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TELLING THE TRUTH AND ETHICAL PERSPECTIVES IN CORPORATE DECISION-MAKING (2017)

Tony Ikechukwu Nwanji[1], Kerry E. Howell[2], Esther Monisola Alao[3], Adedoyin Isola Lawal[4], Sainey Faye[5]
[1&4]Department of Accounting and Finance, Landmark University, Nigeria,
[2]Plymouth Business School, Plymouth University, UK
[3]Department of Business Studies, Landmark University, Nigeria
[5]Department of Accounting and Finance, Buckinghamshire New University Buckingham, UK
Email: nwanji.tony@lmu.edu.ng, kerry.e.howell@plymouth.ac.uk, alao.monisola@lmu.edu.ng, lawal.adedoyin@lmu.edu.ng, sainey.faye@bucks.ac.uk

ABSTRACT

The study investigates the rationales for human action to determine whether individual members of corporate boards act in ethically and truthfully. It involves some difficulties regarding interpretations of ethics and what it means to tell the truth and act ethically. This paper initially provides a discussion regarding theoretical notions of truth and ethical positions about issues raised regarding expedient lying and impacts on communication. Second, it overviews matters relating to corporate governance and identifies methodological approaches to be used in the analysis. Finally, the precise questions to be investigated and methods of data collection are posted. In this context, problems the study may encounter are outlined and workable solutions identified. In short, the research deals with the area of study (corporate governance) about telling the truth, ethical perspectives and institutional decision-making. The study draws together distinct philosophical perspectives that are usually used in isolation. Moreover, provide only one aspect of understanding and enable validity or reliability; the study provided greater insight into the rationale for human action in the context of telling the truth and acting ethically.

Keywords: *Corporate Governance, Business Ethics, Telling the Truth, Corporate Social Responsibility, Shareholders and Stakeholders*

INTRODUCTION

The purpose of this research paper is to investigate the rationales for human action and determine whether individual members of company boards act ethically and truthfully. This involves some difficulties regarding interpretations of ethics and what it means to tell the truth and act ethically. Furthermore, there are some problems in the process of determining whether an individual is telling the truth and the extent to which telling the truth or expedient lying is ethically acceptable. For instance, one may consider that lying is wrong in itself (deontological) or that when the ends justify the means lying is acceptable (teleological). Indeed, the problem is further exacerbated when we consider what is meant by truth. In this context, one may argue that there exist two concepts of truth. The first involves an intense commitment to truthfulness i.e. a wish to see through the counterfeit and about this suspicion doubts about the idea of truth itself (or whether we should bother with it at all or whether at best it is a subjective or relativist position).These two areas are relatedto the desire for, and the suspicion (or criticism) of truthfulness weakens the argument that absolute truths exist. So, if we were searching for the truth regarding executive statements about action in the context of critique are we undermining the very thing we wish to uncover? Alternatively, is truth relative to the situation the executive acts within or time of the action? Then, of course,an absolute truth does not exist.

Truth and Ethics

There are some problems in the process of determining whether an individual is telling the truth and the extent to which telling the truth or expedient lying is ethically acceptable. For instance, one may consider that lying is wrong (deontological) or that when the ends justify the means lying is acceptable (teleological). Indeed, the problem is further exacerbated when we consider what is meant by truth. In this context, we argued that there exist two concepts of truth. The first involves an intense commitment to truthfulness i.e. a wish to see through the counterfeit and about this suspicion doubts about the idea of truth itself (or whether we should bother with it at all or whether at best it is a subjective or relativist position). The Greeks considered that truth involved something that no longer existed (untidiness) or free from guilt. Heidegger argues that truth is ‘a word for what man wants and seeks in the ground of his essence, a word therefore for something ultimate and primary’. Truth is ground in human design or becoming and derived from ‘a primordial experience of world and self’ (Heidegger, p 9). Heidegger indicates that the search for truth is embedded within us and the world and as it was ‘the truth always out’. Given that truth and the telling of the truth are important we require a means of identifying whether the relationship between the world and self-correlate. Consequently, we briefly outline five substantive theories of truth: correspondence theory; coherence theory; constructivist theory; consensus theory and pragmatism. Correspondence theory posits that truth corresponds to actuality; it corresponds to something that exists, and there is a relationship between statements thoughts and things. This is a traditional model of truth and is gauged by how it relates to objective reality. Truth is universal and absolute (absolute truths exist which are true always). Truth should accurately reflect objective reality through thoughts words and symbols. There are difficulties with this regarding apprehending objective reality and using language in a precise manner. For example, meaning in many instances is unclear and transient. Language may add another parameter when it comes to identifying truth. Coherence theory requires that truth fit with a coherent system; that truth is the property of a system of propositions and may apply to specifics only by the general system. However, there is discussion regarding whether there is one absolute true system or many possible true systems.

