

CAN AN INTEGRITY-ORIENTED APPROACH CREATE VALUE AT THE BOARD LEVEL: A CROSS- SECTIONAL ANALYSIS AMONGST PUBLIC AND PRIVATE SECTORS IN THE UAE

Hima Parameswaran, City University College of Ajman

ABSTRACT

In recent times, the ethical dimensions and challenges associated with corporate strategies in ethics are a matter of contention. The issue of ethics is paramount as it dictates a wide range of behaviors in a diversified culture. This can be incorporated as an organizational strategy to have a competitive edge of organizations. Nevertheless, to minimize the bottlenecks related to ethical dilemmas, a morale workforce and an inclusive organizational culture is essential. A study on the integrity-oriented approach in corporate strategies can explore ethical decision-making frameworks and the role of HR in developing and implementing ethical practices. In view of that, a mixed approach, with a quantitative and qualitative survey was conducted in randomly selected companies in the UAE. The statistical analysis, with the help of SPSS 24 confirms the correlation between this model with its latent variables, corporate responsibility, corporate ethics, and corporate governance towards a strategic move. Moreover, the outcomes establish that this approach can enhance competence, integrity, professional responsibility, and a respectful mind towards a sustainable future by corporate citizenship.

Keywords: Integrity-oriented Approach, Corporate Responsibility, Corporate Ethics, Corporate Governance, Corporate Citizenship.

INTRODUCTION

Organizations, nowadays, adhere to many sustainability practices and create a responsible environment to satisfy changing values and attitudes . Moreover, this may impact a positive shift to communities and nations in their quality of life. The Human resource development functions should be an eye-opener to discover the blockages related to diversity, to change the organizational culture, and to deliver ethical practices that can reinforce organizational development and transformation. The focus of HRD is on action, on developing the capacity to act, on generating credibility through action and on influencing and work with others in situations loaded with emotion and politics (Vince, 2003). For his part, Kim (2012) asserts that the traditional focus of HRD on organizations as the primary context of career development, training and development, productivity, etc., is slowly shifting and stretches to processes in creating a real difference to local communities, nations and at an international level. One of the major developments in managerial strategies in the twentieth century was the recognition that organizations have more social responsibilities along with profit-maximization and legal obligations. It sheds light to the magnitude of individual and group needs in diverse aspects and operational plans. This wave of transparency and accountability through corporate ethics program to multiple stakeholders is evident in enterprises from all over the world, especially in Australia, Canada, China, Europe, South Africa, the UK, the USA, and many places (Grobler et al., 2012). As a result, organizations include written standards of ethical business conduct, compliance programs, and board-level ethics committees. In addition to their annual sets of accounts, numerous organizations

generate annual reports with their social and philanthropic activities. Usually, written standards include classifications of ethical and unethical conduct; professional standards directives; identification of stakeholders and their rights; commitments to fairness; equity; employee safety; the environment, and social responsibility; stipulations on the proper use of company resources, conflicts of interests, privacy, confidentiality, improper payments, gifts, and whistle-blowing; sanctions and other methods for the enforcement of standards; and advice on interpreting and implementing the standards (Grobler et al., 2012). However, in theory and practice, organizations and academicians were little considered to the philosophical foundations and beliefs that reinforce corporate governance initiatives (Crane & Matten, 2007).

Significance of the Study

By piercing into the HRD's role in human development, it addresses the human capital formation in ethical practices, corporate responsibilities and how it positively impacts the social and economic outlook of communities and society. There is a growing recognition that Corporate responsibility (CR) and business ethics are intertwined, thus it emphasizes internally on employees (primary stakeholders) and externally on suppliers and local communities. Secondly, the increased focus of private governance at the national and global levels reinforces the standard ethical practices in enterprises related to human rights, employment issues, consumer interests, environmental concerns, competition, and taxation, which are evaluated by private ratings agencies namely, the UN Global Compact, the Global Reporting Initiative, the OECD Guidelines and so on. Additionally, societal expectations about corporate leadership in solving problems and contributing to social development have arisen.

