

## The Relationship between the Religiosity and the Ethical Attitudes of Managers: An Empirical Study

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**Abstract:** In this study, we aimed to explore the relationship between religiosity and business ethics. Two dimensions of religiosity – intrinsic and extrinsic – were studied. We mainly tested one hypothesis: whether ethical attitudes are affected by religiosity. However, we also explored the relationship between ethical attitudes, intrinsic and extrinsic religiosity and various demographic measures of the participants. In our study, we surveyed 510 managers and white-collar workers from 6 different organizations in Turkey. Our survey instruments have three parts. First part included 24-vignette ethics scale of Barnett and Brown (1994). Second part included 14-item religiosity scale of Allport and Ross (1967). Third part contained various demographic measures. Findings of the study show that intrinsic religiosity is partly and negatively correlated with ethical attitudes and extrinsic religiosity is positively related to the ethical attitudes. In other words, intrinsically motivated people are more prone to behave ethically than extrinsically motivated people are.

**Key Words:** Religiosity, ethical attitudes, business ethics.

### Introduction

Ethics has been one of the principal issues confronting businesses for many years. While they are responsible for maximizing long-term value for the shareholders, they are also expected to adequately monitor their employees' performance, and to enforce and adhere to certain ethical standards.

Business ethics have been the subject of controversy and debate for many years among researchers and practitioners. Not surprisingly, frequent scandals have fostered considerable interest and scholarly work in the business ethics area. Recently, interest in this area was intensified due to widespread media accounts of outbreaks of ethical failing and questionable practices by corporations and corporate executives. Events such as the collapse of Enron, the destruction of documents at Arthur Andersen, questionable CEO compensation packages and other practices at Tyco, and charges of fraud at WorldCom have shaken public confidence in business world. In accordance with these ongoing discussions, scholars and practitioners are wondering what has to be done to assure ethical behaviors in the business environment.

Some scholars debate whether religious belief should be an appropriate grounding for business ethics. Madigan (2005) criticizes the popular assumption that "religion and morality are synonymous" and then he claims that this assumption is incomplete because religion is not the sole determinant of our morality. Calkins (2000) states that business ethic has recently neglected its religious traditions and become construed more narrowly as an applied philosophy and social science. Fort (1997) claims that rather than excluding religion from business ethics, business ethics ought to consider religion as a healthy ground. He claims that there is no good reason for us to restrict people from relying upon religion in making and justifying economic judgments. This means that theology ought to be a participant in debates about public matters, including business ethics. Theology's contributions will be as varied as the philosophical alternatives for business ethics. McMahon (1986) argues that religions make valuable contributions to business ethics. Religions' values, principles, and practices give sense of responsibility, and guidance to the people of business world.

This current paper presents the results of a study that explored the roles of the managers' and the white-collar workers' religiosity play in determining their ethical attitudes regarding questionable business practices.

## Literature Review

### Religion and Religiosity

The impact of religion on our social and economic lives is an historical debate. Nowadays, some scholars pay closer attention to the subject and aim to explore the relationship between religious beliefs and business ethics. Meanwhile we should clarify what we mean by “religion”. As Bernardin (2006) noted that definition of religion should include God and/or supernatural, otherwise when we remove God, the supernatural, and specific beliefs from religion, what we have got but a secular activity by another name.

Cornwall et al. (1986) examined the dimensions of religiosity and found six core and seven peripheral dimensions. Core dimensions of religiosity are traditional orthodoxy, spiritual commitment, religious behavior, particularistic orthodoxy, church commitment, religious participation. Peripheral dimensions are religious knowledge, religious experience, personal community relations, personal well-being, marital happiness, physical health, and spiritual well-being.

Clark and Dawson (1996) highlighted the importance of the religiousness construct as an influence on ethical judgments and, possibly, on behavioral intentions. They stress that personal religiousness is a potential source of ethical norms, and consequently, an influence in ethical evaluations.

Allport (1950) perceived religious motivation as differentiated by intrinsic religiosity and extrinsic religiosity. The “extrinsically motivated person ‘uses’ his religion whereas the intrinsically motivated person ‘lives’ his religion” (Allport and Ross, 1967: p. 434). In this study, we preferred and used Allport’s classification.

#### *The Relationship between Religiosity and Ethical Attitudes*

Findings of the scientific researches about the relationship between religiosity and ethical attitudes generally show positive relationship. Some of researches and their findings can be summarized as follow:

Religiosity is one of the factors that significantly influence values and ethical judgments (Huffman, 1988; Hunt and Vitell, 1993). For example, religiosity influences people’s ethical and social responsibilities (Ibrahim et al., 2008). People who have high level of religiosity consider tax fraud less acceptable than who have low level of religiosity (Stack and Kposowa, 2006). In other words, religiosity has an influence both on human attitudes and behavior (Weaver and Agle, 2002).

