical climate in existence in a company can thus be very helpful as a basis for developing HRM practices that foster an ethical culture. Furthermore, as we discuss later, two critical aspects of the African context that are relevant for ethical climates are ethnic diversity and corruption. These issues also point toward the importance of HRM practices to properly manage employees within this context.

For the purpose of this paper, we used the types of ethical climates identified by Victor and Cullen (1987, 1988). The Victor and Cullen (1987, 1988) typology of ethical climates has three bases of moral judgment: egoism, benevolence and principle. These form the three basic ethical climates. Egoism applies to behavior that focuses on maximization of self-interested outcomes. Thus, in the egoistic climate, company norms support the satisfaction of self-interest at the expense of or with disregard to others. In the benevolent climate, decisions are made based on concern for the well-being of others. Finally, in the principled climate, the decision-maker will base decisions on the adherence to rules and procedures. At the company level, a principled ethical climate suggests norms that support following abstract principles independent of situational outcomes.

Similar to previous research (Parboteeah and Kapp 2008), we consider these three ethical climate types broadly. Martin et al.'s (2007) review suggests that one of these three dominant ethical climate types usually exists within one organization. Below, we discuss how the African context is linked to these ethical climate types.

Cross-cultural ethical climates

There is strong evidence that ethical climates are related to national cultures. For instance, a study by Parboteeah et al. (2005) showed that US universalism (Trompenaars 1994) is most likely linked to principled ethical climates as the US emphasis on universalism calls for the following of rules and regulations. In contrast, the Japanese preference for particularism indicates that principled ethical climates are less likely to exist. Particularistic societies are more likely to make ethical decisions based on external situational conditions than on rigid rules or regulations. Similarly, research by Leung (2008) examined how ethical climates are related to organizational citizenship behaviors within the collectivistic setting of Hong Kong. As illustrative examples, these two studies thus provide evidence that the national environment, through national culture, has an important influence on ethical climates, consistent with a recent review by Tsui et al. (2007).

However, research also suggests that cross-national differences in ethics can be explained by other factors in addition to national culture. Works by Kostova (1997) and

Parboteeah and Cullen (2003) suggest that, in addition to national culture, cross-national phenomena can also be explained by factors such as social institutional factors. Social institutions are defined as a 'social organization that has evolved in society and has been assigned the task of specializing in the maintenance and enhancement of selected subsets of values' (Rokeach 1973, pp. 24–25). Management researchers are now increasingly relying on social institutions such as education, family, social inequality and level of industrialization (e.g. see Parboteeah and Cullen 2003; Cullen et al. 2004; Parboteeah, Hoegl and Cullen 2008) as explanations of cross-national phenomena.

Given the above, in this paper, we develop propositions based on the link between the social institutional environment and ethical climates. However, rather than the more typical practice of considering cultural forces and their relationships with ethical climates (e.g. Cullen et al. 2004; Parboteeah et al. 2005), we consider the more adaptive societal patterns reflecting developments in the institutional complexes in addition to the traditional cultural forces of a society.

We choose to focus on social institutional factors for various reasons. First, as we discuss later, the selected social institutions are recognized as highly important elements that are relevant to the ethical climate in the African context. Thus, consistent with Kostova (1997), we consider only relevant factors rather than overwhelm our analyses with a large number of other issues. Second, the social institutions we consider here are novel and have rarely been considered in previous ethics scholarship. We therefore propose an important and new consideration of social institutions. Third, previous research has provided ample understanding of how typical cultural variables (e.g. Hofstede 1984) are related to ethics (Tsui et al. 2007). By focusing on the selected factors, we aim to make a more significant contribution. Finally, we also answer Nkomo's (2011) calls to consider the realities of the African context rather than relying solely on typical Western-based cultural dimensions.

Social institutional factors

Social institutions act as contexts that provide 'stimuli and phenomena that surround and thus exist in the environment external to the individual, most often at a different level of analysis' (Mowday and Sutton 1993, p. 198). Through human interaction, social institutions produce formal and informal norms that provide people with a freedom/constraint duality of prescribed behaviors, attitudes and values within some acceptable boundaries (Ingram and Clay 2000). Thus, such habitualized forces pertaining to ethics and ethical climates are more likely to generate important insights regarding ethics than the more typical consideration of cultural forces separately. Social institutions are more likely to represent an adequate picture of the collective forces affecting cross-national phenomena than the more piecemeal insights offered by culture dimensions.

A focus on social institutions provides for the next challenge: which factors are most relevant for the African context? Some scholars (Kostova 1997; Busenitz, Gomez and Spencer 2000; Parboteeah et al. 2008) propose the use of domain-specific, country institutional profiles that consist of regulative, cognitive and normative dimensions. For example, the Busenitz et al. (2000) article examined the specific institutional profiles related to entrepreneurship. The regulatory dimension of the institutional profile consists of laws, regulations and government policies that provide support for new businesses, reduce the risks for individuals starting a new company and facilitate entrepreneurs' efforts to acquire resources. The cognitive dimension consists of the knowledge and skills possessed by the people in a country pertaining to establishing and

operating a new business. Finally, the normative aspect refers to those 'social norms, values, beliefs and assumptions that are socially shared and carried by individuals' (Kostova 1997, p. 180).

However, recent advances (Trevino, Thomas and Cullen 2008) suggest that it may be more meaningful to consider the *processes* by which the three institutional pillars operate to influence behavior. Thus, Trevino et al.'s (2008) 'institutional processes' approach helps overcome the dilemma of forcing institutional constructs into discrete categories, and instead considers the pillars as reflections of underlying processes. The movement away from a classification of institutional types toward a consideration of institutional processes is more appropriate and germane to understanding how institutions can affect ethical climates. Such a view emphasizes dominant modes of influence that may be simultaneous yet unequal, such that constructs that contain more tangible and regulative features tend to legitimize through the regulative pillar, while those constructs with fewer tangible and fewer regulative features are likely to legitimize through the cognitive/normative pillars.

