

# “The role of corporate culture and ethical environment in directing individuals’ behavior”

Tarek R. Y. Abu Arrah  <https://orcid.org/0000-0001-7103-0651>

 <http://www.researcherid.com/rid/X-6165-2018>

Dilber Caglar  <https://orcid.org/0000-0003-3178-6088>

Pelin Bayram  <http://orcid.org/0000-0001-5373-2254>

## AUTHORS

## ARTICLE INFO

Tarek R. Y. Abu Arrah, Dilber Caglar and Pelin Bayram (2018). The role of corporate culture and ethical environment in directing individuals’ behavior. *Problems and Perspectives in Management*, 16(4), 299-313.  
doi:[10.21511/ppm.16\(4\).2018.25](https://doi.org/10.21511/ppm.16(4).2018.25)

## DOI

[http://dx.doi.org/10.21511/ppm.16\(4\).2018.25](http://dx.doi.org/10.21511/ppm.16(4).2018.25)

## RELEASED ON

Wednesday, 05 December 2018

## RECEIVED ON

Friday, 21 September 2018

## ACCEPTED ON

Wednesday, 21 November 2018

## LICENSE



This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/)

## JOURNAL

"Problems and Perspectives in Management"

## ISSN PRINT

1727-7051

## ISSN ONLINE

1810-5467

## PUBLISHER

LLC “Consulting Publishing Company “Business Perspectives”

## FOUNDER

LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

**148**



NUMBER OF FIGURES

**1**



NUMBER OF TABLES

**2**

© The author(s) 2025. This publication is an open access article.



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"  
Hryhorii Skovoroda lane, 10, Sumy,  
40022, Ukraine

[www.businessperspectives.org](http://www.businessperspectives.org)

**Received on:** 21<sup>st</sup> of September, 2018

**Accepted on:** 21<sup>st</sup> of November, 2018

© Tarek R. Y. Abu Arrah, Dilber Caglar, Pelin Bayram, 2018

Tarek R. Y. Abu Arrah, Ph.D. Student,  
Girne American University, Cyprus.

Dilber Caglar, Dr., Associate  
Professor, Faculty of Business  
and Economics, Girne American  
University, Cyprus.

Pelin Bayram, Dr., Assistant  
Professor, Faculty of Business  
and Economics, Girne American  
University, Cyprus.



This is an Open Access article, distributed under the terms of the [Creative Commons Attribution 4.0 International license](https://creativecommons.org/licenses/by/4.0/), which permits unrestricted re-use, distribution, and reproduction in any medium, provided the original work is properly cited.

Tarek R. Y. Abu Arrah (Cyprus), Dilber Caglar (Cyprus), Pelin Bayram (Cyprus)

# THE ROLE OF CORPORATE CULTURE AND ETHICAL ENVIRONMENT IN DIRECTING INDIVIDUALS' BEHAVIOR

## Abstract

This study is aimed at verifying the conception that a strong corporate culture supported with a positive ethical environment is central for directing and guiding the behavior of individuals toward achieving organizational objectives. The rationale for this study stems from the circumstance that formal controls systems suffer from consecutive failures, as the performance of organizations is still suffering from financial collapses. Reasons behind such failures might be related to the insufficient appreciation of the culture-based controls given that formal controls are influenced by the human nature of employees and the affixed moral side.

Data subject to analysis are obtained from a judgmental sampling method using a self-completion questionnaire covering the listed companies at Jordan Securities Commission. A factor analysis and a standard multiple regression analysis have been conducted with the aim of proving the hypotheses of the research. The research results show that strong corporate culture supported with a positive ethical environment can direct the behavior of employees for the good of organizations. Results also support the importance of involvement of top management considering its role in filling the gap between the embraced and the workable values and beliefs of an entity.

## Keywords

culture-based controls, ethical environment, formal controls, internal controls, Jordan Securities Commission

## JEL Classification

M1, M14

## INTRODUCTION

Corporate culture is a product of the organizational setting. It is basically defined by its elements as the shared basic values, beliefs, assumptions, and accepted practices that characterize the work setting. Corporate culture is also defined through its characteristics, which include among other things the integration within the entity, control, rewarding system, conflict tolerance. Such characteristics are referred to as the internal controls that contribute to the good shaping of an entity (Robbins & Barnwell, 1994).

The essence of internal control is to change the behavior of individuals across the organization to achieve specific organizational objectives through maintaining high levels of processes' effectiveness and efficiency, facilitate transmitting the appropriate work behavior and increasing commitment toward corporate values, and effectively complying with policies and procedures. By that an entity can lessen the burden of formal internal controls. It is referred by organizational goals, any strategic or tactical objective the entity aims to achieve respectively in the long or short run, whether financial or non-financial.

In this context, culture is omnipresent and non-consciously operates at directing and regulating the behavior of employees among ways

consistent with the organizational expectations, so, decisions and behaviors act for the good of organizations. It is finally controlling the emotional and perceptual processes located beyond the reach of formal control systems.

---

## 1. AIMS AND OBJECTIVES

The current study examines the capability of the characteristics of corporate culture and ethical environment on directing and regulating the individuals' behavior in a voluntary way toward achieving the legitimate organizational goals. In other words, the effect of having both a strong corporate culture and a positive ethical environment will be investigated to stand on the importance of corporate culture as a control system to complement the role of formal control in directing the behavior of employees to fulfill organizational objectives.

## 2. RATIONALE FOR THE STUDY

It is well known that the organizational goals can't be achieved without satisfying the requirements of internal control systems that focus on achieving the effective and efficient functionality of processes, the reliability of disseminated information, and the compliance with active rules and regulations. This accomplishment would not materialize without directing the behavior of employees toward obeying those governing policies and procedures. Reasons behind such failure were related to the overlooking of the interaction formal control with the human nature and the role of moral status in the regulation of behavior.

However, after the repetitive failures of formal control systems to make this happen, organizations start realizing that corporate culture can make this real. Accordingly, they start resorting to implement such culture-based controls to activate the self-monitoring in employees through shared values, assumptions, and beliefs.

Different researchers tried to reach a conclusion about the role of corporate culture in directing and regulating the behavior of employees during the journey of attaining the organizational goals. This study tries to come with a comprehensive

model that explains those major variables related to the culture and enforced by the ethical environment, which are presumed to have a potential impact on regulating the individuals' behavior.

## 3. LITERATURE REVIEW

### 3.1. The essence of corporate culture

Corporate culture manifests into two layers, the observable culture (physical structures, symbols, language, stories, heroes, legends, and rituals). For example, the organization traditions and stories that people tell about how their entity came to be the way it is and how problems are solved in association with external adaptation and internal integration (Schein, 2010; Trice & Beyer, 1993; Zohar & Hofmann, 2012). Another example is the physical structures and the way desks, chairs, office space, or even the lack of them convey messages related to the existing role of teamwork, friendly environment, flexibility, openness. The second layer is the core culture, which includes the corporate values, and assumptions (Schein, 1985). In addition, corporate culture has been explained in the context of themes like learned entity, belief system, and mental programming. In the learned entity theme, culture refers to the way things are being done or even thought about, in addition to matters related to the internal and external adoption (Schein, 1984). The belief system theme gives meaning and rules for behavior that guides the day in and day out beliefs and behaviors (Williams, Dobson, & Walters, 1993). Sometimes, corporate culture is understood through its seven inter-linked elements, which are the rituals and routines symbols, stories, power structures, control systems, organizational structures, at the center of them is the held beliefs and values (Johnson & Scholes, 1999).

### 3.2. Strength of corporate culture

In a strong corporate culture, a harmony between the embraced and working culture is relied upon to guide business decisions, tendencies, and be-

haviors; tasks are recognized by their meaning and value (practicable, important, and correct). In such a strong culture, dominant values and assumptions should be adaptive by enabling employees to respond effectively to any internal or external changes in a cooperative way by embracing an open-system perspective; have forward looking, so, value-based practices support innovation and expected changes (Chatman & Cha; 2003; O'Reilly, 1989). In addition, tolerance measures exist for deviant behavior and counterculture practices (D. Welch & L. Welch, 1997).