Related Literature

The truthis confirmed through application to concepts and practice. In the same way, Dewey argued that truth was incomplete and identified through experience, but he also indicated that it was self-corrective through this process of being tested by the community. Indeed, such an approach moves toward a historical ontology and the development of reality through historical and social formulations. Each necessitates metaphysical objectivism where truth exists independently of our beliefs. In a similar vein, theconstructivist theory argues that there are many systems because each is socially constructed in cultural and historical terms and shaped by power struggles in the community. In contrast with correspondence and coherence theory, for constructivists, no external objective reality or system exists. Truth is considered contingent and based on human perception and experience. Verum ipso factum 'truth in itself is constructed' (Vico). Building on this idea of truth Habermas argued consensus theory; that truth is agreed through democratic process and discussion by humanity in its entirety or as a subset. Indeed, for Habermas only through rational discussion within an 'ideal speech situation' serve as the basis for truth. Truth underpins rational discussion for, without this objective, the rational discussion itself is called into question. Each of these theoretical frameworks relies on metaphysical subjectivism in that truth depends on beliefs, and it is relativism to situations and across cultures.

Truth involved the whole, which must then be present in each of its moments. If a single material fact cannot be reconciled, then the proposition or entity is not the truth. Both theories link closely or are underpin by aspects of positivism the former a naïve ontological position and the latter (especially the idea of multiple true systems) a more critical realism. In a critical realist context, pragmatism considers truth to be verified through experience and practical application. For Pence (1984) truth is fallible and always an incomplete, partial and approximation.The author identified truth as an expedient means of thinking in the same way as a right is an expedient way of behaving. So how are we to determine the way individual board members perceive truth. Indeed, the way it is perceived determine the extent individuals may be criticised for failing in their duties. For instance, if through democratic debate a sub-set or board can determine truth for themselves that truth is a relative truth for that board. The point is, can this be negated through an external or social truth? How far does the truth necessitate correspondence? So, if we are searching for the truth regarding executive statements about action in the context of critique are we undermining the very thing we wish to uncover? Alternatively, is truth relative to the situation the executive acts within or time of the action? Which one may consider means that a definitive truth does not exist. Truthful statements, particularly those made by directors and top management, are aimed at communicating the positive impact of the company to external stakeholders. They are expected to disclose fully to shareholders and do not capitalise on "insider" information. A major part of telling the truth involves understanding what the truth entails. Indeed, to minimise doubt full and accurate records are a necessary even though this may not provide a complete picture of the truth. Howard (1992) suggests that

> *Business ethics, like other ethics, is usefully discussed by distinguishing prudential from legal from ethical actions. Prudential actions are those of simple self-interest; legal actions are those not forbidden by the system for the use of force in society; ethical actions are those, which you consider is right. While ethics about physically not hurting people or not stealing from them are fundamental, most business ethics issues encountered revolve around truth telling.* (p. 101).

