

Attitudes towards Business Ethics: An Empirical Study on Turkish Senior Business Students

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Abstract. This study explores the business students' perceptions of business ethics as scaled by three business philosophies, namely Machiavellianism, Moral Objectivism and Social Darwinism using ATBEQ. Machiavellianism as a business philosophy states that individuals should focus on the immediate reality that provides maximum benefit and abstains from harm at the expense of morality and ethical values. Moral Objectivism is the idea that human beings should behave in their best interests which will uphold all the society. That is, similar to Machiavellianism, it is rational self-interest; however, contrarily to the former, Moral Objectivism does not necessarily separate the real world from the sphere of ethics (Bageac et al., 2010; Miesing and Preble, 1985). Social Darwinism is a utilitarian philosophy, which argues that individuals should freely pursue their self-interest in a competitive environment and that states morality has no place in the business world (Bageac et al., 2010). The following field study seeks to reveal Turkish business students' ethical orientations which were assumed to have changed through a time span of nine years since a 2004 study of similar nature (R.Sims and A.E. Gegez 2004). The study assumed that the demographic variable of gender would affect the preferences of the sample population and that a comparison with other countries would demonstrate different outcomes due to societal, economic and cultural variations. The results suggest that placement of ethics courses in the schedule might serve to the best needs of the market to which the sample population of this study will attend as future managers and employees in the long run. Almost no connection was discerned regarding the gender variable's impact on ethical tendencies.

Keywords: ATBEQ, Social Darwinism, Machiavellianism, Moral Objectivism

1. Introduction and Literature Review

Business ethics, a sub-branch of applied ethics has begun to develop as a distinct field of academic inquiry from the 1970s onwards (De George, 1999; Ferrell, Fraedrich and Ferrell, 2011). Ferrell et al. (2011) define business ethics as a set of principles, values, and standards that guide behavior in the world of business (p.7). Business ethics is incorporation of a set of moral principles into the world of commerce (Velentzas and Broni, 2010). The idea that certain principles could be applied to business activities paved the way for corporate social responsibility into textbooks and scholarly articles whereas in the practical arena, the concept of business ethics has gained prominence due largely to dramatic public revelations of a variety of scandalous corruption cases as the 2001 Enron Scandal, the former Goldman Sachs executive Eugene Plotkin case of insider trading and most recently the 2011 media patron Rupert Murdoch case of phone hacking. Correspondingly, the companies are required to abide by common ethical codes of behavior and standards established increasingly by umbrella organizations ranging from the European Union, the OECD (Anti-Bribery Convention) and the World Trade Organization to nation-level institutions such as the Ethics Board for Civil Servants in Turkey and the United States Office of Government Ethics. The basic logic behind the growing interest on business ethics as a strategic component lies on the perceived multilayered benefit drawn from ethical conduct affecting all the stakeholders including employees, customers, investors and communities (for more on CSR see Freeman, 1999; Frederick, Post and Davis, 1992; Donaldson and Preston, 1995; Carroll and Shabana, 2010) (see the 2012 World's Most Ethical Companies Ranking on www.ethisphere.com).

On the philosophical plane the approaches for business decision making might be constructed upon but not limited to Teleology, Egoism, Utilitarianism, Deontology, Social Darwinism, Relativism, Virtue Ethics, Justice, Universalism, Machiavellianism, and Moral Objectivism (Solomon, 2007; Ferrell et.al, 2011). Of these Social Darwinism in the Spencerian sense implies individualism, liberalism and enthusiasm to be a proponent of laissez faire economics and places strong emphasis on rationalism and belief that man's actions are largely based on reasoned self-interest (Andrews, 2003). Kantian Objective Morality assumes the

existence of unconditional and universal ethical behaviour imperatively linked with reason (Masaka, 2008). Machiavellianism denotes a personality (not necessarily “always”) capable of resorting to manipulative behaviour and sacrificing ethics to accomplish personal objectives (Gable and Topol, 1991).