### 3.3. Importance of corporate culture

Corporate culture controls people more than they control it, as it becomes tacit rules of how to do things at work settings. Organizational development should be accompanied by or even combined with corporate culture in order to make individuals work efficiently (Deal & Kennedy, 1982). By this, corporate culture is indirectly capable to guide the behavior of individuals through using control procedures such as the strategic direction and objective setting; communication tools, cooperation and interpersonal relationships (Martins & Terblanche, 2003). Eventually, corporate culture contributes in improving the organizational performance. This conclusion stems from the fact that entities are human nature operations. Consequently, there is a need to build entities around people rather than around techniques (Morgan, 1986) and resorting to those culture-based controls and finally shifting control from being merely bureaucratic to be combined with the humanistic side (Huczynski, 1997).

### 3.4. Corporate culture as a culture-based control

Simons (1990) has repeatedly pressed the need to include culture in the analyses of management control systems, considering that culture has the ability to program employees' minds. Proponents have the view that culture is a management tool, which can be manipulated by top management for the sake of accomplishing the entity objectives, and that top management has the exclusive right to impose and change the corporate culture, and if culture could not be changed, people then need to be replaced. This view is reinforced by the school

of thought that considers an entity as effective if its strategy is in alignment with its corporate values (Hubbard, 2003).

The feelings attached with the culture-based controls stem from the existence of a pattern of shared values, beliefs, assumptions, artifacts, and expectations among organization's members that contribute in producing norms that powerfully outline the behavior of individuals and work groups (Schwartz & Davis, 1981). Guiding behaviors through shared norms and beliefs help in creating congruence between both entity and individuals' expectations, and increase the level of both culture intensity and the degree of consensus with which a norm is shared.

In contrast to formal controls, which periodically assess outcomes including individuals' behavior, the cultural-based controls operate around the clock to control the beat of performance and guide the behavior of individuals. Culture-based controls can be viewed as a social control system where it operates informally and more extensively in interpreting and evaluating events.

It seems that executives and board members ignore the destructive effect of "broken corporate culture" when they allow sayings like "do as I say, not as I do", and "cover yourself" are heard, or when the mindset of the organization underpins "talks the talk, but does not walk the walk", or "good people don't stay here". Furthermore, such culture-based mindset underpins the importance of determining and fixing what might be of gaps between the stated and actual corporate values at any level that would denote specific weaknesses in the corporate culture.

Culture-based controls are of three types: (1) value controls, refer to what is formally communicated and repeatedly reinforced of directions (Simons, 1995). Values function on three levels, recruiting individuals with matching values, and then synchronizing the values of those individuals with the existing corporate values, and finally, identifying and personalizing those recruits so they work in accordance with the entity stated values, (2) symbol-based controls, or what an organization adopts of cultural visible expressions like workspace design and dress codes to infer a professionalism sta-

tus (Schein, 1997), and (3) clan controls or those distinct subcultures (Dent, 1991), that are subject or exposed to a socialization process (Ouchi, 1979) with the purpose of controlling the perceptual and emotional processes that are beyond the reach of formal control systems (Pfeffer, 1981).

### 3.5. Interrelations among tone at the top, top management, and corporate culture

The dominant perspective in corporate culture is that there is unceasing interaction between culture and leadership. Leadership plays central role in establishing, inculcating, maintaining, and preserving good corporate culture (Schein, 2004) that serves in maintaining values that embrace the employees ethical conduct, and assuring the continuing viability, and the creation of sustainable organizational value. Leadership initiates and has joint role in assuring that the entity has supporting values of integrity, fairness, and trust. It is responsible for setting the tone for all employees to follow (Craft, 2013).

The role of leadership is best described by D. Welch and L. Welch (2006) when a CEO of the US multinational Tyco International said “We are committed to changing the culture of the company, where we cannot change the culture, we will change people”. The eventual meaning of that is it’s the leadership task ensuring that employees are embracing the desired culture or any further cultural change.

Research proved that lower-level employees follow the leadership lead whether good or bad (Schaper & Weber, 2012). The essence of leadership is that leaders have high level of determination, strong assumptions, knowledge about how goals are arrived at, and how to manage space and time (Schein, 1985), they also get assumptions communicated and rooted in individuals’ behavior, in their feeling and the way of thinking.

According to the report of COSO Treadway commission in 1987, 1999, tone at the top plays a crucial and influential role in creating a ripe environment for fraudulent financial reporting.

According to the 2005 National Business Ethics Survey (NBES), employees who perceive that top

management acts ethically, talking about the importance of ethics, keeping people informed, keeping its promises, and model ethical behavior are less likely to engage into fraudulent acts versus those who feel that top management does not support its talks about ethics with actions.

The importance of organizational culture is prescribed as a motivator to employees’ attitudes and behaviors (Flamholtz, Das, & Tsui, 1985). In conjunction with the corporate culture itself, executives contribute in developing a strong ethical tone at the top that leads to a growing fraud-resistant culture. In support of this position, the tradition of Confucianism says that “if a ruler is himself upright, his people will do their duty without orders; but if he himself be not upright, although he may order, they will not obey” (as cited by Liu, Zhou, Liska, Messner, Krohn, Zhang, & Lu, 1998).

Moreover, Dukerich and colleagues (1990) considered the effect of leadership on the ethical behavior of the group, when they manipulated the leadership variable by assigning the task leadership role to individuals who reasoned at more versus less principled levels. The results indicated that the reasoning level of the assigned leader affected the group performance.

Different cultural perspectives like the functional perspective, which concerns the shaping and maintenance of culture, and the attribution perspective, which concerns the making activities meaningful and sensible, support the existence of positive relationship between the leader’s behavior and how a corporate culture is defined. While the contingency perspective to culture considers the criticality of the role of leadership in times of crisis (House, Spangler, & Woycke, 1991) or under uncertainty circumstances (Waldman, Ramirez, House, & Puranam, 2001), the leaders influence various business domains including the entity corporate culture.

Leadership sets forth a vision, it articulates the purpose of existence, the future direction, taking into consideration the environmental factors affecting the outcomes of an entity. It motivates and inspires people through translating the vision into the only cause worth fighting for. It analyzes the efficiency of operating systems, the controlling activities, and finally shapes the operating business



decisions. It masters the business tasks through allocating resources, influencing employees' attitudes and decisions. It is from these roles that the symbolic role of leadership stems and why for instance it takes credit for any good performance (Bettman & Weitz, 1983).

Characteristics and qualities of an organization's culture are taught by its leadership and eventually adopted by its followers. It is said that a strong corporate culture is contingent upon ethical leadership (the most common source of organizational values and assumptions), which aims to transmit its values to employees as a mean of shaping behavior and directing the firm (Enz, 1988; Schein, 1992) through serving as role model (Weaver, Trevino, & Cochran, 1999). In line with this, Momeni (2009) found that 70% of the total perception of employees about the corporate climate is directly shaped by their leader's style of leadership and behavior. Leaders create mechanisms for cultural development and reinforcement of norms and behaviors expressed within the boundaries of the culture.

The ethical commitment of leadership is highly stressed by ethics researchers, as it does ensure the diffusion of espoused values throughout organizations (Jones, 1995; Paine 1996; Brown, Treviño, & Harrison, 2005). Furthermore, business ethics literature suggests that in the value-oriented entities where transformational leadership provides motivation to subordinates, emphasize ethical standards and collective purpose achievement (Bass & Riggio, 2006), this results in a state of correlation with the lowest level of occupational fraud, while in the compliance-oriented organizations where transactional leadership has constant contractual interaction with subordinates, there is a state of correlation with higher levels of occupational fraud (Bass & Steidlmeier, 1999).