Objectives

Although written standards are crucial to a corporate ethics (CE) program, the facts show that merely having written standards, such as code of conduct, is insufficient. Evidence supports that these programs do influence employee behaviour and should be developed by implementing various programs related to formulating, communicating, and monitoring, and enforcement of written standards of ethical business conduct (Ethics Resource Centre, 2012). According to Hitt et al. (2007), Corporate Governance (CG) aligns the interests of top-level management with all stakeholders through mechanisms that address the appointment of directors, executive compensation, and corporation's structure and strategic direction. Thirdly, CR addresses listening and responding to stakeholder's interest and concerns. It imposes mutual trust and benefits by a people-centric approach, and therefore, corporations' operations need to have a positive impact on personal growth, quality of life, health, and safety, as well as without any harm to individuals and the environment (Jackson & Nelson, 2004). Furthermore, corporate citizenship is an umbrella term that embraces CE, CR, and CG. Naturally, it encompasses both internal and external stakeholders in human flourishing. Based on the above background, the objectives of the study are:

- To recognize the importance of corporate ethics towards corporate citizenship
- To identify the need of corporate governance in corporate citizenship
- To find the relationship of corporate responsibility in corporate citizenship.

LITERATURE REVIEW

Over the past three decades, there has been a dramatic increase in the number of firms

that have endorsed corporate ethics programs. Evidence from Ethics Resource Centre and various literatures reinforces ethical research activities in countries like the USA, the UK, Canada, Australia, Europe, and Asia (Weaver, 1995; Webley & Jeune, 2005; O'Dwyer & Madden, 2006). Through HRD, organizations can underpin various methods to citizens of a nation in acquiring the knowledge and skills necessary to perform both career tasks and other intellectual, cultural, social, and political roles in society (Horwitz et al., 1996). Various activities of HRD equip individuals to be responsive and behave in an ethical manner. Ethical behavior is a professional duty for managers, practitioners, and all workforces not only to act in a fair and honest also to respect others' dignity for the welfare of society. The study explains the prerequisite of integrity-based approach through the lens of an internal perspective by ethical programs, a business-led approach by corporate governance, and a societal approach by corporate social responsibility. Through this, organizations can ensure citizenship and upheld the reputation in the eyes of the public. Indeed, businesses need to address the implications of their strategies and the impact of their activities on the welfare of all stakeholders. According to Paprock (2006), the mission of Human resource development at a national level is to augment a nation's human wealth to increase economic productivity and output. By execution, HRD investments can enhance national and local stability by eradicating poverty, eliminating unemployment, diminishing violence, and enriching quality of life (McLean, 2004).

Corporate Ethics

If ethics is about relationships between people, business ethics is about relationships between stakeholders and the identification and accommodation of their diverse interests. However, international surveys on this topic consistently report that numerous firms face high level of ethical risk due to weak ethics culture, and poor execution of ethical standards. For instance, survey of South African organizations found that 83% of respondents reported cases of fraud or corruption occurred within their organizations, yet only 27% provided ethics training and less than 20% included managerial functions as key factor. In this aspect, HRM activities such as selection, recruitment, training and development, compensation, and performance management can create an ethical culture in organizations. Moreover, in his study, Schwartz (2004) points the difficulty in measuring the effectiveness of operationalization of ethical programs. In the UAE, the Federal Law No. 8 of 1980 also known as the Labor Law as amended regulates the labor rights of employees in the private sector. For civil servants, the federal authority for human resources clearly stipulates the code of conduct and professional ethics in public sectors. According to a study conducted by SHRM and the Commerce Clearing House (1991) suggests that HRs' role has increased in monitoring the ethical policies and legal compliance but limited their ability to contribute at the strategic level. To support this view, Josephson, (1998) stresses that HR professionals must equip with capabilities in identifying the social and ethical issues, risks associated with alternative business strategies, and in finding the solutions to resolve them with HR practices. Therefore, it is imperative to confirm the role CE in corporate citizenship and the first hypotheses to test is:

H₁ The factor, corporate ethics is significant to corporate citizenship.