Given the above, we examined the literature to understand the African context. Two factors, which are found to determine daily life in sub-Saharan Africa, are in the forefront of contemporary reports regarding this region, namely ethnic diversity and corruption. It is widely recognized that Africa's population is ethnically complex and that such ethnicity has had dramatic impact on its economic development (Bates 2000). In fact, studies by Horwitz, Bowmaker-Falconer and Searll (1996) and Thomas and Bendixen (2000) both provide evidence of ethnic diversity within the South African context and the critical need for the HRM process to manage such diversity. Furthermore, as we discuss later, corruption also remains a critical aspect of the African business environment (Rossouw 2002) and needs to be examined.

In contrast to widely studied cultural factors that typify the cross-national ethics literature (Tsui et al. 2007), the practices associated with ethnic diversity and corruption cannot be explained comprehensively with the concept of culture in sub-Saharan Africa. Furthermore, they can only be observed throughout the subcontinent and across the institutional complexes. As such, they represent a novel way of examining cross-cultural ethics and are consistent with Kostova's (1997) prescription of only considering relevant factors. Our choice also takes into account Jackson's (2010) suggestion that we rather refer to the dynamics that contribute to constantly adaptive cultural spaces than to 'culture' in a concrete sense, and Nkomo's (2011) statement highlighting that the idea of identity as always in motion contradicts the essentialist ways in which 'African' is invoked in many writings on African management.

Below we discuss ethnic diversity and corruption and relate these social institutional factors to ethical climates through the form of propositions.

Ethnic diversity

Ethnicity is a sensitive political issue in sub-Saharan Africa. It lies at the heart of African diversity and has been found to impinge heavily on the workplace (Kamoche 2002). In the colonial 'scramble for Africa', the continent was divided among European rulers. This period left deep marks on African societies. The indigenous political systems in Africa before colonialism were flexible and informal, characterizing the civil society and its traditional culture (Bley 1981; Dia 1996, p. 3). Other groups and societies were integrated into existing ruling systems as a result of wars, trading networks and/or religious systems. During the colonial period, spheres of influence were fixed by the colonial rulers.

The sub-Saharan African societies did not experience the kind of homogenization northern African societies did with respect to domains such as religion, language and customs (Gupta and Hanges 2004, p. 187). Sub-Saharan Africans come from more than 800 ethnic groups and speak over 1000 languages or dialects (Goliber 1997, p. 2). Also, societies on this subcontinent are split in religious terms, mainly between Islam, Christianity and a wide variety of localized religious practices and beliefs (Morrison, Mitchell, Paden and Stevenson 1972, pp. 20–23). Such factors explain the high level of ethnic diversity experienced by most sub-Saharan societies.

Furthermore, after independence many African leaders started projects to homogenize their states. This became problematic due to several factors such as authoritarianism, socioeconomic crises and inequities in the distribution of power in a multiethnic context. The feeling arose that only when a particular ethnic group has its own kind in political or organizational power, can it benefit from the nation's or organization's resources, hence increasing the phenomenon of ethnic identity. Political leaders can create stereotypes that give an almost religious dogma to ethnic identity and lead to economic and cultural wars with other groups (Nyambegera 2002). This created an 'us versus them' mentality whereby the different ethnic groups saw others as 'them'. This thus placed undue focus on self-interested ethnic group gains at the expense of others. Ethnic groups became competitive rather than cooperative and are now critical aspects of organizational life in the sub-Saharan African region.

Evidence of such ethnic diversity for the African context is shown by numerous recent studies examining the perspective from an HRM perspective. For example, Thomas and Bendixen (2000) assessed Hofstede's cultural dimensions of 586 middle managers in South Africa. Although these managers came from different ethnic groups, no significant difference was found among the managers in terms of cultural differences. However, Horwitz et al. (1996) suggest that the ongoing requirements for companies to integrate ethnic and cultural diversity in African companies will mean that the HRM function will become even more critical. This is further emphasized in Anonymous (2002) showing that adequately managed diversity has been very beneficial for a South African company. As we discuss later, the HRM function can effectively design policies and practices to ensure that ethnic diversity is managed to the company's benefit and to ensure fairness. Better understanding of the impact of ethnic diversity on ethical climate can therefore better inform companies with regard to appropriate HRM practices.

We therefore argue that ethnic diversity has different relationships depending on the ethical climate type under consideration. When there is a focus on different ethnic groups, people from different ethnic backgrounds bring different perspectives to the workplace. This phenomenon is noted by Jackson, Amaeshi and Yavuz (2008) in their study of Kenyan small and medium enterprises. Our literature review has identified the concept of ethnicity as generally based on specific cultural values and practices, on a belief in common history and a sense of belonging, which confirms the identity of group members to themselves and in their interaction with insiders and outsiders. It provides for security needs and enables the expression of cultural variety within African nations (Mare 1992, p. 23; Human 2005, pp. 16–17)

However, when employees are in an environment that includes multiple ethnicities, it is feasible to expect the positive consequences such as social identity formation pertaining only to single ethnicities to wane. What remains are exclusivity and antagonism in groups lacking security. We therefore argue that, overall, ethnic diversity is positively related to egoist ethical climates as opposed to benevolent or principled climates. Egoist climates reflect behaviors that result in the most self-interested outcomes. Because ethnicity

emphasizes gains for the sake of a specific ethnic group, rather than society as a whole, it is more likely that ethnic diversity is related positively to egoist climates (i.e. 'us versus them'). At the organizational level, ethnic diversity can lead to discriminatory internal policies and practices, for example in recruitment, career advancement and the provision of training opportunities. Kamoche (2001, p. 212) mention that 'although such practices are widely criticized by the intellectual elite, others interpret them in terms of the notion of obligation to close relatives and friends.' In the era of unprecedented high unemployment and political tension, people have rallied even closer to their ethnic roots in the hope of capitalizing on ethnically sanctioned obligations (Kamoche 2001). The result is that many young people joining the labor market from school or university have very little faith in the ability of the system, either in the public or private sector, to allocate employment opportunities purely on merit.

Such observations support our arguments linking ethnic diversity with egoist climates.