Religiosity is an important determinant of the ethical behavior. Religious beliefs provide an important basis for social integration and the prevention of deviant behavior (Stack and Kposowa, 2006). Nevertheless, other factors or the circumstances are also important. Therefore, affects of religiosity on people’s ethical attitudes are situational (Saat et al., 2009) or high religiosity does not always mean high ethical values (Rashid and Ibrahim, 2008).

Practicing religious beliefs or attending religious activities are positively related to the ethical attitudes. People who practiced their religion tend to consider themselves more ethically minded (Pahu and Kea, 2007); are less likely to cheat (Bloodgood et al., 2008), and are more likely to be honest (Perrin, 2000) than those who do not practice their religion.

Some studies support the idea that religiosity in general has a positive impact on ethical attitudes. (Kennedy and Lawton, 1998; Singhapakdi et al., 2000; Siu et al., 2000; Conroy and Emerson, 2004).

Some other studies focus on the relationship between dimensions of religiosity and ethical attitudes. These studies show that generally there are positive correlations between intrinsic religiosity and ethical attitudes. In other words, people who have higher intrinsic religiosity have more positive ethical attitudes than participants who have lower intrinsic religiosity. For example, Aydemir et al. (2009) found a statistically significant relationship between intrinsic religiosity and ethical attitudes of the participants. In several scientific studies, Vitell and his colleagues found that intrinsic religiosity was a determinant of ethical beliefs. In other words, an intrinsic religious orientation significantly explains one’s ethical beliefs for the questionable business activities. As expected, the stronger a respondent’s sense of intrinsic religiosity, the more likely he/she was to find various “questionable” business activities as wrong. (Vitell et al. 2005; Vitell and Muncy, 2005; Vitell et al. 2006; Vitell et al. 2007)

As previous researches showed that there is a statistically significant relationship between religiosity and business ethics in general. Based upon the previously cited theoretical and empirical literature, we proposed the following hypotheses involving religiosity to test here:

*H1: There is a negative correlation between intrinsic religiosity of managers/white-collar employees and their ethical attitudes towards questionable marketing practices.*

*H2: There is a negative correlation between intrinsic religiosity of managers/white-collar employees and their ethical attitudes towards questionable management practices.*

*H3: There is a negative correlation between intrinsic religiosity of managers/white-collar employees and their ethical attitudes towards questionable management directives.*

*H4: There is a negative correlation between intrinsic religiosity of managers/white-collar employees and their ethical attitudes towards questionable independent actions in the workplace.*

*H5: There is a positive correlation between extrinsic religiosity of managers/white-collar employees and their ethical attitudes towards questionable marketing practices.*

*H6: There is a positive correlation between extrinsic religiosity of managers/white-collar employees and their ethical attitudes towards questionable management practices.*

*H7: There is a positive correlation between extrinsic religiosity of managers/white-collar employees and their ethical attitudes towards questionable management directives.*

*H8: There is a positive correlation between extrinsic religiosity of managers/white-collar employees and their ethical attitudes towards questionable independent actions in the workplace.*

## **Methodology**

This paper presents the results of a study that investigated the roles that managers / white-collar employees' religiosity play in determining their ethical attitudes regarding questionable business practices. Two dimensions of religiosity – intrinsic and extrinsic religiosity – were studied.

## **Sample**

The data is collected from six organizations which are located in northwestern part of Turkey. Approximately 1000 questionnaire sent to the managers and white-collar workers in these organizations and 550 questionnaires returned. 510 of these questionnaires are used. Participants distribution is as follow: %25,3 employed by a state organization, %24,7 employed by a private education company, %16,1 employed by SMEs, %13,7 employed by a utility company, %10,6 employed by a manufacturing company, and %9,6 employed by a bank. 34.7% of the participants are in managerial position and 65.3% are in professional white-collar workers position. 45.9% of the sample was female and 54.1% of the sample was male. About 2.4% of the sample were younger than 20, 17.5% were between 21 and 25 years of age, 24.7% were between 26 and 30 years of age, 18.8% were in between 31 and 35, 13.3% were in between 36 and 40, 13.1% were between 41 and 45, 7.3% were between the ages of 46 and 50 and 2.9% were older 50; 3.1% had a high school degree, 25.1% had two-year college degree, 17.1% had a university degree, 45.5% had MBA or PhD and 9.2% mentioned as other. 16.1% were working in a company with less than 10 employees, 24.7% were working in between 151 and 200 employees, 9.6% were in between 201 and 250 employees and a major as 49.6% were working in companies over 250 employees. As last demographic variable as marital status, 57.8% were married, 38.4% were single and 3.7% were divorced or widowed.