Corporate Governance

Due to extensive corporate scandals and collapses around the globe, unstable financial markets, developments in technology, broad internationalization, act as catalysts for continuous changes in corporate governance rules, regulations, practices, and disclosure

statements. Almost sixty-six countries throughout the world implemented new corporate governance codes on best practices between 1992 and 2008 (Solomon, 2009). As it focusses with the performance of enterprises for the benefits of stakeholders and economic development, it not only concentrates on the conduct of boards of directors, managers, and shareholders, but incorporates authority, accountability, leadership, and stewardship in the enterprises. To highlight corporate governance in the UK, several committees had developed to report (The Cadbury Report, 1992; The Greenbury Report, 1995; The Hampel Report, 1998; The Higgs Report, 2003; The Combined Code of Corporate Governance, 1998, 2003, 2003; UK Corporate Governance Code, 2010) and make recommendations on CR. For instance, Dubai Electricity and Water Authority (DEWA)'s governance model, Governance Framework, Governance Policy, and Governance Charter, is based on the guidelines of World Bank and Organization for Economic Cooperation and Development (OECD). This maintained its first global ranking for the third consecutive year in getting electricity as per the World Bank's Doing Business Report 2020. Other achievements are it has won two significant awards at the Global Good Governance awards 2020 organized annually by Cambridge IFA in the UK, 3G Leadership Award 2020 amongst the government sectors, and Global Good Governance Excellence, and Best Corporate Governance Reporting Award, leading the only organization in the world to win these awards (DEWA, 2020). To add more on CG, the five pillars of corporate governance by Drew et al. (2006) clarifies the magnitude of culture, leadership, alignment, structure, and systems in CG. Thus, the framework of CG includes business ethics and CR. So, the next hypothesis to test is:

H₂ The factor, corporate governance is significant to corporate citizenship.

Corporate Social Responsibility

In general, CR refers to economic, legal, ethical, and philanthropic responsibilities. In a broader aspect, it varies according to the approaches such as narrow classical economic view (shareholder model) (Friedman, 1970); socio-economic view (stakeholder model) (Simon et al., 1972; Arrow, 1973; Evan & Freeman, 1988; Bowie & Duska, 1990; Goodpaster, 2006), and broad, maximal (stakeholder model) (Wood, 1991 & 2002; Porter & Kramer, 2002; Prahalad & Hammond, 2002). In support to these views, Carroll, (1999) argues that three viewpoints are non-sequential stages and need to satisfy as time changes. Moreover, Sethi (1975) and Wood (1991) identify that the firm's CR role may vary across cultures and period. For these reasons, it is imperative to test the third hypotheses.

H₃ The factor, corporate responsibility is significant to corporate citizenship.

Corporate Citizenship

Though with appropriate CE, CG, and CR, determining the effectiveness of a firm's CC in terms of valid and reliable measurement is still problematic. Trevino, (1999) asserts that the value of ethics can be identified through organizational processes and outcomes. For example, the center for Corporate Citizenship at Boston College in the USA has launched an assessment tool, intended to incorporate more CC efforts in their culture and strategic planning. Various dimensions in this tool are community, which includes non-commercial activities that address social and environmental challenges from local to global; products and services that includes commercial activities for market solutions to social and environmental challenges; and operations which are responsible business practices for commitment to CC throughout business units and corporate functions. Therefore, it is beyond economic transactional relationships, philanthropy, and compliance to integrated social partnerships and

self-regulation (Grobler et al., 2012).

RESEARCH DESIGN

The study utilizes both primary and secondary data for getting detailed information regarding the latent variables and identified factors. After a pilot study, a closed ended questionnaire (five-point Likert scale) with 28 indicators has developed. Each latent variable has 8 indicators which is shown in Table 1. Firstly, the companies were selected randomly, without any bias, both from public and private sectors as the topic is equally relevant in any sectors. Secondly, in collecting data, a stratified proportional sampling method is made to cover all groups of employees irrespective of their gender, age, experience, qualifications as corporate citizenship is everyone's right and obligation. The sample size was 300 employees from various sectors in the UAE. In precise, the questionnaire consists of demographic factors, the above-mentioned variables in the literature, and the impact of CE, CG, and CR on CC (4 indicators). All established variables are meticulously selected, examined, validated, and evaluated to address the feelings of respondents in confirming the hypothesis. Moreover, an interaction with some managers and employees were performed to avoid the bias. Therefore, the survey and interaction facilitate both quantitative and qualitative analysis.