We also argue that ethnic diversity is negatively related to benevolence. Benevolence reflects caring for others, while principled climates reflect following of rules and regulations to make decisions with ethical ramifications. Ethnic diversity seems less likely to encourage caring for others with the focus on protection of few from similar ethnic groups. This is obvious as the 'us versus them' notion creates in-groups and out-groups similar to the notion in the collectivism construct (Parboteeah et al. 2005; Jackson et al. 2008). Such diversity encourages caring for those within the same ethnic group (in-group) at the expense of others in other ethnic groups (out-group). Furthermore, such situational considerations suggest that it is unlikely that principled rules and regulations are followed. We therefore offer the following:

Proposition 1:   Ethnic diversity has a positive relationship with egoist climates and a negative relationship with benevolent and principled climates.

Corruption

Corruption is often named as one of Africa's greatest societal problems and as a characteristic of the African business context. Rossouw (2002, p. 11) refers to surveys and studies done by African and international researchers, which 'tell tales of endemic corruption on our continent'. Corruption often flourishes where the law and formal rules are not rigorously observed. In his analysis of corruption in Africa, Olivier de Sardan (1999) points out especially its routine nature, the stigmatization of corruption despite the absence of effective sanctions, its apparent irreversibility, the absence of correlation with regime types and its legitimacy to its perpetrators. As he explains, this means that what is termed corruption is unofficially accepted as an unavoidable part of life in Africa, but at the same time, nobody would want to recognize their own actions as being corrupt.

Similar to ethnic diversity, corruption is also a key organizational aspect that is particularly important to HRM departments. Specifically, it is well accepted that the HRM function can play a critical role in ensuring that companies operate within ethical boundaries (Caldwell et al. 2011). Given the pervasiveness of corruption within the African context, it is important to understand its impact on ethical climates within organizations. Such an endeavor can assist HRM departments to better design systems to minimize the impact of corruption. Furthermore, as Chidi, Ogunyomi and Badejo (2012) point out, the HRM department needs to play a critical role in ensuring that unethical HRM practices are ended in favor of more ethics policies and codes.

The high level of corruption that characterizes sub-Saharan Africa today may have manifested itself during the colonial period, when people saw the ruling government as outsiders. This created an 'us vs. them' mentality among government employees, thus justifying the taking from 'them', the government, for the betterment of 'us', the local people. A consequence of this mentality is a lack of probity in public life and a degeneration of the moral tone of society, which undermine commitment to selfless service (Abudu 1986).

Although one may argue that linking corruption and ethical climates is a tautological effort, we believe that it is critical to discuss the link given the pervasive nature of corruption on daily lives and at work. As such, given the earlier discussions, it is obvious that corruption is positively related to egoist climates. Corruption is synonymous with self-interested behaviors whereby people are perceived as protecting their own interests above other considerations. This is manifested in the tendency of employees to see the organization as instrumental to providing a contribution to their own livelihood and that of their communal group. The same 'us vs. them' pattern discussed on the societal level above can be recognized in self-interest. In this case, 'them' refers to some higher instance that lower levels do not identify with, such as a seemingly uncaring supervisory board or a foreign owning body. As such, corruption is likely to be positively related to egoist ethical climates.

Corruption is also likely negatively related to benevolent and principled climates. Corruption as a societal practice suggests that people are more likely to make decisions based on self-interest. Corruption is unlikely to encourage decisions based on benefits to the wider community. Most individuals tend to lose trust in institutional structures in the presence of high corruption and most likely make decisions based on self-interest. Furthermore, it is unlikely that people follow rules or regulations in the face of corruption. As such, corruption is more likely to discourage decisions based on such caring or following of rules. Hence,

Proposition 2:   Corruption has a positive relationship with egoist climates and negative relationships with benevolent and principled climates.

Methods

Methodological approach

Several scholars have pointed out that research designs need to be chosen to suit the particular location in which the research is being conducted. It has been stated that in order to fit the conditions of a particular location, research instruments must take into account contextual characteristics, resource constraints and cultural traits (Marschan-Piekkari and Welch 2004; Michailova 2004). This proved important during the course of this research project.

The study was carried out in five companies involved in different industries (service sector, private and public utility provider, industrial products and services) in two African nations, namely Nigeria and South Africa (Seriki, Hoegl and Parboteeah 2010). Gaining access to organizations in these countries was the first big hurdle. In both countries, we had to rely on personal relationships and networks. In fact, in cases where the only available contact persons were official gatekeepers to whom no personal links were available, access was generally denied. In such cases, strong persistence suggesting an introductory conversation with a decision-maker led to organizational members becoming irritated and totally breaking off contact. However, these experiences are similar to those described by

George and Clegg (1997), Michailova (2004) and Jones (2004). Other specificities of conducting research in sub-Saharan Africa were also similar to what these researchers described.

We originally approached this study with a survey-based questionnaire. However, this approach did not yield rich results for this study. Respondents did not like this method as they felt that their views were not actually valued. Some even became insecure as they questioned what would be done with their answers on a predefined scale. Was it a test and would there be an evaluation, in which they could do badly or give a bad impression of their team and organization? Would this be reported to top management? This led to respondents disengaging and us doubting the quality of data we were getting.

However, as soon as we used a less formal approach, assuring respondents of the importance of their views and experiences, respondents began to reengage and to provide rich data. In fact, one of the Nigerian respondents, after about an hour of interview, actually reflected on this, saying:

> So you came all the way to talk about this. And you are going to speak to many other people in person. You could have sent the questions by email. But you know, I probably wouldn't have answered. You see, there is so much work to do …

In order to still be able to compare data from different sources and cases and to test the applicability of a predicted pattern, all identifiable constructs were developed from the interview notes and used in the analysis. Consistent with the observations of Daniels and Cannice (2004), it was found that people are more prone to ignore a questionnaire than to deny an interview request by someone who has come specifically from overseas to speak to them.

Case selection

In selecting cases, the research problem and objectives are decisive. Access to cases is a critical factor affecting case selection. Certain cases may be identified as strategically ideal for the design, but due to practical matters like being denied access, such cases may not be available for research purposes (De Vaus 2001).