He went on to suggest that: “the ethic of not lying is insufficient: it still permits leaving false impressions, whether deliberate or not. A stronger, more satisfying ethic is “tell the truth? Fully inform the person with whom you are dealing. Truth telling is hard work for, often, we must learn the truth for ourselves before we can tell it to others. Truth telling may or may not lead to higher profits, but it leads to a life without ethical remorse”. (p.101). Research released by the Institute of Business Ethics (IBE) claimed that ‘sixty percent’ of people donot trust business leaders to tell the truth, The issues of responsibility, integrity and honesty being the main things the public want British business to address. (Webley, 2006).

Tell the Truth

Howard (1992) argued that; Truth is complex, and – as reports of Tony Blair’s Parkinson interview remind us - in our social and political world meaning is elusive without a sophisticated mastery of genre and context. *The Bible says*, “There is no God!” Can that possibly be true? Well, in one sense yes, because the opening verse of Psalm 14 has it: ‘The fool says in his heart, “There is no God!” So, it goes that this form of words is to be found in the text of the Bible, but it is not true that the Bible affirms the proposition quoted. This is evidence from the context, and from the ascription of the speech to a godless man. Disapproval accompanies the quotation. To understand the text correctly quoted one must pay attention to the context, and to the genre, to establish the meaning. A competent citizen in our complex social and political world needs a sophisticated mastery of a range of genres and contexts. Truth is complex, and it is not always possible to give straightforward answers to direct questions. Did the Prime Minister pray before sending troops to Iraq, or did he not? Yes, is the correct answer, since only yes or no is possible, but the meaning of what he said in the Parkinson interview is elusive unless one considers the genre and context. He was answering personal questions about his faith while an interview whose style was personal and informal. This was not the only thing said, so that the implications of the news headlines that the Prime Minister acted on God’s command involve a distortion of the meaning. The report will mislead anyone who is unable to recognise the style of the interview and the nature of the reporting. The biblical injunction against lying is quite precise in identifying the relevant context: ‘You shall not bear false witness against your neighbour’ (Exodus 20:16).

Thisdoes not say: do not lie, always tell the truth, which is more like the kind of instruction parents correctly give their young children. ‘Witness against’ in the biblical injunction locates the commandment in the context of disputes which require just resolution. In a dispute, in giving testimony in court, one should not harm another by giving false evidence. The moral instruction of children, ‘*never tell lies always tell the truth’* is too simple to provide guidance in adult life. Even children recognise that story telling is different, and that the worlds of fantasy have their truth without being true. The ‘never’ and ‘always’ are undermined from the start. So, the grown-up knows that literature, drama, TV and film entertainment provide plenty of opportunities for playing fast and loose with the truth, without doing wrong. These fictional forms are ritualised, and rubrics are signalling the genre, but part of the entertainment value of ways such as docudrama is their pushing of the boundaries.

Corporate Governance: An Overview

Over the last two decades, corporate governance is an area that has been steadily growing in importance. The Cadbury Report (1992) laid the foundations of corporate governance not just in the UK, but also for countries all over the world, some of which have incorporated its most important principles into their corporate governance codes. The aim of corporate governance is to ensure that the boards of directors do their jobs properly. It is a guideline that directs the boards and managements through the best way of utilising the assets of the company to increase the returns on shareholders' wealth. The Cadbury Report (1992) defined corporate governance as,

> *The systems by which companies are directed and controlled and boards of directors are responsible for the governance of their enterprises. The shareholders' role in governance is to appoint the directors and auditors and to satisfy themselves that an appropriate governance structure is in place in the organisation. The responsibilities of the board include setting the company's strategic aims, providing leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The board's actions are subject to laws, regulations and the shareholders in general meetings,*(Para. 2.5).

Corporate governance can also be defined as an institution that constrains relations between corporate managers and various stakeholders, including shareholders, creditors, workers, suppliers, and customers. Under this broad definition, corporate governance is a system of different sub-systems that are complementary to one another.Corporate governance procedures should enhance insight and understanding. There is recognition that companies need to do more to communicate the positive impact of their behaviour to external stakeholders. Corporate governance and disclosure cannot be seen in isolation with the wider activities and conduct of companies contributing to an overall image of 'big businesses' (Higgs Report 2003).