Data Analysis

The collected data were analyzed using R (Version 3.66 Bit) Programming package, "LAVAAN", which was followed by the diagonally weighted least squares (DWLS) estimation method. For further confirmation, three estimation methods namely, a. Maximum likelihood (ML) using the sample covariance matrix, b. Unweighted least squares (ULS) using consistent estimates, and c. Diagonally weighted least squares (DWLS) using polychoric correlation matrix are applied. These estimates are superior to the normal theory-based maximum likelihood when observed variables in latent variable models are ordinal. To validate the study, Confirmatory Factor Analysis (CFA) was conducted on 60 observed ordinal items related to corporate ethics, corporate governance, and corporate responsibility.

CFA Model Fit

The CFA model fit was assessed by chi-square statistic; the χ^2/df ratio in which chi-square was adjusted for sample size (using DWLS of the Polychoric Correlation). The guidelines for measuring the targeted model are as follows:

Comparative Fit (CFI) and Tucker-Lewis Index (TLI) greater than 0.90 are indicative of adequate model fit, with values near 0.95 being preferable; a Standardized Root Mean Square Residual (SRMR) below 0.10 and Root Mean Square Error of Approximation (RMSEA) below 0.08 are indicative of acceptable model fit.

LAVAAN (0.6-5) converged normally after 295 iterations	
Number of Observations	60
Estimator	DWLS
Minimum Function Test Statistic	1010.25
Degrees of freedom	350
P-value (Chi-square)	0.000
Model test baseline model:	
Minimum Function Test Statistic	4344.824
Degrees of freedom	388
P-value	0.000

User model versus baseline model					
Comparative Fit Index (CFI)			0.898		
Tucker-Lewis Index (TLI)			0.914		
Root Mean Square Error of Approximation					
RMSEA	0.187				
90	Percent	Confidence	Interval	0.175	0.201
P-value	RMSEA	<= 0.05	0.000		
Standardized Root Mean Square Residual					
SRMR	0.204				

The above chi-square model for the goodness of fit for the observed and expected values confirms a significant role in fitting the data well for the study. The Normed chi-square facilitates to show that the model fits the data precisely, i.e., a least difference between observed and expected values. The latent variable career development is hypothesized to have three factors namely, corporate ethics (Q1-Q8), corporate governance (Q9-Q16), and corporate responsibility (Q17-24). The tested measurement model has shown in Fig 4. The model fit is good with a CFI of 0.898, TLI of 0.914, and RMSEA of 0.187 with 90% confidence interval (0.175, 0.201). The χ^2 (minimum function test statistic) is significant with $p < .05$ ($\chi^2(3) = 1010.25, p < .05$). The indicators except Q24, Q25, Q26, Q27, and Q28 all showed significant positive factor loadings, with standardized coefficients above 0.3 (Table 2). There were also significant positive correlations among all three latent factors (Table 3).