Taking these practical considerations into account, the final data base of three Nigerian cases and two South African cases is seen as appropriate (Seriki et al. 2010). It would obviously be ideal to collect quantitative data from a large number of respondents across Africa, but the realities of data collection in Africa made this effort impossible for this first exploratory study. The focus is therefore on South Africa and Nigeria as the economic powerhouses of sub-Saharan Africa. Within these countries, one team each was studied in three Nigerian and two South African organizations. Comparable types of organizations and projects were chosen across the two countries, so that some extent of generalization across sub-Saharan Africa is possible. Across all African cases, 29 in-depth interviews providing rich information were conducted.

Data collection procedures

In this research study, case data were built up primarily through in-depth interviews. Every step was taken to include multiple viewpoints in the data set. Therefore, different people within each case organization were interviewed. First, at least one person who knew the organization, its structure, policies and climate intimately was interviewed. These 'key informants' were mostly members of the company's upper management. Project managers were also interviewed, i.e. a person that is not a part of the team, to whom the team reports.

Whenever possible, we also interviewed the team leader if a formal team leader position existed in the company. The team leader is the person who leads the team internally. Finally, we also interviewed team members. These were the people who were clearly involved in the team and who were responsible for its success. The vital point was to get information concerning the organization, the team as well as its process and results.

The people or functions that could provide this information varied from case to case. However, data were collected through interviews that lasted between 45 min and two hours. Interviews were tape recorded, provided the respondents allowed this. Field notes were generated to supplement the recorded interview or as alternative documentation if respondents did not agree to be tape recorded.

The main stream of data input (the interviews) was complemented by (1) observations while in the field and (2) officially obtainable written documentation on the organization and/or project. We thus followed a 'triangulation' approach, the term used for the practices of interviewing various respondents on the same topic and integrating multiple data sources in the development of a case study. Triangulation is necessary to reduce likelihood of misinterpretation, as the information is examined from different angles (Ghauri 2004). Triangulation is recognized as an important way of increasing the internal validity of a qualitative study (Yin 2003).

Interview instrument

The main focus of the interview was to assess the ethical climate in existence in the organization. Respondents were asked what ethical climate they perceived in their respective companies. Respondents were further asked to discuss the ethical climate in broader terms, and probes reflecting the three forms of ethical climates were presented. Appendix shows a representative list of the probes used to initiate a conversation around ethical climate and to gauge the existence of the various climate types. These probes are consistent with the items developed by Victor and Cullen (1987).

Case studies

Three companies were selected for case studies in Nigeria, while two companies were used for case purposes in South Africa. The Nigerian companies will be referred to as Cases A, B and C henceforth, while Cases D and E will be used to refer to the two South African companies.

A-Case Company is a Nigerian service-sector company working for local private and corporate clients. Four in-depth personal interviews were carried out with three members of a team and the team leader of a project to develop a strategic plan for A-Case Company in view of an increasingly competitive environment. Four key informants were also interviewed. Two key informants were members of A-Case Company's management and could provide in-depth information on the company. The other two were part of a parallel project.

B-Case Company is the Nigerian subsidiary of a rapidly growing South African multinational organization. The engineering-driven B-Case group, a private utility provider with operations in numerous African countries, focuses mainly on the African market. Similar to A-Case Company, members of a team were interviewed. The B-Case team's goal was to provide a new and technically advanced piece of infrastructure for the Nigerian market. Project responsibilities included the development and adaptation of components for local conditions, acquisition of project site and lease negotiations, site

configuration, equipment planning and procurement, commissioning and the organization of site access and security. Nine in-depth personal interviews were conducted with three members of the aforementioned team, the team leader, the project manager and four key informants. These key informants were all regional managers of B-Case Company who could provide in-depth information on the company in general as well as on projects going on in their regions.

C-Case Company is a Nigerian public utility provider, in the process of being privatized during the time of data collection. The market situation had been monopolistic for a long time, C-Case Company being the only provider of its services in Nigeria. Competition was expected to increase in the near future due to the formation of private companies. Therefore, C-Case Company's management had decided that performance and innovation were issues that C-Case Company must set out to improve. Face-to-face interviews with three high-level members of management provided rich insights into the organization.

D-Case Company is a multinational organization in South Africa with headquarters in Germany. As a global leader in developing industrial products and services, D-Case Company places strong emphasis on innovation. The D-Case team in the focus of this study was initiated in order to develop and implement a complex new industrial system for a South African client. The scale of this new system is significantly larger than anything else of its kind on the African continent. The project requires numerous different subtasks to be performed by a large number of people. Responsibilities of the D-Case team are very similar to those of the B-Case team in Nigeria. Six in-depth interviews were conducted with one current team member, one former team member, the team leader, the project manager and two key informants.

Finally, we studied the South African E-Case Company. E-Case Company is a young South African group of service-sector organizations. Three in-depth interviews were conducted with three of the E-Case strategy team members, whereby the interviews with two team members slightly overlapped, so that both were present during part of the conversation.

Data analysis and interpretation

The first stage of analysis was to create an initial version of the case protocol. All of the interviews related to the case were read repeatedly. Based on this, the story of the case was written down, incorporating possible interpretations. For this purpose, four reading styles were adopted (Pauwels and Matthyssens 2004): (1) vertical reading – considering the respondent as a neutral informant, factual data were read; (2) experiential reading – considering the respondent as someone who experienced a phenomenon, his or her experience was read; (3) symptomatic reading – considering the respondent as a subjective person who makes sense of an experience, the data were read with his or her reasoning; and (4) consequential reading – considering the respondent as a proactive agent in the phenomenon, the consequences of what this person believes were read. These different reading styles were necessary to enable a holistic interpretation of the information received in interviews. The factual information from written documentation was compared with the interview information and integrated into the story.