In examining the relationship between top management values, organizational culture, and performance in different entities, it has been found that the CEO values related to self-direction, security, and benevolence have positive relationship with the innovative, bureaucratic, and supportive culture characteristics. It has been found also a relationship between the strength of leadership and the strength of culture (Tsui, Zhang, Wang, Xin, & Wu, 2006).

The organization's culture develops in large part from its leadership, while the culture of an organization can also affect the development of its leadership. For example, transactional leaders work within their organizational cultures following the existing rules, procedures, and norms, while the transformational leaders change their culture by first understanding it and then realigning the organization's culture with a new vision and a revision of its shared assumptions, values, and norms (Bass, 1985). Organization members including its leaders are attracted to, selected by, and terminated on the basis of their fit with the organization's characteristics and orientations (Schneider, 1987; Schneider, Goldstein, & Smith, 1995). This is why organization members come to resemble their organizations with respect to characteristics such as personal orientations and values. On the other hand, the personal characteristics of leaders and executives help in determining what their organizations will ultimately look like (Hambrick & Mason, 1984; Lewin & Stephens, 1994; Miller & Dröge, 1986; Miller, Dröge, & Toulouse, 1988). Among these characteristics are the personal values and beliefs, which have been argued to be part of the most influential leader characteristics.

The international corporate governance network requested the board of directors to adopt high standards of business ethics through codes of conduct/ethics and oversee a culture of integrity. Such standards should permeate all aspects of the company's operations including strict policies related to mitigating the risk of fraud and any harmful deviance acts. In addition, a corporate culture should be fostered to ensure that employees understand their responsibility for appropriate behavior, ways to do that are through training, monitoring programs. An ethical leadership is defined as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and ethical decision-making.

Ethical values are critical in the corporate culture notion, it is found that a relationship exists between ethical leaders and the presence of ethical values within an organization given the impact leaders have on establishing the organization's values (Northouse, 2001). Individuals' ethical be-

havior is influenced greatly by their leaders, perceptions among employees that their managers possess a set of core ethical values and act upon them has been shown to significantly impact the firm's ethical corporate culture (Treviño, Brown, Hartman, 2003). They found also that when employees perceive that their leaders take ethics seriously, they are less likely to engage in unethical and/or illegal behaviors. This is why a manager must be perceived as both a strong moral manager and a strong moral person. However, if one is perceived as being a strong moral manager, but a weak moral person, he would be seen as a hypocrite.

Different factors constitute the determinants of ethical behavior: top management, peer's behavior, ethical work practices, official policies, and the internal environment based on transparency and equality that feed the loyalty to the entity. There is a strong connection between the occupational fraud and the level of integrity and ethics in the organization known as the tone at the top (Nettler, 1982). This relation is caused by the increasing attention employees pay to the behavior and action of managers in following their example and walking in their footsteps. Whatever the ethical behavior of management, it will spread and have an effect all over the entity. Without the strong support and involvement of management, it is hard to believe that an entity can have a long-lasting culture of integrity.

In creating the tone at the top or the ethical example that leads to the development and preservation of corporate culture that enable the producing of employees who can defend the entity against occupational fraud. Leadership including the board of directors and top management should agree on the requested types of personalities, attitudes and actions for a proper tone at the top, including the appreciation of doing the right things. This should be followed by formulating a strategy to be communicated throughout the organization.

In developing ethical culture, several factors should be carefully considered because of their effect on the corporate culture like tools of measuring performance, control activities, resource allocation, rewarding policy, how top management behave and respond to crises, giving supremacy to walking the talk. In other words, an ethical policy and a code of conduct do not alone create

an ethical culture or prevent occupational frauds. Research confirms that leaders should constantly embrace code of ethics and show their commitment to do the right thing. Leaders who live their honesty and integrity can make great progress in developing an ethical culture characterized by being deviance-resisting and foster a skeptical questioning environment where statements like "It is okay for you to ask me" and "It is okay for me to ask you" are valued. As a result, the risk that employees circumvent or override the internal control system is limited.

## 4. HYPOTHESES DEVELOPMENT

Given the fact that formal controls are influenced by the combination of human nature, situational factors, the moral side, and the value system of employees, they suffered all the time from consecutive failures, which seriously impacted the ability of internal control systems to guide the behavior of employees toward achieving organizational objectives including those expansion and profitability goals.

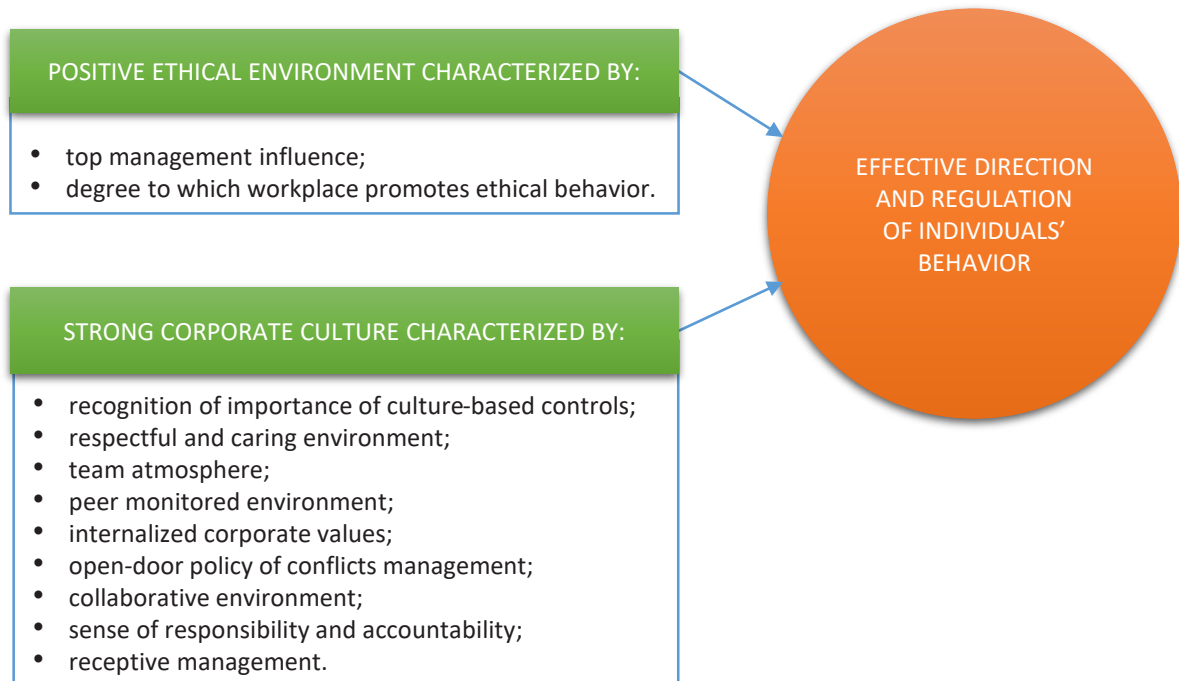
It has been noticed recently a strong stream of research investigating the role of corporate culture and ethical environment in guiding or directing the behavior of employees toward achieving entities' objectives that guarantee the going concern of such entities.

This research has two kinds of variables (independent and dependent variables). The independent variables represent the strength of corporate culture and the positiveness of ethical environment with the explicit role of guiding the behavior of employees, while the second variable represents the positive effect of such independent variables on guiding and directing the behavior of employees. The following represent the hypotheses of this research.

*H1: The corporate culture does work as a system of informal control, and has critical role in directing the behavior of people.*

*H2: The ethical environment does work as a system of informal control, and has critical role in directing the behavior of people.*

Source: Prepared by the researcher.



**Figure 1.** The causal relationship between dependent and independent variables

Figure 1 shows the model of this research, where the positive ethical environment and the strong corporate culture contribute in directing and regulating the behavior of individuals for the sake of achieving the organizational objectives.