TABLE 2 CFA FACTOR LOADINGS							
Factor Loadings: Confirmatory Factor Analysis							
Factor Loadings (* $p < .05$ ** $p < .01$ *** $p < .001$)							
Factors	Indicators	B	SE	Z	Beta	p-value	sig
CE	Q1. Are the company beliefs and values openly articulated in mission statements, and included in ethical concerns?	0.068	0.031	2.192	0.096	0.028	*
	Q2. Does your organization embrace diversity?	-0.443	0.04	-11.01	-0.5	0	***
	Q3. Do you have a fair selection and recruitment process?	-0.5	0.037	-13.51	-0.6	0	***
	Q4. Do you feel free to bring problems to executives without fear of adverse consequences?	-0.675	0.045	-15.13	-0.68	0	***
	Q5. Do you have supportive and shared leadership in your work?	-0.425	0.03	-14.35	-0.65	0	***
	Q6. Do you feel the management supports the view of diverse culture in decision-making?	-0.516	0.031	-16.52	-0.75	0	***
	Q7. Do you feel that your company provides fair compensation?	-0.365	0.027	-13.36	-0.59	0	***
	Q8. Does your company provide training in learning and development programs in ethical behaviour?	0.337	0.034	9.953	0.499	0	***
CG	Q9. Does your company have ability to align functions and responsibilities in changing environment?	0.09	0.019	4.813	0.144	0	***
	Q10. Is there any gap in responsibilities?	0.55	0.036	15.108	0.736	0	***
	Q11. Do the board members, senior executives, and top management have collective strategy in governance?	0.375	0.031	12.04	0.583	0	***

	Q12. Does your organization give you a clear objective to do?	0.528	0.036	14.661	0.675	0	***
	Q13. Have the responsibilities of senior executives, & governance committees are aligned with compliances?	0.436	0.039	11.27	0.525	0	***
	Q14. Does your company emphasis on risk avoidance with opportunity seeking?	0.674	0.038	17.879	0.866	0	***
	Q15. Does your company make strategic plans in ethical behaviour?	0.595	0.035	16.908	0.797	0	***
	Q16. Does your company design knowledge-management system to support enterprise management?	0.604	0.037	16.42	0.772	0	***
CSR	Q17. Do you feel that your company has happy stakeholders?	0.56	0.037	15.059	0.77	0	***
	Q18. Do you feel that your organization ought to maximize profit?	-0.29	0.036	-8.009	-0.42	0	***
	Q19. Do you feel your organization has a reputation in the market?	0.238	0.034	6.936	0.352	0	***
	Q20. Do you feel your organization is benefitted to the society?	0.43	0.039	11.019	0.578	0	***
	Q21. Do you feel your organization is supportive to social changes?	0.507	0.036	14.124	0.768	0	***
	Q22. Do you feel your organization uphold the law and ethical custom?	0.595	0.041	14.439	0.798	0	***
	Q23. Do you feel your organization with affirmative actions?	0.678	0.041	16.505	0.814	0	***
	Q24. Does your organization uphold justice and rights of all stakeholders?	0.034	0.036	0.949	0.047	0.343	
CC	Q25. Do you have opportunities for systems development through inputs, processes, feedback?	0.123	0.172	0.718	0.681	0.473	
	Q26. Do you have enough opportunities for competencies through skill and knowledge development?	0.18	0.25	0.719	0.84	0.472	
	Q27. Do you have any assessment tool to measure effectiveness of ethics?	0.144	0.201	0.718	0.776	0.473	
	Q28. Do you have promotion and consistent enforcement by positive incentive?	0.178	0.248	0.719	0.846	0.472	
CE-Corporate ethics, CG – Corporate Governance, CR -Corporate responsibility, CC– Corporate citizenship							
The p-value from the above table clarifies the significance of each indicator to latent variables. Further, to check the model estimators to be non-significant or the data to fit, least difference between expected and observed values. The Std. all is a list of model matrices, the values represent the standardized model parameters, the variances of both the observed and the latent variables are set to unity.							