The second major stage of analysis was a sifting process. This meant rearranging the data that had been collected into more conceptual rather than chronological categories. At the beginning of this stage of analysis stood the literature-based theoretical model discussed earlier. To analyze the data, a spreadsheet was prepared. Each row was reserved

for one respondent. The variables of the conceptual framework determined the content of columns. In the ensuing steps, copies of the spreadsheet were made, in which the text was substituted by labels describing the essence of the text. This enabled better comparison of answers given by different respondents regarding the investigated topics. The data were conceptualized, and systematic patterns in the information obtained were made visible.

The third big stage of analysis consisted of comparing the empirically based patterns with the predicted patterns. This process is termed 'pattern matching'. This analytical stage comprised an iterative process of comparing cases, reanalyzing individual cases and comparing findings with proposed patterns and literature. These iterations were necessary because different cases tell different stories and can lead to different variables (Ghauri 2004). Thus, focusing and refocusing the analysis toward finding commonalities and differences were essential. As suggested by Miles and Huberman (1994), matrices and diagrams displaying the interrelationships among variables, persons and situations were used as an aid to organize the data and find patterns. At this stage, we could reassess our propositions and deduce whether they were supported by the information from the cases studied or if the propositions had to be amended. In both cases, deductions were logically developed and explained.

Validation of the study is one of the most critical parts of a research project using qualitative methods. Yin (2003) suggests four tests to establish the quality of any empirical social science research, including case studies. The tests as well as tactics that can be used to address these issues are shown in Table 1. As can be seen, we were able to use all of the tests as suggested by Yin (2003). Those are marked in Table 1. However, it was not possible to get all key informants to review the case study reports.

Table 1. Tests to validate qualitative study.

Tests	*Case study tactic*

Construct validity
Establishing correct operational measures
    for the concepts being studied
	• Use multiple sources of
	  evidence
	• Establish chain of evidence
	• Have key informants review
	  draft case study report

Internal validity
Establishing a causal relationship,
    whereby certain conditions are
    shown to lead to other conditions
	• Do pattern matching
	• Do explanation building
	• Address rival explanations
	• Use logic models

External validity
Establishing the domain to which
    the study's finding can be
    generalized
	• Use theory in single
	  case studies
	• Use replication logic in
	  multiple case studies

Reliability
Demonstrating that the operations
    of a study can be repeated, with
    the same results
	• Use case study protocol
	• Develop case study data
	  base

Source: Yin (2003).

Results

To investigate our propositions, respondents from each company were asked whether they perceived elements of each of the three types of climates and how influential/strong they perceived these elements to be. Perceptions of the same climates were then deemed to be the dominant climate in existence in the company.

To provide seamless support for both Propositions 1 and 2, it was necessary to confirm the perception of egoist climates (i.e. self-interest, company profit/efficiency) as the dominant climate in all five companies. However, interviews with individuals within these companies provide only limited support for both Propositions 1 and 2. Only in one of the companies studied did we find that the dominant ethical climate was of the egoist type: Nigerian Company C had a dominant egoist climate in the form of self-interest.

Findings at Company C confirmed our assumption that ethnic diversity and corruption are both positively related to egoist climates in organizations. As Africa's most populous country, Nigeria is composed of over 250 ethnic groups. Transparency International's 2012 Corruption Perception Index (CPI) still ranks Nigeria as one of the most corrupt countries in the world, while South Africa is among a handful of sub-Saharan countries to be listed as being only moderately corrupt. Therefore, we expected to find more pronounced egoist climates in Nigerian organizations than in South African organizations as an effect of higher corruption levels in Nigerian society. An interviewee from Company C noted:

> There is no doubt that people protect their own interests first of all. This is where you see things don't work. The corporate goal is not their goal. A typical Company C person, you send him to go and buy something that costs 10 Naira – he comes back and tells you it costs 50 Naira. That is personal interest!

All levels of management at Company C focus strongly on control. Decisions are made at the top of the command chain. Self-interest in the organization reflects the need people feel to protect their own interests above other considerations. Corrupt politicians, civil servants as well as the employees' own bosses within the organization set an example for such practices. Management is said to do nothing to assure people that it is not necessary to steal in order to secure a future for the self and the family. The HRM department at Company C had drawn up guidelines supporting equal opportunities for all as well as task and training orientations in the management of people. This appeared to be for image purposes only. It was reported that these guidelines did not in the least shape the actual practices in the organization. The quota system, which was officially put in place to further inclusiveness, in fact provided the opportunity for managers and HR representatives to freely employ their next of kin. Ethnicity-oriented employment and promotion practices prevailed. Differences between people were either seen as negative or ignored.

Surprisingly, results for two other companies showed that climates of the benevolent types were perceived to be dominant. For Nigerian Company A, interviews showed that the dominant ethical climate type is of the friendship/team interest type. The focus of management in this company is on people (as opposed to control in Company C). HRM practices were described as being egalitarian and fair. Equality and fairness were highlighted in official documents and were stressed whenever the topic of HRM came up in conversations at Company A. The employment policy was said to reflect the main ethnic groups existing in the country. Informants also insisted that personal qualifications were vital. However, training and development activities to further these qualifications on the job were not offered on a regular basis. Diversity in this company was rife, but not recognized as an important issue. Employees were not trained in synergistic

problem-solving skills. Consequences mentioned by the team members interviewed were difficulties in solving conflicts and some doubts regarding mutual support in the team. Despite this, a consistent view voiced by interview partners was that they enjoyed working as a team and that 'People take care of each other like in a family'. Furthermore, the company also showed benevolence toward society whereby interviewees noted that 'It is right to promote the better of society' and 'Occasionally, someone is given a job just because they are desperately in need of it'. These findings from Nigeria provide reason to question the proposition that ethnic diversity and corruption on a societal level lead to egoist organizational climates. They imply that managerial orientation and HRM practices have a stronger influence on the organizational climate and moderate the effects of social institutional factors.