The construct model comprises two independent variables, the first is the ethical environment of the organization, which has two distinguishing characteristics: (1) the role of top management in reinforcing the ethical environment, (2) the degree to which the workplace enhances the ethical behavior. With respect to the role of top management, different scale measurements were introduced to investigate whether top management communicates the importance of being compliant with integrity and ethical values, and being committed to integrity and ethical behavior in its day-to-day activities, and whether management is leading by example adopting the saying “Let your talks walk”, and whether these traits are displayed constantly. With respect to the role of the workplace in promoting the ethical behavior, the scale measurements are intended to examine how much people at all levels are aware of the role of corporate culture, and how much business practices are and human resources evaluations are being done

abiding to high ethical standards. Concerning the second independent variable, which emphasizes the corporate culture, different characteristics have been examined, those characteristics are around the importance of having practiced shared values, norms, ethical standards, and whether these practiced with equality, and whether there is proper assigning of responsibilities accompanied with having everybody accountable against that responsibility, etc., the following are the characteristics distinguishing a strong corporate culture within an organization: (1) recognition of importance of culture-based controls, (2) respectful and caring environment, (3) team atmosphere, (4) peer monitored environment, (5) internalized corporate values, (6) open-door policy of conflicts management, (7) collaborative environment, (8) sense of responsibility and accountability, (9) receptive management.

## 5. METHODOLOGY

This research adopts the quantitative approach of gathering and analyzing the data. It took place in the Middle East (Hashemite Kingdom of Jordan), data were collected at the beginning of 2018 from a



variety of listed companies by using a self-completion questionnaire handed out to all sample subjects. Some of the questionnaire measurements are taken from Victor and Cullen (1988), others are prepared by the researcher, and were subject to external validation from the internal of control institute in Florida, USA.

### 5.1. Research design

This study used the quantitative approach through handing out a self-completion questionnaire, which uses Likert-type scales of 5-point ordinal scale, the SPSS package is used for the analysis of the data. Statistical analyses used the factor analysis and multiple regression for designing the model of the study and proving its hypotheses.

### 5.2. Population and sample

The research population is composed of the listed companies at the Securities Commission. Target job titles are executives, middle managers, supervisors, and certain key employees who assume the areas of internal control, audit, risk management, compliance, and operations.

The sample is extracted by using the judgmental sampling method given that the sample items should be of specific job titles, which are connected with the design and implementation of internal control systems. The sample size of this research is composed of 591 subjects obtained from 82 listed companies in different industries including banking, insurance, real estates, manufacturing, communication.

### 5.3. Data collection

A self-completion questionnaire is used to collect the data, which are able to describe the characteristics of cultural and ethical factors, thus, two sets of data are collected: (1) perceptions about the effect of corporate culture, (2) perceptions about the characteristics of ethical environment, which are supposed to influence the behavior of employees.

### 5.4. Data analysis and discussion

In order to determine a value for propensity to use the corporate culture as a behavior driver, the two

measurement scores were subjected to Principal Components Analysis (PCA) using SPSS, and the varimax with Kaiser normalization as a rotation method. The suitability of data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of factors with coefficients of .3 and above. The Kaiser-Meyer-Olkin value was .745 (see Table 1) exceeding the recommended value of .6 (Kaiser, 1974) and Bartlett's test of sphericity (Bartlett, 1954) reached statistical significance, supporting the factorability of the correlation matrix.

**Table 1.** Kaiser-Meyer-Olkin measure of sampling adequacy

KMO and Bartlett's test		
Kaiser-Meyer-Olkin measure of sampling adequacy		.745
Bartlett's test of sphericity	Approx. Chi-square	3.363
	Df	4095
	Sig.	.000

Results also show that the indicated Eigenvalue, which explains 78.63% of variance. To aid in the interpretation of this model, varimax rotation was performed, only 12 factors have been selected on the basis that  $\geq 5$  components should load on each and every selected factor among those 12 factors. Thus, after executing the rotation of components, those 12 factors are now explaining 58.777 of the total variances.

In order to check the assumptions of the thesis, which are (1) total perceived positiveness of ethical environment, (2) total perceived effect of corporate culture on the direction of individuals' behavior, a standard multiple regression has been conducted with values related to multicollinearity, outliers, normality, homoscedasticity, independence of residuals (see Table 2).

The multiple regression values suggest that the hypotheses stand hold. The total perceived positiveness of ethical environment and the total perceived strength of corporate culture correlate substantially with the total perceived effect on guiding and directing individuals' behavior (.857 and .958, respectively) with a tolerance value (indicating the multicollinearity value MV) of .546 for each independent variable. The residuals scatterplot and the normal probability plot show no major devia-

**Table 2.** Multiple regression results

Dependent variable	Model summary		Independent variables	R	MV	SB	Sig.
	r <sup>2</sup>	ANOVA sig.					
Total perceived effect on guiding and directing individuals' behavior	1.000	.000	Total perceived positive ethical environment	.857	.546	.338	.000
			Total perceived strong corporate culture	.958	.546	.697	.000

tions from normality and the residuals are roughly rectangularly distributed with most of the scores concentrated in the center. In evaluating the whole model, it is found that *R*-square equal to 1.000, this means that the perceived strong ethical environment and the perceived strong corporate culture explain 100% of variance in perceived positiveness in corporate culture. However, an evaluation to each of the independent variables show that the largest among Beta standardized coefficient SB value of the two independent variables is .697, which means that a strong and positive cor-

porate culture contributes in explaining the dependent variable followed by the perceived strong ethical environment of Beta equal to .338, in addition, to assess the statistical significance of that tests, the null hypothesis shows one-way ANOVA sig = .000.

However, because ethical and value system of individuals is not supposed to be stable over time, longitudinal research is recommended each 5 years in order to draw a long-term behavior for the effect of corporate culture on the behavior of individuals.

## CONCLUSION

Different factors were found to have an effect on directing the behavior of employees, those factors fall under two categories, the ethical environment and the corporate culture of the organization. This study came to the end that these two sets of factors are central for this behavioral direction, and that different sub-factors are present and impact this conclusion. However, this research reached the following conclusion:

- The fundamental result emphasizes the importance of existing culture-based controls that are able to guide or direct the behavior of employees toward achieving the intended organizational goals.
- Sub-factors falling under “the positive ethical environment” are: top management that models the expected behavior from employees, and the influencing factors related to the workplace itself.
- Sub-factors falling under the umbrella of the strong corporate culture, such as (1) recognition of importance of culture-based controls, (2) respectful and caring environment, (3) team atmosphere, (4) peer monitored environment, (5) internalized corporate values, (6) open-door policy of conflicts management, (7) collaborative environment, (8) sense of responsibility and accountability, and (9) receptive management. However, all sub-factors falling under the hypotheses construct are considered characteristics that should be available in order to control and direct the behavior of employees toward achieving those defined organizational objectives. This research is considered an exploratory research, given it is building a multi-factors model to investigate whether or not each of these factors influence the achievement of organizational goals. Nevertheless, further studies are needed to collect more detailed information about each of the above factors in order to investigate the motives, drivers, triggers, and the driving power of each factor on the direction and regulation of individuals' behavior.