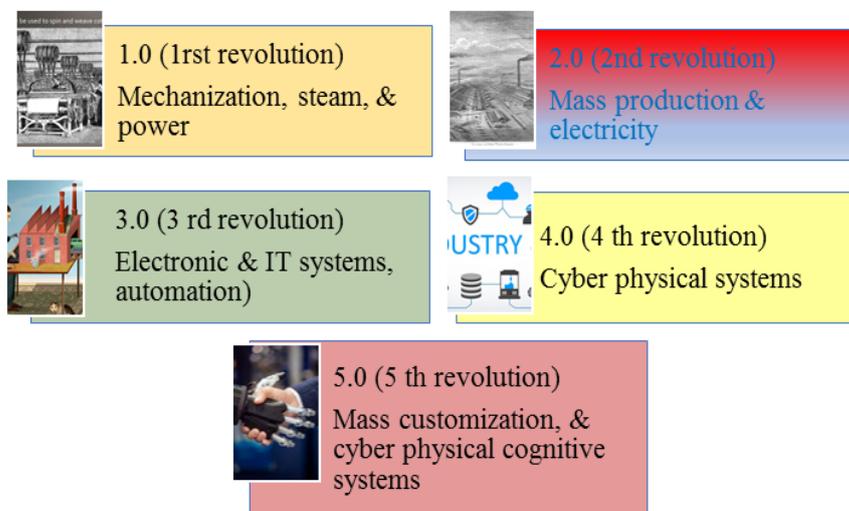
TABLE 3
VARIANCE OF OBSERVED VARIABLES

Factor	Item	Estimate	Std.Err	z-value	P(> z)	Std.lv	Std.all
CE	Q1	0.503	0.098	5.109	0	0.503	0.991
	Q2	0.6	0.149	4.015	0	0.6	0.754
	Q3	0.445	0.108	4.129	0	0.445	0.64
	Q4	0.521	0.112	4.666	0	0.521	0.533
	Q5	0.242	0.076	3.194	0.001	0.242	0.573
	Q6	0.212	0.072	2.927	0.003	0.212	0.443
	Q7	0.246	0.065	3.767	0	0.246	0.649
	Q8	0.342	0.13	2.628	0.009	0.342	0.751
CG	Q9	0.381	0.101	3.793	0	0.381	0.979

	Q10	0.255	0.077	3.324	0.001	0.255	0.458
	Q11	0.272	0.066	4.103	0	0.272	0.66
	Q12	0.334	0.075	4.439	0	0.334	0.545
	Q13	0.498	0.133	3.745	0	0.498	0.724
	Q14	0.152	0.082	1.855	0.064	0.152	0.251
	Q15	0.203	0.077	2.629	0.009	0.203	0.365
	Q16	0.248	0.079	3.15	0.002	0.248	0.404
CSR	Q17	0.216	0.089	2.415	0.016	0.216	0.408
	Q18	0.386	0.097	3.986	0	0.386	0.821
	Q19	0.399	0.109	3.654	0	0.399	0.876
	Q20	0.368	0.078	4.693	0	0.368	0.665
	Q21	0.179	0.074	2.426	0.015	0.179	0.41
	Q22	0.201	0.096	2.089	0.037	0.201	0.362
	Q23	0.234	0.084	2.772	0.006	0.234	0.337
CC	Q24	0.518	0.069	7.513	0	0.518	0.998
	Q25	0.227	0.07	3.265	0.001	0.227	0.537
	Q26	0.174	0.08	2.179	0.029	0.174	0.295
	Q27	0.177	0.072	2.46	0.014	0.177	0.398
	Q28	0.162	0.08	2.032	0.042	0.162	0.284
The values show the constancy between each latent variable.							

**TABLE 4
REGRESSION**

Factors	Estimate	Std.Err	z-value	P(> z)	Std.lv	Std.all
CE	-4.903	5.889	-0.832	0.405	-1.366	-1.366
CG	-0.829	0.676	-1.226	0.220	-0.231	-0.231
CR	-0.754	0.603	-1.251	0.211	-0.210	-0.210



The Table 4 illustrates that governance and responsibility have significant values (std all) as the std error is slightly high for ethical dimensions. Based on this inference, the covariances also had measured and is shown below Table 5.

**TABLE 5
COVARIANCES**

Factors	Estimate	Std.Err	z-value	P(> z)	Std.lv	Std.all
CG	-0.876	0.057	-15.378	0.000	-0.876	-0.876
CR	-0.851	0.061	-1.004	0.000	-0.851	-0.851

Similarly, the p-values are <0.001, prove its significance to the latent variable, citizenship.