The measurement instrument of the study is a translated version of the ATBEQ (Attitudes Towards Business Ethics Questionnaire) originally published by J.F. Preble and A. Reichel (1988). The questionnaire has been applied to a variety of samples in different contexts throughout the world, the results of which will be incorporated in this analysis as relevant to the study’s framework. Preble and Reichel originally compared the student samples from U.S. (n=129) and Israel (n=150) in their study. M. W. Small (1992) applied the same questionnaire to a group of business students in Western Australia and found results collateral to the previous study. Moore and Radloff (1996) used ATBEQ to measure the ethical business attitudes of final year South African Bachelor of Commerce students at Rhodes University. In that study, students of three samples were assessed over three consecutive years (1989, 1990, and 1991) and the results were compared to those of preceding studies using the same methodology. R.Sims and A.E. Gegez (2004) conducted a comparative study incorporating the results of the aforementioned studies by subjoining a new sample from Turkey (n=125) and evaluated the results with a view to Corruption Perception Index ratings of the related countries. This study will provide an extension to its precedent in Turkey after about nine years in-between. Bageac, et.al (2010) exercised a similar study to compare the two groups of business students from France and Romania (n=220). The study outcomes demonstrated a higher score in favour of Machiavellianism in case of the Romanian students in comparison to French students whereas Social Darwinism and Moral Objectivism turned out to be more highly valued by French students. The study encompassed the demographic variables of gender and religion, the latter of which is absent in present study due to socio-cultural reservations. The religious practice was found to be inconclusive as regards business philosophy preferences. Women were observed to have less favourable attitudes towards Machiavellianism.

2. Study and Discussion

2.1. Methodology and Hypotheses

The current study was conducted on Manisa Celal Bayar University Business Administration senior students (n=198). The ATBEQ items were rated on a 5-point scale. The only demographic variable was of sex and the sample size was limited only to senior students as the authors considered them the most capable of distinguishing between notions of morality and ethics, comprehending the complex structures of business life due to their internship experience and four years of scholastic education. SPSS 17.0 and Comprehensive Meta Analysis 2.0 software programs were used for statistical analysis. A factor analysis of the questionnaire signalled some eleven factors which rendered the ATBEQ inconclusive in precisely measuring the three philosophies in its present form. The comparisons were conducted on item level as in some other studies using ATBEQ and between countries as well as throughout time for Turkey.

Concerning the gender variable, various studies demonstrated positive correlation between female gender and more ethical behaviour, whereas some others found no collateral relationship (Burkowski and Urgas 1992; Miesling and Preble, 1985; Betz et. al, 1989; Kum Lung and Teck Chai, 2010; Ruegger and King, 1992). Thus we hypothesize:

***H1:** There is a difference between Turkish female and male students in terms of attitude towards business ethics.*

According to t-test results, only seven out of thirty items (1,6,9,14,20,25,30) signalled gender-based difference, which cancels the proposal that gender matters in business ethics. However in terms of business ethics categories aggregate means, Social Darwinism was observed to be scored higher by male students within a probability level of $p < 0,05$.

Table 1. Gender-based means and standard deviations

| | Gender | N | Mean | SD | t | df | p |
|-------------------|--------|-----|--------|--------|--------|-----|------|
| Machiavellianism | Female | 124 | 2,5296 | ,38945 | -1,828 | 196 | ,069 |
| | Male | 74 | 2,6453 | ,49273 | | | |
| Moral Objectivism | Female | 124 | 3,0484 | ,60140 | -1,345 | 196 | ,180 |
| | Male | 74 | 3,1667 | ,59360 | | | |
| Social Darwinism | Female | 124 | 2,7843 | ,45681 | -3,500 | 196 | ,001 |
| | Male | 74 | 3,0304 | ,51344 | | | |