## REFERENCES

1. Ahamd, Z., & Norhashim, M. (2008). The control environment, employee fraud and counterproductive workplace behaviour: An empirical analysis. *Communications of the IBIMA*, 3, 145-155.
2. Alvesson, M., & Sveningsson, S. (2015). *Changing organizational culture: Cultural change work in progress*. Routledge.
3. Aquino, K., Freeman, D., Reed, II, A., Lim, V. K., & Feleps, W. (2009). Testing a social-cognitive model of moral behavior: the interactive influence of situations and moral identity centrality. *Journal of personality and social psychology*, 97, 123-141. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/19586244>
4. Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of management review*, 14(1), 20-39. <https://doi.org/10.2307/258189>
5. Ayers, D. J., Gordon, G. L., & Schoenbachler, D. D. (2001). Integration and new product development success: the role of formal and informal controls. *Journal of applied business research*, 17, 133-148.
6. Baliga, B. R., Jaeger, & A. M. (1984). Multinational corporations: Control systems and delegation issues. *Journal of International Business Studies*, 15, 25-40. Retrieved from [https://www.jstor.org/stable/154230?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/154230?seq=1#page_scan_tab_contents)
7. Bandura, A. (1991). Social cognitive theory of self-regulation. *Organizational behavior and human decision processes*, 50, 248-287. [https://doi.org/10.1016/0749-5978\(91\)90022-L](https://doi.org/10.1016/0749-5978(91)90022-L)
8. Bartlett, M. S. (1954). A note on the multiplying factors for various  $\chi^2$  approximations. *Journal of the Royal Statistical Society. Series B (Methodological)*, 296-298. Retrieved from [https://www.jstor.org/stable/2984057?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/2984057?seq=1#page_scan_tab_contents)
9. Bass, B. M. (1985). *Leadership and performance beyond expectations*. Collier Macmillan.
10. Bass, B. M., & Avolio, B. J. (1993). Transformational leadership and organizational culture. *Public administration quarterly*, 17(1), 112-121. Retrieved from [https://www.jstor.org/stable/40862298?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/40862298?seq=1#page_scan_tab_contents)
11. Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership*. Psychology Press.
12. Bass, B. M., & Steidlmeier, P. (1999). Ethics, Character, and Authentic Transformational Leadership Behavior. *The Leadership Quarterly*, 10(2), 181-217. [https://doi.org/10.1016/S1048-9843\(99\)00016-8](https://doi.org/10.1016/S1048-9843(99)00016-8)
13. Berson, Y., Oreg, S. & Dvir, T. (2008). CEO values, organizational culture and firm outcomes. *Journal of Organizational Behavior*, 29(5), 615-633. <https://doi.org/10.1002/job.499>
14. Bettman, J. R., & Weitz, B. A. (1983). Attributions in the board room: Causal reasoning in corporate annual reports. *Administrative science quarterly*, 28(2), 165-183. <https://doi.org/10.2307/2392616>
15. Bezuidenhoud, L. (2014). Constructing an organisational climate model to predict potential risk of management fraud.
16. Boddy, C. R. (2005). The implications of corporate psychopaths for business and society: An initial examination and a call to arms. *Australasian Journal of Business and Behavioural Sciences*, 1, 30-40. Retrieved from [https://www.researchgate.net/publication/229005647\\_The\\_implications\\_of\\_corporate\\_psychopaths\\_for\\_business\\_and\\_society\\_An\\_initial\\_examination\\_and\\_a\\_call\\_to\\_arms](https://www.researchgate.net/publication/229005647_The_implications_of_corporate_psychopaths_for_business_and_society_An_initial_examination_and_a_call_to_arms)
17. Bolton, P., Brunnermeier, M. K., & Veldkamp, L. (2012). Leadership, coordination, and corporate culture. *Review of Economic Studies*, 80(2), 512-537. Retrieved from [https://www.jstor.org/stable/43551494?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/43551494?seq=1#page_scan_tab_contents)
18. Bowler, W. M. (2006). Organizational goals versus the dominant coalition: A critical view of the value of organizational citizenship behavior. *Journal of Behavioral and Applied Management*, 7, 258. Retrieved from [https://www.researchgate.net/publication/237622046\\_Organizational\\_Goals\\_Versus\\_the\\_Dominant\\_Coalition\\_A\\_Critical\\_View\\_of\\_the\\_Value\\_of\\_Organizational\\_Citizenship\\_Behavior](https://www.researchgate.net/publication/237622046_Organizational_Goals_Versus_the_Dominant_Coalition_A_Critical_View_of_the_Value_of_Organizational_Citizenship_Behavior)
19. Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational behavior and human decision processes*, 97(2), 117-134. <https://doi.org/10.1016/j.obhdp.2005.03.002>
20. Burgers, J. H., Jansen, J. J., Vanden Bosch, F. A., & Volberda, H. W. (2009). Structural differentiation and corporate venturing: The moderating role of formal and informal integration mechanisms. *Journal of business venturing*, 24(3), 206-220. <https://doi.org/10.1016/j.jbusvent.2009.01.006>
21. Cadbury, A. (1992). *Cadbury report: The financial aspects of corporate governance*. Tech rept, HMG, London.
22. Carlos Pinho, J., Paula Rodrigues, A., & Dibb, S. (2014). The role of corporate culture, market orientation and organizational commitment in organizational performance: the case of non-profit organizations. *Journal of Management Development*, 33(4), 374-398. <https://doi.org/10.1108/JMD-03-2013-0036>
23. Center, E. R. (2012). *The federal sentencing guidelines for organizations at twenty years*. United States: Ethics Resource Center. Retrieved from <https://www.theagc.org/docs/f12.10.pdf> (accessed on February 18, 2018).

24. Chatman, J. A., & Cha, S. E. (2003). Leading by leveraging culture. *California management review*, 45(4), 20-34.
25. Chauvidul, N. (2003). *Formality and informality in internal control systems: A comparative study of control in different social and cultural environments in a global bank*. London School of Economics and Political Science (United Kingdom).
26. Chhillar, P. (2013). Management control systems and corporate governance: a theoretical review.
27. Chonko, L. B., & Burnett, J. J. (1983). Measuring the importance of ethical situations as a source of role conflict: A survey of salespeople, sales managers, and sales support personnel. *Journal of Personal Selling & Sales Management*, 3, 41-47. Retrieved from <https://www.tandfonline.com/doi/abs/10.1080/08853134.1983.10754347>
28. Chtioui, T., & Tdubuisson, S. (2011). Hard and Soft Controls: Mind the Gap! *International Journal of Business*, 16, 289. Retrieved from [https://www.researchgate.net/publication/266342884\\_Hard\\_and\\_Soft\\_Controls\\_Mind\\_the\\_Gap](https://www.researchgate.net/publication/266342884_Hard_and_Soft_Controls_Mind_the_Gap)
29. Clorodo, D., & Stout, J. H. (2010). The Board's Responsibility for Corporate Culture Selected Governance Concerns and Tools for Addressing Corporate Culture and Board Performance.
30. COSO, c.o.s.o.o.t.t.c. (2013). *Internal Control — Integrated Framework Executive Summary*. Committee of Sponsoring Organizations of the Treadway Commission (COSO). Retrieved from [https://na.theiia.org/standards-guidance/topics/Documents/Executive\\_Summary.pdf](https://na.theiia.org/standards-guidance/topics/Documents/Executive_Summary.pdf) (accessed on February 17, 2018).
31. Craft, J. L. (2013). A review of the empirical ethical decision-making literature: 2004–2011. *Journal of business ethics*, 117(2), 221-259. Retrieved from <https://link.springer.com/article/10.1007/s10551-012-1518-9>
32. Cui, X., & Hu, J. (2012). A literature review on organization culture and corporate performance. *International Journal of Business Administration*, 3(2), 28-37. Retrieved from <http://www.sciedu.ca/journal/index.php/ijba/article/view/863/415>
33. Deal, T. E., & Kennedy, A. A. (1982). Corporate cultures: The rites and rituals of organizational life. *Reading/T. Deal, A. Kennedy. Mass: Addison-Wesley*, 2, 98-103. Retrieved from [https://books.google.com.au/books/about/Corporate\\_Cultures.html?id=9\\_L7qnCEiUwC&redir\\_esc=y](https://books.google.com.au/books/about/Corporate_Cultures.html?id=9_L7qnCEiUwC&redir_esc=y)
34. Denison, D. R. (1996). What is the difference between organizational culture and organizational climate? A native's point of view on a decade of paradigm wars. *Academy of management review*, 21(3), 619-654. <https://doi.org/10.2307/258997>
35. Dent, J. F. (1991). Accounting and organizational cultures: a field study of the emergence of a new organizational reality. *Accounting, organizations and society*, 16(8), 705-732.
36. Eccles, R. G., Ioannou, I., & Serafeim, G. (2012). *The impact of a corporate culture of sustainability on corporate behavior and performance* (No. W17950). Cambridge, MA, USA: National Bureau of Economic Research.
37. Egbe, I., Tsamenyi, M., & Sa'id, H. (2012). *A Study of the Operations of Formal and Informal Controls in a Multinational Subsidiary in Nigeria*. Accounting in Africa. Emerald Group Publishing Limited.
38. Enz, C. A. (1988). The role of value congruity in Intraorganizational power. *Administrative science quarterly*, 284-304. Retrieved from <https://scholarship.sha.cornell.edu/cgi/viewcontent.cgi?article=1435&context=articles>
39. Etuk, I. (2011). *Evaluation of Internal Control System of Banks in Nigeria* (A Ph.D. Dissertation, St. Clements university).
40. Falkenberg, L., & Herremans, I. (1995). Ethical behaviours in organizations: Directed by the formal or informal systems? *Journal of Business Ethics*, 14(2), 133-143. Retrieved from [https://www.jstor.org/stable/25072630?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/25072630?seq=1#page_scan_tab_contents)
41. Feng, M., Li, C., & Mcvay, S. (2009). Internal control and management guidance. *Journal of Accounting and Economics*, 48(2-3), 190-209. <https://doi.org/10.1016/j.jacceco.2009.09.004>
42. Flamholtz, E. G., Das, T., & Tsui, A. S. (1985). Toward an integrative framework of organizational control. *Accounting, organizations and society*, 10, 35-50. [https://doi.org/10.1016/0361-3682\(85\)90030-3](https://doi.org/10.1016/0361-3682(85)90030-3)
43. Free, C., & Macintosh, N. (2006). Management control practice and culture at Enron: The untold story.
44. Friedkin, N. E. (1983). Horizons of observability and limits of informal control in organizations. *Social Forces*, 62(1), 54-77. <http://psycnet.apa.org/doi/10.2307/2578347>
45. Gabor, T. (1994). Situational crime prevention: Successful case studies. *Canadian Journal of Criminology*, 36, 475-480.
46. Geriesh, L. (2003). Organizational culture and fraudulent financial reporting. *The CPA Journal*, 73, 28.
47. Getie Mihret, D. (2014). National culture and fraud risk: exploratory evidence. *Journal of Financial Reporting and Accounting*, 12, 161-176. <https://doi.org/10.1108/JFRA-10-2012-0049>
48. Gomez, C., & Sanchez, J. I. (2005). Human resource control in MNCs: a study of the factors influencing the use of formal and informal control mechanisms. *The Journal of Human Resource Management*, 16, 1847-1861. <https://doi.org/10.1080/09585190500298438>
49. Gonder, P. O., & Hymes, D. (1994). *Improving School Climate & Culture* (AASA Critical Issues Report No. 27). ERIC.
50. Graham, J. R., Harvey, C. R., Popadak, J., & Rajgopal, S. (2017). *Corporate culture: Evidence from the field* (No. w23255). National Bureau of Economic Research.