In South African Company E, benevolence was also the dominant element in the organizational climate. The interviewees noted that the employees of the company are important assets that need to be taken care of. Thus, the ethical climate reflected concern and caring for employees. Interviewees also noted that the company has a strong social responsibility mandate, which shows caring for society at large. This societal level benevolence was illustrated by the charitable donations and educational projects the company is involved in. Just as in Company A, HRM practices here were reported to be egalitarian and task-oriented. In addition, South African Company E actively supported their employees' continuous training and development. The explanation given for this was that Company E's management recognized that people can only be cared for and society only developed positively via business success. Training was followed through as an investment in people, in order to enable them to perform on a high level. Teamwork was lived on all levels of the organization and exemplified by the five-person executive team. There were teams of various forms within and across business lines in the organization. As one interviewee explained: 'We want to get this business to a point where we have collective groups of people responsible for our future ... It's all about focusing on the collective minds, picking on the strengths and giving people career opportunities'. The ethnically diverse set of people at Company E is recognized as the company's primary asset, and HRM is seen as one of the most important functions. If ethnic diversity and corruption on a societal level are positively related to egoist organizational climates, this relationship appears to be strongly moderated by the HRM function in this South African organization.

The results for Companies B and D were somewhat more mixed. While interviews revealed the perception of an egoist climate through company profit/efficiency, interviewees also perceived benevolent climates in the form of social responsibility and friendship/team interest. For instance, Company B was very focused on profits because a significant amount of money had been invested in its Nigerian market. The ethical climate of company profit/efficiency as reflection of egoism was an important driving force. However, interviewees also noted social responsibility and friendship/team climates. In fact, one interviewee mentioned 'decisions here are not just viewed in terms of contribution to profit; it's also goodwill for the welfare of employees and customers'. Furthermore, additional observations showed the importance of social responsibility to the company and its employees. The company has set up a foundation with the aim of 'giving back to society' and 'impacting the quality of life in a meaningful way'.

Company D had a similar focus on egoism as reflected in the company profit/efficiency aspects followed closely by benevolence evidenced by social responsibility and friendship/team interest. The emphasis on company profit/efficiency was emphasized as one interviewee noted: 'Efficiency is what leads us to our goal. If something is good for the

company, we do it'. This could mean that members of the company are the in-group, while wider society is the out-group. However, social responsibility is also very important as many social projects are carried out by the company and supported by employees. Furthermore, high levels of friendship/team interest were also shown by statements revealing caring of employees for one another. For instance, when discussing safety, one of the project managers noted: 'It is our responsibility towards the team and the workers on site. The company management agrees with this view and also looks towards the good of the employees'.

In both Company B in Nigeria and Company D in South Africa, HRM operates by policies and practices stressing equal opportunities, qualification for the job and continuous training. Even though egoism defines the organizational climate in terms of company profit/efficiency, the findings from Companies B and D only provide convincing support for our proposition 2. Our interviews revealed that Companies B and D did occasionally adapt to corrupt practices (e.g. bribery), which were the norm in their political and business environments, in order to secure and drive their business. However, in spite of high levels of ethnic diversity in both cases, members of the company focus more on the success of the organization as a whole than on their individual welfare or that of their ethnic group. The possible negative relationship between ethnic diversity and egoism on the organizational level appears to be moderated by HRM, just as in Cases A and E described above. Possibly, HRM would need to focus more strongly on ethics, in order to moderate the relationship between corruption and egoism on the organizational level, especially when profits are at the forefront of organizational strategy.

Finally, we would also like to note that none of the individuals interviewed in the five companies perceived principled climates to be dominant in any of the organizations. Careful review of the interviews did not reveal any reference indicating that following rules and procedures was a priority. Although this suggests nonsignificant findings for the principled climates, such results also provide partial support for both Propositions 1 and 2.

Discussion

This paper is one of the first exploratory and investigative qualitative studies examining ethical climates in the context of Nigeria and South Africa. Given the utility of the ethical climate concept to understand ethics within organizations (Parboteeah and Kapp 2008), this paper provides much needed understanding of ethical climates in an otherwise neglected context. Specifically, this study is critical given the need to understand ethics as the importance of Africa grows in terms of international trade. Focusing on two of Africa's powerhouses (i.e. Nigeria and South Africa) provides much needed understanding of ethical climates within companies in these nations.

For one Nigerian company, we found evidence clearly supporting the assumptions that the social institutional factors of ethnic diversity and corruption were positively related to egoist climates. Such results are important given that this is the first study examining the effects of both ethnic diversity and corruption on ethics and ethical climates. However, our results are consistent with extant literature suggesting the effects of societal influence on ethics and ethical climates (Cullen et al. 2004; Martin et al. 2007). Furthermore, these results complement Trevino et al.'s (2008) assertions that institutions may not necessarily operate separately. Rather, they operate in tandem and may actually influence each other. Thus, our study adds to a more novel perspective, in contrast to the more accepted practice of isolating the effects of national cultures on ethics (Tsui et al. 2007).

Our results for egoism have important implications for the HRM function. Self-interested decisions characterizing the egoist climate are also likely to result in unethical HRM practices. As argued by Chidi et al. (2012), Nigerian companies are often plagued by unethical HRM practices across all HRM functions. For example, the selection process can often result in unfair practices typified by nepotism or favoritism. This is not surprising as members of one ethnic group may want to favor others from the same ethnicity. Furthermore, egoism can also impact other HRM functions such as compensation (e.g. members of preferred ethnicity receive more favorable compensation), training and development (e.g. only members of some ethnic groups have access to critical training) and performance appraisal (e.g. members of specific ethnic groups get better evaluations). As such, our results for egoism suggest that it is important for companies to devote more resources and efforts to develop more ethical HRM practices.

We were nevertheless surprised to find that for the other four companies, benevolent climates were in existence. However, after further discussions with the respective interviewees, we found that members of these organizations identified more strongly with their respective corporate cultures. Such results are consistent with Parboteeah et al.'s (2005) findings that other factors such as corporate cultures and occupational cultures can have effects that can, at a minimum, mute or even negate the effects of societal culture. Writers with a focus on Africa, such as Mare (1992), Jackson (2004), Human (2005) and Mbigi (2005), agree that other group cultures, such as business or organizational cultures can cross-cut many ethnic groups. Research has also shown, however, that organizational-level elements need to have some fit to the societal context, in order to thrive (Thomas and Bendixen 2000).