Management is responsible for the day-to-day business operations of the enterprise. The Board of Directors ('the Board') oversees and guides the company's management and its business. The fundamental responsibility of the Board is to exercise its business judgment to act in what it reasonably believes to be in the best interests of the company and its shareholders. Within this framework, the Board also considers the company's ethical behaviour and may examine the interests of other constituents, including the company's customers, employees and the communities in which it functions. In discharging their obligations, Directors are entitled to rely on the honesty and integrity of the company's executives, and outside advisors and auditors. The Directors also shall have the right to have the company purchase reasonable directors' and officers' liability insurance on their behalf. To the benefits of indemnification to the fullest extent permitted by law and the company's Articles of Association and By-Laws, and to exculpation as provided by applicable Company Act and the Company's Articles of Association.(Kingsley, and Wereko, 2012, Oman et al., (2003). Corporate governance is concerned with the relationship between the internal governance mechanisms of corporations and society's conception of the scope of corporate accountability (Deakin and Hughes, 1997). According to Keasey et al. (1997), corporate governance includes the structures, processes, cultures, and systems that engender the successful operation of the organisations. Corporate governance is seen as the whole set of measures taken within the social entity (enterprise) to favour the economic agents to take part in the productive process, in order to generate some organisational surplus, and to set up a fair distribution between the partners, taking into consideration what they have brought to the organisation (Maati 1999). Corporate Governance in a Third World Country concerning Nigeria Yakasai (2001) argues in apaper on the issue of power relationships and sharing as the basis for instituting a corporate governance procedure that:

> *"The peculiar and unstructured nature of the developing economies makes the running of many existing limited liability companies remarkably different from the governance processes of modern Plc and multinational corporations which are controlled (at least in principle) by the owners through shareholder democracy enshrined in the Annual General Meetings. The need for an understanding of the concepts, processes and problems of corporate governance both from the perspective of those who direct, those concerned with returns and accountability, and those concerned with corporate regulation encouraged the author to provide a menu of hypotheses of corporate governance and its relevance to Nigerian corporate bodies,"*(p. 238).

Even though the concept of corporate governance has assumed global adaptation, yet there is none an accepted definition of the term corporate governance is usually defined according to which country is being considered. Solomon (2004) states that, in establishing corporate governance, the practitioner, policy maker researcher or theorist might decide to treat the subject either narrowly or broadly. According to Solomon:

> "*It seems that existing definitions of corporate governance fall along a spectrum, with 'narrow' views at one end and more inclusive, 'broad' views placed at the*

> *other. One approach toward corporate governance adopts a narrow view, where corporate is restricted to the relationship between a company and its shareholders. This is the traditional finance paradigm, expressed in 'agency theory'. At the other end of the spectrum, corporate governance may be a web of relationships, not only between a company and its owners (shareholders) but also between a company and a broad range of other 'Stakeholders': employees, customers, suppliers, bondholders, to name but a few."*(Solomon 2004: 12 and 2014)

Some published definitions of corporate governance adopt a different view of the subject and provide a consensus on the relative importance of the definitions. The Cadbury Report (2002) defines corporate governance from the narrowest viewpoint on the core role of the concept. Trickers (1984) definition approaches the issue from a broader definition that encompassed corporate accountability to a broad range of stakeholders and society. Parkinson (1994) sees it from a financial perspective involving only shareholders and company management. Further findings by such researchers as Keasey and Wright (1993) see corporate governance mainly from the viewpoint of business success, Parkinson (2003). The departmental governance handbook (1996) emphasised the importance of shareholders activism, as this allowed an evaluation of the institutional investors' views on their own role in corporate governance. La Porta et al. (1998) emphasises a narrower shareholder oriented definition, which focuses specifically on the ability of a country's legal system to protect minority shareholder rights. These myriads of research based definitions incline to share certain characteristics, one of which is the notion of accountability. The other is the definition oriented around corporate responsibility to shareholders. (Abor, 2007).
Nwanji and Howell (2004:1) stated that:

> *"Corporate governance is an area that has been growing steadily in importance in the last decade. The Cadbury Report of 1992 on the Financial Aspects of Corporate Governance in the UK laid the foundations of corporate governance not just in the UK, but also in countries all over the world, and many of them have incorporated its most important principles into their own corporate governance codes. The aim of corporate governance is to ensure that the boards of directors do their jobs properly. It is also a guideline that directs the board of directors and managements through the best way of utilising the assets of the company to increase returns on shareholders' wealth."*(Nwanji and Howell, 2007; Imeokparia, 2013).