51. Gregory, B. T., Harris, S. G., Armenakis, A. A., & Shook, C. L. (2009). Organizational culture and effectiveness: A study of values, attitudes, and organizational outcomes. *Journal of Business Research*, 62(7), 673-679. <https://doi.org/10.1016/j.jbusres.2008.05.021>
52. Guiso, L., Sapienza, P., & Zingales, L. (2015). Corporate culture, societal culture, and institutions. *American Economic Review*, 105(5), 336-339. Retrieved from <https://www.nber.org/papers/w20967>
53. Guiso, L., Sapienza, P., & Zingales, L. (2015). The value of corporate culture. *Journal of Financial Economics*, 117(1), 60-76. Retrieved from <https://doi.org/10.3386/w19557>
54. Gupta, S., & Kumar, V. (2013). Sustainability as corporate culture of a brand for superior performance. *Journal of World Business*, 48(3), 311-320. <https://doi.org/10.1016/j.jwb.2012.07.015>
55. Hall, J., Johnson, S., Wysocki, A., & Kepner, K. (2002). *Transformational leadership: The transformation of managers and associates*. University of Florida IFAS Extension.
56. Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of management review*, 9(2), 193-206. <https://doi.org/10.2307/258434>
57. Hermalin, B. E. (2012). Leadership and corporate culture. *Handbook of organizational economics*, 432-78.
58. Hevesi, G. A. (2005). *Standards for Internal Control in New York State Government*. Office of the New York State Comptroller. Retrieved from [www.osc.state.ny.us](http://www.osc.state.ny.us)
59. Hickman, C. R., & Silva, M. A. (2018). *Creating excellence: Managing corporate culture, strategy, and change in the new age*. Routledge.
60. Hofstede, G., Neuijen, B., Ohayv, D. D., & Sanders, G. (1990). Measuring organizational cultures: A qualitative and quantitative study across twenty cases. *Administrative science quarterly*, 35(2), 286-316. <https://doi.org/10.2307/2393392>
61. House, R. J., Spangler, W. D., & Woycke, J. (1991). Personality and charisma in the US presidency: A psychological theory of leader effectiveness. *Administrative science quarterly*, 364-396. <https://doi.org/10.2307/2393201>
62. Hubbard, T. N. (2003). Information, decisions, and productivity: On-board computers and capacity utilization in trucking. *American Economic Review*, 93(4), 1328-1353. Retrieved from <https://www.nber.org/papers/w8525>
63. Huczynski, A. (1997). How to build successful teams... The Belbin Way (CD-ROM). *Account*, 9(3), 32-4. Retrieved from <https://www.amazon.com/Build-Successful-Teams-Belbin-CD-ROM/dp/0750627778>
64. Inzerilli, G., & Rosen, M. (1983). Culture and organizational control. *Journal of business research*, 11(3), 281-292. [https://doi.org/10.1016/0148-2963\(83\)90013-9](https://doi.org/10.1016/0148-2963(83)90013-9)
65. Janicijevic, N. (2012). The impact of organizational culture on control of behavior in organizations. *Economic*, 289.
66. John R. Schermerhorn, J., Hunt, J. G., & Osborn, R. N. (2002). *Organizational Behavior*. United States, John Wiley & Sons, Inc.
67. Jones, T. M. (1995). Instrumental stakeholder theory: A synthesis of ethics and economics. *Academy of management review*, 20(2), 404-437.
68. Johnson, D., Lanahan, A., Buck, C. R., Sehgal, A., Morgan, C., Mercer, E., ... & Chao, M. (1986). Expression and structure of the human NGF receptor. *Cell*, 47(4), 545-554. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/3022937>
69. Johnson, G., Scholes, K. (1999). Exploring corporate strategy.
70. Kaiser, K. L. (1974). On the optical activity of polychlorinated biphenyls. *Environmental Pollution* (1970), 7(2), 93-101. [https://doi.org/10.1016/0013-9327\(74\)90076-7](https://doi.org/10.1016/0013-9327(74)90076-7)
71. Key, S. (1999). Organizational ethical culture: real or imagined? *Journal of Business Ethics*, 20(3), 217-225. Retrieved from <https://link.springer.com/article/10.1023/A:1006047421834>
72. Kosfeld, M., & von Siemens, F. A. (2011). Competition, cooperation, and corporate culture. *The RAND Journal of Economics*, 42(1), 23-43. <https://doi.org/10.1111/j.1756-2171.2010.00124.x>
73. Lakis, V., & Giriunas, L. (2012). The concept of internal control system: Theoretical aspect. *Ekonomika*, 91(2), 142. Retrieved from <http://www.zurnalai.vu.lt/ekonomika/article/view-File/890/412>
74. Lambertson, B., Mihalek, P. H., & Smith, C. S. (2005). The tone at the top and ethical conduct connection. *Strategic Finance*, 86, 36.
75. Lewin, A. Y., & Stephens, C. U. (1994). CEO attitudes as determinants of organization design: An integrated model. *Organization Studies*, 15(2), 183-212. <https://doi.org/10.1177/027017084069401500202>
76. Liu, J., Zhou, D., Liska, A. E., Messner, S. F., Krohn, M. D., Zhang, L., & Lu, Z. (1998). Status, power, and sentencing in China. *Justice Quarterly*, 15(2), 289-300. <https://doi.org/10.1080/07418829800093751>
77. MacLagan, P. (2007). Hierarchical control or individuals' moral autonomy? Addressing a fundamental tension in the management of business ethics. *Business Ethics: A European Review*, 16(1), 48-61. <https://doi.org/10.1111/j.1467-8608.2006.00468.x>
78. Marschan, R., Welch, D., & Welch, L. (1996). Control in less-hierarchical multinationals: The role of personal networks and informal communication. *International Business Review*, 5(2), 137-150. [https://doi.org/10.1016/0969-5931\(96\)00002-9](https://doi.org/10.1016/0969-5931(96)00002-9)