Cronbach's Alpha 0,68

The level of economic development was tracked to be effective on formation of ethical predisposition in that higher GDP per capita countries are less keen on seeking self-interest and more oriented towards values like self-expression and altruistic behaviour whereas less developed countries prioritize attainment of self-interest (Bageac et.al, 2010; Inglehart 1997). The level of corruption also reflects on ethical preferences (Bageac et.al, 2010; Getz and Volkema, 2001; Husted, 1999). Considering the Table II data and depending on the existing literature the following hypotheses were constructed:

H2: *There is a difference between Turkish and French student samples in terms of attitude towards business ethics.*

As reflected in Table III, more than half of the questionnaire items showed difference in the means of Turkish and French samples. Item-based comparisons between the two countries 'samples suggest that in terms of Machiavellianism (items 2,21,24) and Social Darwinism (items 12,14,16,17) Turkish students score significantly higher providing basis that H2 is accepted.

H3: *There is a difference between Turkish and Romanian student samples in terms of attitude towards business ethics.*

Comparison of the aggregate means for all questionnaire items suggest no meaningful difference for student samples but item-based comparisons still lend material for further evaluation and interpretation. Romanian students, as consistent with expectations and designated by the items 1,2,6,7,20,22,23,25 (Machiavellianism), item 18 (Social Darwinism) demonstrate attitudes inclined more towards Machiavellianism and Social Darwinism than Turkish students. However, contrary to expectations and as reflected by items 3 and 26 Moral Objectivism is valued on a higher basis by Romanian students. Despite this difference in direction and away from societal indicators' frame, H3 is accepted.

Table 2. Supplementary Indicators

| Indicator | France | Romania | Turkey |
|---------------------------------------------|-----------|----------|-----------|
| Corruption Perception Index 2001-2012 mean* | 6,99 | 3,35 | 3,92 |
| GDP per capita 2001-2011 mean U.S. \$** | 34'983.64 | 5'618.18 | 13'406.17 |
| Youth unemployment long-term average*** | 19,98% | 20.11% | 18,05% |

*Source: <http://www.transparency.org/>. **Source: <http://unstats.un.org/>. ***Source: <http://epp.eurostat.ec.europa.eu/>

Turkey 2004 Corruption Index Rating was a lower 77 (score=3,2) whereas for 2012 the number climbed up to a better 54 (score=4,9) with a higher GDP per capita (\$5,833 for 2004 and \$10,524 for 2012). The betterment in these ratings was expected to mirror on the questionnaire performance.

Table 3. Descriptive statistics for French, Romanian and Turkish students and Z-values for the comparison of means