Shareholder v Stakeholder: the issue of corporate governance has centred on shareholder v stakeholder who of the two models is best for corporations, and therefore the board should follow in managing the affairs of the company. Shareholder Theory: The Nobel Prize Economist, Friedman (1970), argued, "There is one and only one social responsibility

of business. To use its resources to engage in activities designed to increase its profits, as long as it stays within the rule of the game, which is to say, engages in open and free competition, without deception or fraud," (p. 7).
Okike, (2007, p. 172) claims that:

> *"Not much is known about the state of, or the current framework for, corporate governance in Nigeria, and provided a comprehensive review of the state of corporate governance in Africa's most populous country, which she claims, contribute to the literature on the state of corporate governance in developing countries".*

The author addresses the issue of whether the governance mechanisms in Nigeria are adequate in the face of the changes and challenges in the global corporate scene, and argues that: "whilst there is a case for adherence to global corporate governance standards, any Code of Best Practices adopted in Nigeria must reflect its peculiar socio-political and economic environment, whilst at the same time providing the right assurance to prospective and existing shareholders," (p. 173).

Corporate Social Responsibility (CSR)

The Board of Directors of a corporation provides oversight concerning the strategic direction and key policies of the company. It approves major initiatives, advises on the main financial and business objectives, and monitors progressregarding these matters.A variety of terms is used -- sometimes interchangeably -- to talk about corporate social responsibility (CSR): business ethics, corporate citizenship, corporate accountability, sustainability. BSR defines corporate social responsibility as "achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment." (BSR Report 2003, p.2).We also say that CSR means addressing the legal, ethical, commercial and other expectations society has for business and making decisions that fairly balance the claims of all key stakeholders. In its simplest terms, it is: "what you do, how you do it, and when and what you say." (p. 2).In this sense, CSR is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes throughout the company -wherever the company does business -- and includes responsibility for current and past actions as well as future impacts. The issues that represent a company's CSR focus vary by business, by size, by sector and even by geographic region. In its broadest categories, CSR typically includes issues related to business ethics, community investment, environment, governance, human rights, marketplace and workplace.(BSR Reports 2003).
Bonn and Fisher (2005) argued that,

> *"organisations can learn from the development of strategic planning in the 1970s and 1980s in developing an integrated approach towards corporate governance and business ethics. The study identified three weaknesses – a bureaucratic and formalised approach, lack of implementation and lack of integration throughout the organisation. – which were prevalent in strategic planning in the past and which are potentially just as problematic for an integrated corporate governance approach to business ethics.(*p.730).

The authors suggest ways these weaknesses might be avoided and provide questions for boards of directors to consider when integrating ethical concerns into their organisations' corporate governance structures.Reputation and trust have become key words in corporate management. This is partly due to the severe loss of reputation among larger businesses following well-publicised business malpractice particularly in the United States and Europe (Enron, WorldCom, Arthur Andersen and Parmalat). (Webley 2004).Loss of reputation due to lack of integrity poses a risk that is not easily insurable but can have critical outcomes. A much-cited example of this concerned the partners and directors of Barings Bank. They woke up one morning in 1999 to find that the value of the bank's liabilities exceeded that of its assets: it was broke. The bank was subsequently sold for 'One Pound' to a Dutch bank. (Leeson and Whitely1997, Olakanmi, and Kenneth,2010). The Combined Codein the UK was a combination of the Higgs Report in 2003, which was a review on The Effectiveness of Non-Executive directors by Derek Higgs, and the Smith Report in 2003 which was a review of the Audit Committee. 21 new principles were added to the 2003 combined code in contrast with the previous code brought into effect in 1998 which had only 14 principles. It placed a greater burden of disclosure on companies. Transparency by corporations is encouraged, they should write a narrative, and detailed statements in enough details to enable shareholders to understand how the companies have applied each principle of the code to their company.Rake (2004) asks the question if so much governance disclosure was meaningful and provide real and commensurate benefits to investors. He is the view that the recommendations appended in the Listing Rules required listed companies to make Nwanji (2016) claimed that;