79. Marschan, R., Welch, D., & Welch, L. (1997). Language: The forgotten factor in multinational management. *European Management Journal*, 15(5), 591-598. [https://doi.org/10.1016/S0263-2373\(97\)00038-8](https://doi.org/10.1016/S0263-2373(97)00038-8)
80. Martins, E. C., & Terblanche, F. (2003). Building organisational culture that stimulates creativity and innovation. *European journal of innovation management*, 6(1), 64-74. <https://doi.org/10.1108/14601060310456337>
81. Mcshane, S. L., & Von Glinow, M. A. (2009). *Organizational Behavior: Essemtools*. New York: McGraw-Hill Companies, Inc.
82. Miller, D., & Dröge, C. (1986). Psychological and traditional determinants of structure. *Administrative science quarterly*, 539-560. <https://doi.org/10.2307/2392963>
83. Miller, D., Dröge, C., & Toulouse, J. M. (1988). Strategic process and content as mediators between organizational context and structure. *Academy of Management Journal*, 31(3), 544-569. <https://doi.org/10.2307/256459>
84. Momeni, N. (2009). The relation between managers' emotional intelligence and the organizational climate they create. *Public Personnel Management*, 38(2), 35-48. <https://doi.org/10.1177%2F009102600903800203>
85. Moran, E. T., & Volkwein, J. F. (1992). The cultural approach to the formation of organizational climate. *Human relations*, 45, 19-47. <https://doi.org/10.1177%2F001872679204500102>
86. Morris, M. H., Davis, D. L., & Allen, J. W. (1994). Fostering corporate entrepreneurship: Cross-cultural comparisons of the importance of individualism versus collectivism. *Journal of International Business Studies*, 25(1), 65-89. Retrieved from [https://www.jstor.org/stable/154852?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/154852?seq=1#page_scan_tab_contents)
87. Morsing, M., & Oswald, D. (2009). Sustainable leadership: management control systems and organizational culture in Novo Nordisk A/S. *Corporate Governance: The international journal of business in society*, 9(1), 83-99. Retrieved from <https://doi.org/10.1108/14720700910936083>
88. Murphy, Free, C., & Branston, C. (2012). The role of ethical climate in fraud.
89. Netherlands, T.I.O.I.A. (2015). *Soft controls What are the starting points for the internal auditor?* Netherlands: The Institute of Internal Auditors Netherlands.
90. Nettler, G. (1982). *Killing one another*. Cincinnati: Anderson.
91. Network, I. C. G. (2014). ICGN Global Governance Principles. In Network, I. C. G. (ed.) *International Corporate Governance Network* (4th ed.). United States.
92. Nitche, S. (2017). *Creating an Ethical Organizational Environment in Banking*. Walden University.
93. O'Reilly, C. (1989). Corporations, culture, and commitment: Motivation and social control in organizations. *California management review*, 31, 9-25. <https://doi.org/10.2307%2F41166580>
94. O'Reilly, C. A., Chatman, J., & Caldwell, D. F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of management journal*, 34(3), 487-516. Retrieved from [https://faculty.haas.berkeley.edu/chatman/papers/36\\_peopleorgculture.pdf](https://faculty.haas.berkeley.edu/chatman/papers/36_peopleorgculture.pdf)
95. Ortega-Parra, A., & Ángel Sastre-Castillo, M. (2013). Impact of perceived corporate culture on organizational commitment. *Management Decision*, 51(5), 1071-1083. <https://doi.org/10.1108/MD-08-2012-0599>
96. Ouchi, W. G. (1979). A conceptual framework for the design of organizational control mechanisms. In *Readings in accounting for management control* (pp. 63-82). Springer, Boston, MA.
97. Paine 3rd, R., & Simon, R. H. (1996). Expanding the frontiers of lung biology through the creative use of alveolar epithelial cells in culture. *American Journal of Physiology-Lung Cellular and Molecular Physiology*, 270(4), L484-L486. <https://doi.org/10.1152/ajplung.1996.270.4.L484>
98. Patterson, M. G., West, M. A., Shackleston, V. J., Dawson, J. F., Lawthom, R., Maitlis, S., Robinson, D. L., & Wallace, A. M. (2005). Validating the organizational climate measure: links to managerial practices, productivity and innovation. *Journal of organizational behavior*, 26(4), 379-408. <https://doi.org/10.1002/job.312>
99. Pfeffer, J., & Pfeffer, J. (1981). *Power in organizations* (Vol. 33). Marshfield, MA: Pitman.
100. Ramdhani, A., Ramdhani, M. A., & Ainissyifa, H. (2017). Conceptual Framework of Corporate Culture Influenced on Employees Commitment to Organization. *International Business Management*, 11(3), 826-830. <http://dx.doi.org/10.3923/ibm.2017.826.830>
101. Ray, C. A. (1986). Corporate culture: the last frontier of control? *Journal of management studies*, 23, 287-297. <http://dx.doi.org/10.1111/j.1467-6486.1986.tb00955.x>
102. Saffold, G. S. (1988). Culture traits, strength, and organizational performance: Moving beyond "strong" culture. *Academy of management review*, 13, 546-558. Retrieved from [https://www.jstor.org/stable/258374?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/258374?seq=1#page_scan_tab_contents)
103. Schaper, M. T., & Weber, P. (2012). Understanding small business scams. *Journal of Enterprising Culture*, 20(03), 333-356. <https://doi.org/10.1142/S0218495812500148>
104. Schein, E. (1997). *Organizational Culture and Leadership*. Jossey-Bass, San Francisco.
105. Schein, E. H. (1984). Coming to a new awareness of organizational culture. *Sloan management review*, 25(2), 3-16. Retrieved from [https://www.researchgate.net/publication/242534404\\_Coming\\_to\\_A\\_New\\_Awareness\\_of\\_Organisational\\_Culture](https://www.researchgate.net/publication/242534404_Coming_to_A_New_Awareness_of_Organisational_Culture)