RESULTS AND DISCUSSION

Firstly, CFA model provides the model of fit, and it confirms the strength of the data with different variables (Table 1). The fit measures were analyzed by Chi Square test and verifies the goodness of fit (degrees of freedom is 350). The values derived from CFA reinstate the relationship between the factors and the latent variables. The model fit is good with a CFI of 0.898, TLI of 0.914, and RMSEA of 0.187 with 90% confidence interval (0.175, 0.201). The χ^2 (minimum function test statistic) is significant with $p < .05$ ($\chi^2(3) = 1010.25$, $p < .05$). The indicators except Q24, Q25, Q26, Q27, and Q28 all showed significant positive factor loadings, with standardized coefficients above 0.3 (Table 2). Moreover, Z value represents the Wald statistic and the distribution score of the data and are obtained by dividing the parameter value by its standard error, $P(>|z|)$. A greater Z value indicates the positive correlation amongst the variables and factor loadings. Beta is the standardized regression coefficient and compares the relationship amongst variables, it varies from -1 to 1 and greater estimate points a stronger relationship. A tested measurement model has shown in Fig 1. It was noticed that there is a slight instability for the response in ethical dimensions, as the effectiveness of these indicators are difficult to figure it out (Schwartz, 2004). There were also significant positive correlations among all three latent factors (Table 3). The latent variable citizenship is hypothesized to have three factors namely, ethics (Q1-Q8), governance (Q9-Q16), and responsibility (Q17-24). The hypothesis test through regression analysis shows there is some disparity amongst respondents for the factor, ethics as the standard deviation is found to be 5.889 and p-value as 0.405 (Table 4). As a next step, the covariances confirms the significance level with a p-value < 0.001 and standard error of 0.057 and 0.061 for governance and responsibility respectively (Table 5). The factors, governance and responsibilities have stronger correlation as the estimate measures and std. all matrices are closer to zero. Furthermore, the measures are closer to each other and it confirms higher covariance as well. This indicates similar responses from the survey and a stronger relationship with limited variances. Since ethics has a higher std. error estimate, the responses are unlikely valid due to higher error ratio among survey responses. The result for ethics proves the significance of operationalization and monitoring process of ethical practices in selected organizations. Hence, it proves the significance of HR practitioners' roles in developing their competencies by creating culture, promoting morality, and handling all stakeholders (Josephson, 1998). Ethical tracking, environmental stewardship, and community engagement programs can be initiated to enhance corporate ethics. A workplace document with relevant standard measures including, the management of diversity, work environment, occupational health and safety measures, compensation rules, intellectual property, community participation and help lines can be reinforced. Participative and consultative standards from all levels of employees can be suggested. Value-based corporate ethics can focus on core ideals and types of behaviour that stresses on "*respect for all persons*". Training and development have a key role in embracing new ideas with a strategic move and multiple perspective in the work. Relate to CR, one can identify various trends likely to shape CR in the coming eras are CR and ethics are interconnected and need a strategic focus on employees, suppliers, and society; increase in the mandatory and voluntary reporting with respect to government regulations; inclusiveness of multi-disciplines such as management, economics, ethics, law, political science, and environmental sciences. Therefore, CR is conceptually rich and relevant to enterprises (Sethi, 1975; Wood, 1991; Carrol, 2000). With respect to CG, the selected organizations to understand the changing nature of risk factors as they grow and evolve. Based on these aspects, set structural transformations in management practices by creating new senior management integrating roles. Moreover, value-based leadership enhances feedback, coaching, recognition, rewards, mentoring to employees.