> *"In corporate governance procedures and documentation, boards of directors have many responsibilities, some statutory and others based on trust. Directors should be clear about their personal responsibilities toward others. Accountability is central to corporate governance, but in its traditional sense, it has always exercised the minds of directors in the context of the profit and loss accounts, the balance sheet and shareholders' interests. Deontological and teleological perspectives allow*

> *researchers to investigate whether there is a trade-off between moral and corporate objectives. In this context, empirical investigations may concentrate on: What ethical issues may/could influence directors? How should directors deal with the ethical issues in governance."*(Howell and Sorour, 2016)

In summary, corporate governance comprises a country's private and public institutions, both formal and informal, which together govern the relationship between the people who manage corporations ("corporate insiders) and all others who invest resources in companies in the country. Investors may include suppliers of equity finance (shareholders), suppliers of debt finance (creditors), suppliers of relatively firm-specific human capital (employees) and suppliers of other tangible and intangible assets that corporations may use to operate and grow.These institutions notably include the country's corporate laws, securities laws, accounting rules, generally accepted business practices and prevailing business ethics.(Oman et al. 2003).

RESEARCH OBJECTIVES AND QUESTIONS

To enable this study, the paper concentrates on correspondence and consensus theory as opposing ends of the continuum and investigate the following areas.

(a) What directors say and do about existing codes and ethical positions
(b) How directors define and understand truth
(c) How definitions of truth relate to moral perspectives

For example, Boards of Directors have codes of practice that are linked with ethical perspectives and social expectation. Furthermore, these expectations are linked to the role of business within society and the extent that business should serve society, in general, the economy in general or the business itself? Director understandings relating to these issues impact on how Boards act and the extent the truth may necessitate a central element in this process. The rest of this paper outlined the research questions and the synthesis of theoretical and philosophical approaches regarding ethics (deontological and teleological perspectives). The institutionalism; methodological approaches; and methods of inquiry about inductive and deductive parts of the investigation including qualitative and quantitative techniques (interviews, focus groups, action research and surveys). The crux of this research is the investigation of truth and the distinction between what people say and what they do in the realms of ethical corporate governance. For instance, many company boards indicate that they adhere to the combined code but the question is; do they and in what context can these manifestations be observed? Do

corporate actors take into consideration the truth and ethical perspectives when making decisions regarding business objectives and are these decisions mediated by past decisions and path-dependency?
More specifically,

(i) Are corporate actors ethical?
(ii) Is the governing action/behaviour ethical?
(iii) How do corporate actors interpret truth?
(iv) Do corporate actors do as they say?
(v) Does an increased emphasis on business ethics (theoretically or practically) affect enterprise capability?
(vi) Are historical and cultural perspectives evident in the decision-making process?