We identify a link between our findings of benevolence and traditional African ethnic cultures. There exists a central idea about collective experience and group solidarity. In South Africa, this concept is called *Ubuntu* (for a detailed explanation, see Broodryk 2006), derived from the phrase *Umuntu ngumintu ngabantu* ('a person is a person through other human beings') (Karsten and Illa 2005). Many proverbs in different parts of sub-Saharan Africa express the same idea that an individual only attains significance as a human being through interaction and cooperation with others: 'One finger alone cannot kill even a louse' (Kenya); 'A single bracelet does not jingle' (Congo); and 'It is by the strength in their number that the ants in the field are able to carry their prey to the nest' (Nigeria). As Thomas and Bendixen (2000) observe, the family can be extended to include anyone, not only those related by blood, kinship or marriage. Consequently, an organization can also take the place of family, providing identity, security and purpose for its members.

Interviews with our respondents at Nigerian Company A clearly showed that the company's management focused strongly on people (consistent with Jackson's 2004 African Renaissance management system). In fact, the focus of Company A was to provide equal opportunities to all members of the organization irrespective of their ethnic or religious affiliation. With such a management approach, it is therefore not difficult to comprehend that the dominant ethical climate is of the friendship/team interest type. In fact, one of the team members of Company A even stated 'Working for Company A is like being part of a family, so it's as if you are working for yourself'. Furthermore, the climate in the company was found to be high on social responsibility as all employees felt that they had a strong sense of commitment to the outside community. The people-oriented approach of addressing the needs of all irrespective of ethnic identities or religious affiliation probably counteracts the possible negative effects of ethnic diversity.

South African Company E had a similar people-oriented management system. First of all, because of the pressures emanating from the South African government, companies are under strong pressure to increase the percentage of black staff. As such, the company has embraced a people-oriented management system geared to develop and sustain core competencies through maximization of HR potential. Employees are valued and encouraged to engage in learning to improve their contribution to the company. It is therefore not surprising to see that, in such a people-oriented culture, employees value benevolent manifestations through friendship/team interest and social responsibility. The company is being developed as a strong collective, which overrides external (ethnic or political) power dynamics.

We assumed earlier that ethnic diversity appears in connection with insecurity, when different groups feel threatened by each other and are trying to protect themselves. Corruption was also described as self-interested behaviors whereby people protect their own interests and that of their communal group. Our findings suggest that an inclusive organizational culture enables members to see themselves and all the subgroups fitting together to form something great – one big in-group, from which members draw their sense of belonging and identity. Caring for the self therefore no longer opposes caring for the whole. Individuals and subgroups no longer need to protect themselves against each other.

We note that the one company that had a clearly egoist climate (Company C) had a management system that is consistent with egoist climate types. Company C's management focused strongly on control. As such, the company, typical of government-run organizations, was very hierarchical and bureaucratic, focused on making sure that employees abide by controls in the interest of company profit/efficiency. In fact, one interviewee noted that decisions are made 'all the way up, probably. So it is important to have and to keep good relationships to the top levels. The "Big Man" controls everything'. Political power dynamics, to which matters of ethnicity are inherently related (Jackson et al. 2008; Jackson 2010), play a strong role in the management of this company. Insecurity is rife. In consequence, the negative influences of ethnic diversity and corruption can freely unfold. Interviews at Company D revealed a results-oriented management system. This focus on company profit/efficiency was not surprising given that the company was a subsidiary of a German company, intent on achieving headquarter-imposed goals.

Finally, Company B also showed elements of both egoist and benevolent climates. However, further discussion of this issue with interviewees showed that the company has been facing increased competition. Because of this strong competition, the company has been very concerned about company profits and efficiency to survive. In fact, one interviewee noted 'Management has changed in the past six months and the whole atmosphere has changed. There's lots of cost-cutting'. However, despite this emphasis on cost-cutting and company profit/efficiency, the company has traditionally been known for its benevolent approach to its stakeholders. In fact, the company has a foundation that has carried out projects in areas of education (schools), support for small business start-ups in rural areas and health. As such, employees of the company were very proud to be part of the organization.

In both Cases D and B, management's orientation toward results allowed for a climate of egoism on the organizational level and led to the emergence of some insecurity among employees. However, since the values of unity and benevolence remained central to the organizational cultures, self-interest did not grow to a point where ethnic division was reflected in the attitudes and behaviors of individual organizational members.

We conclude that it is a key management task to provide an environment in which trust, a sense of security and togetherness can grow. Even if ethnic diversity and corruption characterize the national environment, individual organizations can be ethically sound islands of productive teamwork, which actually benefit from ethnic diversity, given that people are supported in dealing with differences and ethical matters by HRM and top management.

Contributions

This research offers several contributions to the literature on cross-cultural ethics. First, this paper makes an important contribution to understanding ethical climates in the African context and therefore responds to Tsui et al.'s (2007) recommendations of efforts to conduct country-specific cross-cultural research. Rather than apply emic measures, this study involved effort to first understand the relevant issues within the sub-Saharan African context. This in-depth knowledge was then applied to the companies that were being studied, thus providing rich information on organizations in sub-Saharan Africa. Furthermore, the qualitative interviews were conducted by a researcher who grew up in Lagos, Nigeria. This afforded her a deep understanding of the African context and access to nuances and subtleties that would have escaped outsiders. We therefore hope that this study is viewed within that light. Furthermore, reviews of cross-cultural ethics and the relationship of national culture with key ethical outcomes (Kirkman, Lowe and Gibson 2006; Tsui et al. 2007) show scholars have focused mostly on Western countries while ignoring the African context. Our study makes an important contribution to filling this gap.

Second, our paper provides supporting evidence that the African social institutional framework, through ethnic diversity and corruption, is linked to egoist climates in African companies. This offers reinforcement for our contention that both ethnic diversity and corruption are important aspects of the African environment that have a bearing on ethical climates. While we did not explicitly assess ethnic diversity and corruption, there is enough support for the importance of these factors on the African national context (Guest 2004; Rossouw 2005; Power 2006). Consistent with previous research (Cullen et al. 2004; Martin et al. 2007), this study provides further support for the argument of the influence of the societal context on ethical climates. It thus answers calls from Martin et al. (2007) to incorporate social institutional explanations to understand ethical climates at a cross-cultural level.