| Item | France (a) (n=102) | | Romania(a) (n=118) | | Turkey (b) (n=198) | | Turkey (c) (n=125) | | Turkey - France | Turkey - Romania | Turkey - Turkey | | | |
|------|-----------------------|------|-----------------------|------|-----------------------|------|-----------------------|-------|-----------------------|------------------------|-----------------------|---------|-------|---------|
| | Mean | SD | Mean | SD | Mean | SD | Mean | SD | Z | P | Z | P | Z | P |
| 1 | 2,90 | 1,23 | 3,53 | 0,96 | 2,08 | 1,12 | 2,15 | 1,28 | -5,61 | 0,000** | -10,59 | 0,000** | -0,48 | 0,631 |
| 2 | 1,75 | 0,82 | 3,42 | 1,16 | 2,16 | 1,18 | 2,05 | 1,16 | 3,11 | 0,002** | -8,66 | 0,000** | 0,82 | 0,408 |
| 3 | 3,33 | 1,08 | 2,95 | 1,07 | 3,22 | 1,12 | 2,82 | 1,19 | -0,76 | 0,447 | 2,14 | 0,032* | 3,06 | 0,002** |
| 4 | 2,25 | 0,94 | 1,78 | 0,42 | 2,91 | 1,04 | 2,48 | 1,15 | 5,27 | 0,000** | 10,30 | 0,000** | 3,47 | 0,001** |
| 5 | 3,24 | 0,88 | 2,32 | 0,78 | 3,53 | 0,94 | 3,41 | 0,93 | 2,61 | 0,009** | 10,67 | 0,000** | 1,16 | 0,244 |
| 6 | 3,07 | 1,07 | 3,82 | 0,88 | 3,37 | 1,04 | 2,65 | 1,10 | 2,38 | 0,017* | -3,80 | 0,000** | 5,80 | 0,000** |
| 7 | 2,17 | 0,99 | 2,52 | 0,99 | 1,76 | 0,97 | 2,12 | 1,12 | -3,34 | 0,001** | -6,38 | 0,000** | -2,97 | 0,003** |
| 8 | 3,23 | 0,98 | 2,90 | 0,97 | 2,91 | 1,13 | 2,97 | 1,06 | -2,37 | 0,018** | 0,11 | 0,911 | -0,44 | 0,658 |
| 9 | 2,55 | 0,94 | 1,58 | 0,81 | 2,08 | 0,91 | 1,75 | 1,01 | -4,10 | 0,000** | 4,79 | 0,000** | 3,00 | 0,003** |
| 10 | 2,55 | 1,17 | 2,25 | 1,15 | 2,05 | 0,99 | 1,97 | 1,20 | -3,82 | 0,000** | -1,62 | 0,104 | 0,64 | 0,517 |
| 11 | 2,87 | 1,13 | 2,03 | 0,67 | 2,87 | 1,29 | 2,20 | 1,20 | 0,05 | 0,958 | 6,39 | 0,000** | 4,64 | 0,000** |
| 12 | 3,17 | 1,10 | 3,72 | 1,04 | 3,51 | 1,09 | 3,45 | 1,18 | 2,52 | 0,012** | -1,67 | 0,094 | 0,46 | 0,642 |
| 13 | 2,83 | 1,00 | 2,58 | 1,16 | 3,00 | 1,43 | 2,71 | 1,46 | 1,07 | 0,284 | 2,68 | 0,007** | 1,75 | 0,079 |
| 14 | 1,68 | 0,97 | 1,36 | 0,70 | 2,32 | 1,11 | 1,37 | 0,98 | 4,85 | 0,000** | 8,02 | 0,000** | 7,50 | 0,000** |
| 15 | 2,81 | 1,21 | 2,16 | 1,16 | 1,92 | 1,05 | 1,57 | 0,85 | -6,34 | 0,000** | -1,85 | 0,064 | 3,14 | 0,002** |
| 16 | 1,59 | 0,80 | 2,73 | 1,15 | 2,51 | 1,16 | 1,91 | 1,20 | 6,84 | 0,000** | -1,62 | 0,104 | 4,38 | 0,000** |
| 17 | 2,54 | 1,07 | 3,14 | 1,06 | 3,01 | 1,11 | 2,90 | 1,37 | 3,49 | 0,000** | -0,97 | 0,328 | 0,82 | 0,410 |
| 18 | 4,03 | 0,94 | 4,26 | 0,66 | 3,84 | 1,00 | 3,80 | 1,01 | -1,51 | 0,130 | -3,91 | 0,000** | 0,41 | 0,677 |
| 19 | 3,07 | 1,00 | 3,26 | 1,02 | 2,92 | 1,21 | 2,99 | 1,19 | -1,01 | 0,312 | -2,47 | 0,001** | -0,44 | 0,57 |
| 20 | 3,06 | 1,20 | 3,52 | 1,08 | 2,72 | 1,16 | 2,71 | 1,26 | -2,30 | 0,021* | -5,83 | 0,000** | 0,12 | 0,902 |
| 21 | 1,57 | 0,85 | 1,80 | 0,99 | 1,92 | 0,99 | 1,54 | 0,97 | 3,03 | 0,002** | 1,07 | 0,284 | 3,37 | 0,001** |
| 22 | 2,32 | 1,00 | 2,68 | 0,97 | 1,86 | 0,81 | 3,64 | 1,39 | -4,18 | 0,000** | -7,63 | 0,000** | -12,5 | 0,000** |
| 23 | 3,91 | 0,96 | 3,87 | 0,97 | 2,48 | 1,25 | 3,98 | 1,18 | -9,29 | 0,000** | -9,52 | 0,000** | -9,83 | 0,000** |
| 24 | 3,61 | 0,96 | 3,89 | 0,95 | 4,06 | 0,84 | 4,11 | 1,04 | 4,14 | 0,000** | 1,69 | 0,091 | -0,42 | 0,671 |
| 25 | 3,22 | 1,14 | 4,01 | 0,92 | 3,40 | 1,18 | 3,10 | 1,24 | 1,28 | 0,198 | -4,67 | 0,000** | 2,19 | 0,028* |
| 26 | 2,54 | 1,03 | 3,00 | 1,21 | 3,70 | 1,03 | 3,15 | 1,18 | 8,63 | 0,000** | 5,34 | 0,000** | 4,35 | 0,000** |
| 27 | 2,59 | 0,92 | 2,69 | 1,11 | 2,43 | 1,17 | 4,12 | 1,07 | -1,12 | 0,259 | -1,86 | 0,062 | -11,5 | 0,000** |
| 28 | 2,65 | 0,99 | 2,59 | 1,02 | 2,62 | 1,14 | 1,88 | 1,13 | -0,18 | 0,857 | 0,28 | 0,778 | 5,59 | 0,000** |
| 29 | 3,18 | 1,04 | 3,53 | 0,96 | 3,19 | 1,18 | 3,44 | 1,14 | 0,07 | 0,937 | -2,61 | 0,009** | -1,85 | 0,063 |
| 30 | 3,22 | 1,07 | 3,42 | 1,16 | 3,36 | 1,23 | 3,88 | 1,20 | 1,02 | 0,304 | -0,37 | 0,711 | -3,63 | 0,000** |
| AVR | 2,78 | 1,14 | 2,91 | 1,22 | 2,79 | 1,10 | 2,76 | 1,148 | | | | | | |