106. Schein, E. H. (1985). *Organisational culture and leadership: A dynamic view*. San Francisco.
107. Schein, E. H. (1992). How can organizations learn faster?: the problem of entering the Green Room.
108. Schein, E. H. (2004). Learning when and how to lie: A neglected aspect of organizational and occupational socialization (Introduction by Hugh Gunz and Paul Willman). *Human Relations*, 57(3), 259-273. Retrieved from [https://www.researchgate.net/publication/292864720\\_Learning\\_when\\_and\\_how\\_to\\_lie\\_A\\_neglected\\_aspect\\_of\\_organizational\\_and\\_occupational\\_socialization](https://www.researchgate.net/publication/292864720_Learning_when_and_how_to_lie_A_neglected_aspect_of_organizational_and_occupational_socialization)
109. Schein, E. H. (2009). *The corporate culture survival guide*. John Wiley & Sons.
110. Schein, E. H. (2010). *Organizational culture and leadership*. John Wiley & Sons.
111. Schneider, B. (1987). The people make the place. *Personnel psychology*, 40(3), 437-453. <https://doi.org/10.1111/j.1744-6570.1987.tb00609.x>
112. Schneider, B. (1990). *Organizational climate and culture*. Pfeiffer.
113. Schneider, B., Brief, A. P., & Guzzo, R. A. (1996). Creating a climate and culture for sustainable organizational change. *Organizational dynamics*, 24(4), 7-19. [https://doi.org/10.1016/S0090-2616\(96\)90010-8](https://doi.org/10.1016/S0090-2616(96)90010-8)
114. Schneider, B., Goldstein, H. W., & Smith, D. B. (1995). The ASA framework: An update. *Personnel psychology*, 48(4), 747-773. <https://doi.org/10.1111/j.1744-6570.1995.tb01780.x>
115. Schwartz, H., & Davis, S. M. (1981). Matching corporate culture and business strategy. *Organizational dynamics*, 10(1), 30-48. [https://doi.org/10.1016/0090-2616\(81\)90010-3](https://doi.org/10.1016/0090-2616(81)90010-3)
116. Schwartz, M. S. (2013). Developing and sustaining an ethical corporate culture: The core elements. *Business Horizons*, 56(1), 39-50. <https://doi.org/10.1016/j.bushor.2012.09.002>
117. Schwartz, M. S., Dunfee, T. W., & Kline, M. J. (2005). Tone at the top: An ethics code for directors? *Journal of Business Ethics*, 58, 79. Retrieved from <https://link.springer.com/article/10.1007/s10551-005-1390-y>
118. Schwepker, JR, C. H., & Hartline, M. D. (2005). Managing the ethical climate of customer-contact service employees. *Journal of Service Research*, 7(4), 377-397. <http://dx.doi.org/10.1177/1094670504273966>
119. Scott, J. (2016). The tecking ethical timebomb. *Internal Auditor*, 73, 2.
120. Simons, R. (1990). The role of management control systems in creating competitive advantage: new perspectives. In *Readings in accounting for management control* (pp. 622-645). Springer, Boston, MA.
121. Simons, R. (1995). *Levers of Control*. Harvard University Press, Boston.
122. Sitkin, S. B., & George, E. (2005). Managerial trust-building through the use of legitimating formal and informal control mechanisms. *International Sociology*, 20, 307-338. <https://doi.org/10.1177%2F0268580905055479>
123. Small, M. W. (2006). Management development: developing ethical corporate culture in three organizations. *Journal of Management Development*, 25(6), 588-600. <https://doi.org/10.1108/02621710610670146>
124. Smircich, L. (1983). Concepts of culture and organizational analysis. *Administrative science quarterly*, 28(3), 339-358. Retrieved from [https://www.jstor.org/stable/pdf/2392246.pdf?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/pdf/2392246.pdf?seq=1#page_scan_tab_contents)
125. Stanciu, F. (2017). The organizational culture-a factor of stability in the banking system. *Review of General Management*, 25.
126. Strawhacker, J. C. (2016). *Analysis of factors influencing corporate ethics and anti-fraud programs*. Utica College.
127. Sun, S. (2009). Organizational culture and its themes. *International Journal of Business and Management*, 3, 137.
128. Tangney, J. P., Stuewing, J., & Mashek, D. J. (2007). Moral emotions and moral behavior. *Annu. Rev. Psychol.*, 58, 345-372. <https://dx.doi.org/10.1146%2Fannurev.psych.56.091103.070145>
129. Tarp, B. M. (2009). *Four organizational culture types* (Organizational Culture White Paper).
130. Thoms, J. C. (2008). Ethical integrity in leadership and organizational moral culture. *Leadership*, 4, 419-442. <https://doi.org/10.1177%2F1742715008095189>
131. Trevino, L. K., & Nelson, K. A. (2016). *Managing business ethics: Straight talk about how to do it right*. John Wiley & Sons.
132. Treviño, L. K., Brown, M., & Hartman, L. P. (2003). A qualitative investigation of perceived executive ethical leadership: Perceptions from inside and outside the executive suite. *Human relations*, 56(1), 5-37. <https://doi.org/10.1177%2F0018726703056001448>
133. Trice, H. M., & Beyer, J. M. (1993). *The cultures of work organizations*. Prentice-Hall, Inc.
134. Trunfio, E. J. (1991). Corporate cultures and the institutionalization of business ethics.
135. Tsui, A. S., Wang, H. & Xin, & K. R. (2006). Organizational culture in China: An analysis of culture dimensions and culture types. *Management and Organization Review*, 2(3), 345-376. <https://doi.org/10.1111/j.1740-8784.2006.00050.x>
136. Tsui, A. S., Zhang, Z.-X., Wang, H., Xin, K. R., & Wu, J. B. (2006). Unpacking the relationship between CEO leadership behavior and organizational culture. *The Leadership Quarterly*, 17(2), 113-137. <https://doi.org/10.1016/j.leaqua.2005.12.001>
137. Van den Steen, E. (2010). On the origin of shared beliefs (and corporate culture). *The RAND Journal of Economics*, 41(4), 617-648. Retrieved from <http://www>

- [people.hbs.edu/evandensteen/OnlineDocs/P10\\_Rand\\_EVdS\\_Origins%20Shared%20Beliefs.pdf](http://people.hbs.edu/evandensteen/OnlineDocs/P10_Rand_EVdS_Origins%20Shared%20Beliefs.pdf)
138. Victor, B., & Cullen, J. B. (1988). The organizational bases of ethical work climates. *Administrative science quarterly*, 101-125. <https://doi.org/10.2307/2392857>
139. Waldman, D. A., Ramirez, G. G., House, R. J., & Puranam, P. (2001). Does leadership matter? CEO leadership attributes and profitability under conditions of perceived environmental uncertainty. *Academy of management journal*, 44(1), 134-143. <https://doi.org/10.5465/3069341>
140. Weaver, G. R., Trevino, L. K., & Cochran, P. L. (1999). Integrated and decoupled corporate social performance: Management commitments, external pressures, and corporate ethics practices. *Academy of Management Journal*, 42(5), 539-552. <https://doi.org/10.2307/256975>
141. Weisburd, D., Groff, E. R., & Yang, S. M. (2014). Understanding and controlling hot spots of crime: The importance of formal and informal social controls. *Prevention Science*, 15(1), 31-43. <https://doi.org/10.1007/s11121-012-0351-9>
142. Welch, D. E., & Welch, L. S. (2006). Commitment for hire? The viability of corporate culture as a MNC control mechanism. *International Business Review*, 15(1), 14-28. <https://doi.org/10.1016/j.ibusrev.2005.10.001>
143. Wiatrowski, M. D., Griswold, D. B., & Rorerts, M. K. (1981). Social control theory and delinquency. *American sociological review*, 46(5), 525-541. <https://doi.org/10.2307/2094936>
144. Williams, A., Dobson, P., & Walters, M. (1993). *Changing culture: New organizational approaches*. London: Institute of Personnel Management.
145. Witting, M. (2006). *Relations between organizational identity, identification and organizational objectives: An empirical study in municipalities*. University of Twente.
146. Wright, J. D. (2015). *An Examination of the Effects of Moral Maturity, Propensity for Moral Disengagement, Entitlement Perceptions and Anomia on Fraud Behavior*. The Chicago School of Professional Psychology.
147. Wronka-Pospiech, M., & Fraczkiewicz-Wronka, A. (2016). Strategic Orientation and Organizational Culture in Polish Public Organizations: Insights from the Miles and Snow Typology. *Management*, 20(1), 126-141. Retrieved from [https://www.researchgate.net/publication/303908509\\_Strategic\\_Orientation\\_and\\_Organisational\\_Culture\\_in\\_Polish\\_Public\\_Organisations\\_Insights\\_from\\_the\\_Miles\\_and\\_Snow\\_Typology](https://www.researchgate.net/publication/303908509_Strategic_Orientation_and_Organisational_Culture_in_Polish_Public_Organisations_Insights_from_the_Miles_and_Snow_Typology)
148. Zohar, D., & Hofmann, D. A. (2012). Organizational culture and climate. *Oxford handbook of industrial and organizational psychology*, 1, 643-66.