Third, and related to the above, we contribute to a growing movement of examining proper characteristics of African management (Thomas and Bendixen 2000; Jackson et al. 2008; Nkomo 2011). Rather than rely on the typical cross-cultural dimensions such as those based on Hofstede (1984) to explain the differences, we rely on a more contextual observation of the African context. We therefore address Jackson and Aycan's (2006) encouraging view that the academic 'community could only be enriched by a wider dissemination of culturally diverse paradigms'. Furthermore, the consideration of corruption as an unavoidable aspect of daily life departs from traditional views that corruption is the outcome of cultural values. In this paper, we examine corruption as the antecedent to ethics in companies.

Fourth, the findings of benevolent and more mixed climates are also encouraging given some of the recent changes in African companies. Rossouw (2005), for instance, argues that many African nations have pushed corporate governance initiatives as a deterrent to unethical business practices in order to attract foreign investors. Good corporate governance is seen as critical to economic success and long-term sustainability (Rossouw

2005). Most of the corporate governance reforms have emphasized the need for crucial ethical values such as transparency, accountability and responsibility. As such, our findings are consistent with these efforts as both Nigeria and South Africa are seen as model African nations. Moreover, Western companies active in Africa are well advised to take note of such developments.

Finally, this study also provides evidence of the relationship of the corporate culture and management system on ethical climates, consistent with prior literature (Parboteeah et al. 2005). Our findings clearly show that management systems geared to encourage benevolence were, in fact, more strongly related to benevolence. This, in turn, provides a leverage point for companies operating in sub-Saharan countries. Organizational design (including organizational culture) and managerial leadership practices seem to matter significantly to ethical climates, and hence offer influence points controllable by management (as opposed to larger national cultural or social institutional factors).

Practical implications, limitations and future research

Given our findings, this research has some implications for practicing HR department executives. Our research shows that the African context does not necessarily determine an egoist climate. The organizational culture, fostered by HRM, can act as an important antidote to such egoism. Thus, to encourage benevolence, multinationals need to promote an ethical culture. Ardichvili and Jondle (2009) suggest that companies first start with a strong ethical code. However, the formal aspect represented by the code cannot work unless the informal context in the organization supports the code. Thus, companies should ensure that the code is reflected in everyday practices while also being embraced by the company leaders. Furthermore, employees should have access to open lines of communication to discuss ethical matters. However, they should also be made aware regularly of the code through both frequent communication and training. Employees should also have the ability to report ethical misconduct (Miceli et al. 2009). Finally, there should be a process in place to sanction those employees who violate the ethical code.

Although some companies had benevolent climates, we also found that egoism did exist in other companies. This provides some support for our contention that ethnic diversity may sometimes encourage focus on specific ethnic groups rather than on the general well-being. Such results also suggest the critical role HRM departments can play in managing such ethnic diversity. As discussed in Anonymous (2002), adequately managing diversity has been very beneficial for the South African multinational South African Breweries as it has helped the company achieve its corporate goals. HRM departments can take equity initiatives such as recruiting more ethnic diversity representative of the population. Furthermore, HRM departments can encourage fairness and human dignity by developing fair HRM policies. For instance, all ethnic groups should be evaluated similarly while also getting access to similar training programs. Regarding training, it is important to consider the indigenous tacit knowledge contained in African belief systems and mental models (Mbigi 2005). A wealth of experience in dealing with diversity and emotions can be found in sub-Saharan Africa. Mbigi (2005) reminds us that such insight and skill is best shared and understood through experiential learning.

A few limitations of this study, along with suggestions for further research, should be noted. First, this study is qualitative in nature. While providing for a more in-depth analysis of the complex social phenomena investigated in this research (crossing several levels of analysis, including national, tribal, organizational, work group and individual levels), qualitative research methods have inherent limitations with regard to general-

izability given the limited number of in-depth case studies conducted. For instance, certain aspects of the data collection methods such as collecting data from different individuals at different positions or the combination of interview questions and company data could have introduced some bias in our testing. However, despite these potential problems, we took every effort to ensure that the appropriate steps of qualitative research were followed. Our results should be viewed in that light.

We nevertheless encourage further research to build on our conceptual and empirical work. Specifically, we hope that future research will investigate ethical climates in a larger number of countries through a quantitative effort. For instance, although we assumed that ethnic diversity and corruption are key institutions in the African context, we never explicitly measured these institutions. We therefore hope that future efforts will focus on direct assessment of our institutions. Furthermore, we also hope that future studies will incorporate all critical factors (culture, social institutions and organizational culture) to assess the effects of each factor. At the same time, however, we maintain that, throughout our research, we never got any impression that the organizations and individuals participating in this study could be considered as in any sense untypical of their respective environments.

Second, while our conceptual arguments are not specific to Nigeria and South Africa, our empirical study was conducted in these two nations, often regarded as Africa's economic and political powerhouses. Therefore, we advocate further empirical inquiry in other sub-Saharan nations to explore any possible differences and to see if our findings from Nigeria and South Africa hold in other national contexts. The African context remains largely unexplored, and future studies should focus more on the area. Such efforts are critical as more multinationals explore investments and other potential trade with African nations.

Lastly, we hope that this study sparks more interest in business ethics in the African context with its unique characteristics and its great relevance for the further economic and societal development of this continent. The present theoretical considerations and empirical findings may provide a basis for such scholarly inquiry.

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Appendix: List of probes/questions used to assess ethical climates

Egoism
- In this company, people protect their own interests above all other considerations.
- The most efficient way is always the right way in this company.

Benevolence
- The most important concern is the good of all people in the company.
- People in this company have a strong sense of responsibility to the outside community.

Principled
- Successful people in this company go by the book.
- People are expected to comply with the law and professional standards over and above other considerations.