(a)Bageac et.al (2010)

(b)Current study (2012)

(d)Sims and Gegez (2004)

**p<0,01 * p<0,05

H4: *There is a difference in between Turkish-2004 and Turkish-2012 student samples in terms of attitude towards business ethics.*

The previous Turkish sample study investigated by Sims and Gegez (2004) was also based on an item by item analysis and explored through comparisons with some other countries. Overall it was found that Turkish respondents differed in their ratings of each item in comparison to South Africa, West Australia, Israel and U.S.A. sample populations. The previous study did not include any demographic variables.

The initial frame of the ATBEQ categorized Social Darwinism, Machiavellianism and Moral Objectivism under specific items which could not be realized in this and previous Turkish sample studies. However, an analysis of these categories aggregate means for comparison purposes suggest a through-time

change in business ethics preferences in a positive direction for Machiavellianism (mean 2004: 2,73<mean 2012: 2,57) and in a negative direction for Moral Objectivism (mean 2004: 3,125< mean 2012: 3,09) and Social Darwinism (mean 2004:2,48>mean 2012: 2,87) (see Table 4).

Table 4. Turkish students means (2004-2012)

| | | N | Mean |
|-------------------|---------------|-----|------|
| Machiavellianism | Turkey (2012) | 198 | 2,57 |
| | Turkey (2004) | 125 | 2,73 |
| Moral Objectivism | Turkey (2012) | 198 | 3,09 |
| | Turkey (2004) | 125 | 3,22 |
| Social Darwinism | Turkey (2012) | 198 | 2,88 |
| | Turkey (2004) | 125 | 2,48 |

2.2. Results and Discussion

The results somehow comply with the existing literature on business students' perceptions of business ethics. Our study demonstrated no significant difference regarding gender demographics except for Social Darwinism where Turkish female students scored lower. Turkish senior business students seem to opt for none of the philosophies on a higher plane than the others which is sign that there is heterogeneity of preferences among related variables. As different from its precedents the current study applied a meta-analytical approach to the recruited data. However, as factor analysis of the ATBEQ items failed to load the related items under the related philosophies the analysis could not be realized on business philosophies 'dimension but rather based on item-level differences.

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