RESEARCH METHODOLOGY HISTORICAL INSTITUTIONALISM

The study draws on historical institutionalism in attempting to identify how institutional settings mediate political differences; this includes both formal organisations and informal rules that structure organisational conduct. Historical institutionalism identifies 'the official rules, compliance procedures, and standard operating practices that structure the relationship between individuals in various units of the polity and economy'(Hall and Taylor, 1996; p 19).As noted above, institutions incorporate formal and informal procedures, routines, norms and conventions embedded in an organisation's structure of policy (Hall and Taylor, 1996). These range from rules embedded in the constitution to accepted conventions or informal agreements. Historical institutionalism analyses institutions by taking into consideration 'path-dependency'. Thisis where ideas incorporated in the formation of an institution are endogenous to present and future decisions. Institutions only change about past decisions; change is 'path-dependent in that initial choices determine later developments and once a particular pathway is selected, alternatives tend to be ruled out thereafter' (Bulmer and Burch 2001; p 81). However, there are opportunities for departures from a pathway through 'critical junctures' or 'moments when the substantial institutional change takes place thereby creating a "branching point" from which historical development moves onto a new path' (Hall and Taylor, 1996; p. 942). Bulmer and Burch (2001) take this idea a little further and make a distinction between a 'critical moment' and 'critical juncture'. A crucialmoment is a possible critical point; however, it may simply be part of the ongoing path-dependency. 'A "critical moment" is when an opportunity arises for notable change. Such opportunities may not be realised and exploited, but if they are, the outcome is a "critical juncture" at which point there is a clear departure from previously established patterns' (Bulmer and Burch, p 81). To assist the analysis the research paper use aspects of 'historical institutionalism'.Building on the qualitative methodological approach explained above; the paper argues that positivist objectivity is 'inherently incapable of addressing the most important questions of political life. Given that it could not integrate individual action with fundamental normative premises or with the collective nature of most significant political activity' (Peters, 2001; p 26). This approach allows an analysis of sub-cultural and individual perspectives of board members regarding path-dependency, critical moments and critical junctures (Howell, 2007).Overall, the aim of the empirical work is to provide some insight into whether companies display path-dependencies key moments or critical junctures and investigate the extent calculus or cultural perspectives may explain the processes at work in the institutions. Do individual decisions reflect path-dependency? Thisprovides some understanding of the institutional culture that exists in companies about wider ideas regarding ethics and telling the truth. Initially, this requires qualitative analysis of the behavioural aspects of boards functioning, and boards' decision-making processes about business ethics and corporate objectives.

Building Trust

Trust, a pre-condition of respect, security, the spirit of partnership and cooperation can ensure positive working relationships encouraging people to commit themselves wholeheartedlyto work and 'go that extra mile'. The extra mile is precisely what is being asked of employees in times of discontinuous and potentially disruptive change in business and other organisations. Moreover, yet, many managers do not have a thought-through approach to building and protecting trust. Observation of teams and organisations suggests three key aspects to the building of confidence: (i) personal integrity, (ii) personal competence, and (iii) systems and processes. If for instance, you fail to follow through on a promise you might be forgiven because of your integrity. However, should the failure be repeated several times both your integrity and competence could well be brought into question? So, if you are a senior management team you may well need to check that (to gain and maintain the trust of colleagues and those you manage), you attend to all three aspects.

CONCLUSION

Telling the truth, particularly by directors and top management is aimed at communicating the positive impact of the company to external stakeholders. They are expected to disclose fully to shareholders and do not capitalise on "insider" information. However, a big part of telling the truth is knowing what the truth is which means keeping full and accurate records, so we are never in doubt.The dilemma regarding the constitution of truth relates to broad perspectives of ontology and epistemology outlined by positivism and constructivism. The former considers that truth is consistent; that it is observable, understandable and exists in an external context (of course the post-positivist would consider a truth as such until it was displaced and question whether humanity can fully understand truth). While the constructivist would argue that many truths exist, so they are relative. The ethical approaches may identify this relativism and throw up more long-lasting truths in a post-positivist context e.g. treat others as you wish to be treated yourself (a maxim of the categorical imperative and the most voted for commandment in 10 New Commandments). Through synthesising ontological positions, theoretical perspectives and methodological approaches this research intended to provide a means of ascertaining interpretations of truth and the extent that this is observable about human action. Each part of the study draws together distinct philosophical perspectives that are usually used in isolation. Moreover, provide only one aspect of understanding and enable validity or reliability; the aim of this study was to allow both and through this allow greater insight into the rationale for human action in the context of telling the truth and acting ethically.

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