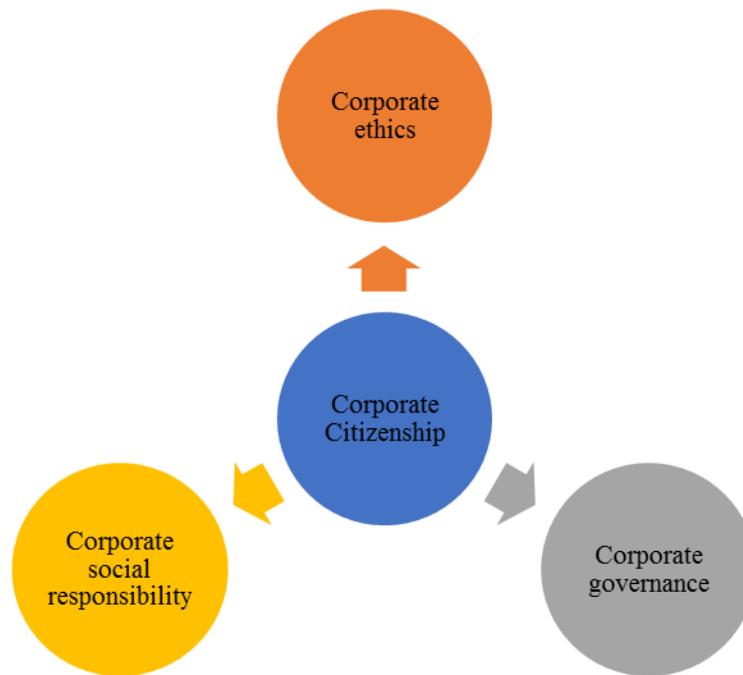
Therefore, new, and stronger controls can be adopted with appropriate incentive systems (Drew et al., (2006). For the effectiveness of all these variables, it should be appropriately planned, formulate, communicated, and monitored. The outcomes also support the view that CC can be assessed through appropriate tools (Trevino, 1999; Grobler et al., 2012). Various internal processes such as establishment of standards and procedures customized to the needs, size and operating environment, periodic auditing, monitoring, evaluation of all programs, appropriately, and timely responses in case of violation, and careful screening of personnel to whom authority is delegated can be developed in the selected organizations.

CONCLUSION

A study on business ethics, governance, and corporate responsibility is a learning and growth process that accentuates the HRD at the community and society level. The bottom line is that it depicts the importance of HRD's role in introducing ethics, governance, and CSR in enterprises and how it can flourish on economic, legal, and societal outlooks. Each of the latent variables has obligations in bringing companies and corporations in closer contact with local communities, also reframing organizations with good practices towards responsible citizens who are interested in growth and sustainable development. The CFA through Latent Variable Analysis (LAVAAN) with the help of detailed questionnaire and interaction from various strata of samples validates the significance of each variable and its related indicators. Moreover, the regression analysis confirms the hypothesis test. Based on the values and results, it bridges the gap by reinforcing the views, ideas, and notions from various literature and delineates relevant suggestions to ethical practices, responsibilities, and procedures to mold effective citizenship at the community and national level. Access to lifelong learning, knowledge management, training, family-friendly policies, workforce flexibility, affirmative action programs, and so on are critical factors that can significantly affect the overall competitiveness of an economy and the attraction of foreign direct investment. Therefore, this research can enlighten and a roadmap to organizations, irrespective of public or private sectors, to reach the horizon of economic and social development (Fig. 1).

Limitations of the study

As this is a cross-sectional study, it can limit the information as time changes. Also, culture of organizations, leadership styles, economy of a nation changes the policies, norms, regulations, and procedures in governance, CSR, and ethical practices. Therefore, this type of study can be extended with a longitudinal and /or cohort studies. Furthermore, stakeholder needs and wants are changing continuously and therefore, respondents from various segments are included. Moreover, HRD interventions in firms restrict the accurate picture of ethical practices as these are mole aligned to subjective aspects (Figure 1).



Source: From the study

Figure 1: Integrity-oriented approach to create a value at the board.

Future Scope

Literatures often emphasize the need to institutionalize ethical principles and values through an organization's culture. However, this study stresses only on the three aspects towards an integrated approach in corporate citizenship. A separate, detailed research can be done based on the cultural aspects in the selected enterprises as the UAE is a melting pot of diversity and inclusion. Additionally, it is high time to implement an effective monitoring system in all firms related to its principles, procedures, cultures, and leadership. In fact, it is intricate to measure, but data argues that it can be gauged by means of process and outcomes (Schwartz, 2004).

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