## **Measures**

The survey consists of three parts. The first part included 24-vignette ethics scale of Barnett and Brown (1994), included employee theft, lying to customers, taking advantage of customers, using company services and whistleblowing among others. The second part included 14-item religiosity scale of Allport and Ross (1967). We used the adopted version of the scale by Vitell et al. (2007). The third part contained various demographic measures such as age, sex, marital status, educational level, occupational category and employed sector.

The dependent construct in the analysis was managers'/ white-collar employees' ethical attitudes as measured by the 24-vignette ethics scale of Barnett and Brown (1994). The respondents were asked to rate each vignette on a five-point scale from – strongly believe that it is unethical (1) to strongly believe that this is ethical (5). It is important for the readers to note that a low score on this scale indicates that managers / white-collar employees have stronger belief that these behaviors are wrong or more unacceptable. Overall reliability score of the ethics scale is 0.833.

Extrinsic and intrinsic religiosities were measured by using the adopted version of Allport and Ross (1967), using a five-point Likert type scale anchored by “1 = I strongly disagree” and 5 = I strongly agree”. In the response format, higher scores indicate higher degree of religiousness. Overall reliability score of religiosity scale is 0.741. The intrinsic dimension has 8 items and is exemplified by items such as, “I try hard to live my life according to my religious beliefs.” This dimension exhibited a reliability of 0.771. The extrinsic dimension includes 6 items and has a reliability of 0.698. It is exemplified by items such as, “I go to religious services because it helps me make friends.”

## Results

Religiosity scale has two dimensions; intrinsic religiosity and extrinsic religiosity. Reliability of coefficient (Cronbach's Alpha) of religiosity scale is 0,741. Ethics scale has four dimensions; marketing, management, employee following management directives and employees independent actions. Reliability coefficient (Cronbach's Alpha) of ethics scale is 0,833. Descriptive statistics of these dimensions are given in Table 1.

Factors	Mean	Std. Deviation	C. Alpha
Intrinsic Religiosity	3,43	0,75	0,77
Extrinsic Religiosity	2,70	0,74	0,70

Factors	Mean	Std. Deviation	C. Alpha
Marketing Scenario	2,20	0,54	0,73
Management Scenario	1,70	0,66	0,57
Employee Following Management Directions	1,97	0,72	0,49
Employees' Independent Actions	1,76	0,67	0,72

**Table 1:** Descriptive Statistics

Correlation and multiple regression analysis were used to test the hypothesis. There is negative and statistically significant relationship between "intrinsic religiosity" dimension and "management" dimension and "employee following management directives" dimension of ethics scale. These correlations mean that people who have high intrinsic religiosity consider questionable business practices more unethical than people who have low intrinsic religiosity.

There is positive and statically significant relationship between extrinsic religiosity and all the dimensions of the ethics scale. These correlations mean that people who have high extrinsic religiosity consider questionable business practices more ethical than people who have low extrinsic religiosity. Results of the correlation analyses are given in Table 2.

	Marketing Scenario	Management Scenario	Employee Following Management Directives	Employees' Independent Actions
Intrinsic Religiosity	-0,034 (p = 0,440)	-,090* (0,042)	-,094* (0,034)	-0,058 (0,191)
Extrinsic Religiosity	,160** (0,000)	,246** (0,000)	,130** (0,003)	,295** (0,000)

\*Correlation is significant at the 0.05 level (2- tailed).  
\*\*Correlation is significant at the 0.01 level (2- tailed).

**Table 2:** Correlation Results For Factors

Multiple regression analysis was also used to analyze the data and test the hypothesis with intrinsic and extrinsic religiosity as the independent variables and the four dimensions of the ethics scale as the dependent variables. In order to examine the relation between the independent variable and each of the four dependent variables, four separate multiple regression analyses were conducted. The results of these multiple regression analyses appear in Table 3.

According to the regression analysis, extrinsic religiosity positively explains the questionable marketing practices (beta 0,170), the questionable management practices (beta 0,266), the questionable management directives (beta 0,148), and the questionable independent actions (beta 0,311).

Regression analysis show that intrinsic religiosity negatively explains the questionable management practices (beta -0,132) and questionable management directives (beta -0,117), and questionable independent actions (beta -0,106).

It can be easily seen from the correlations and regressions tables that (although statistically significant) correlation coefficients, beta values and R<sup>2</sup> values are low. This means that there are more important factors that affect ethical attitudes of the participants other than religiosity. This is the subject of another study. We can speculate that these factors might be personal such as personality, and personal motivations etc.; organizational factors such as culture, climate etc., and social, economical, and political factors etc.

According to the t-test and ANOVA, there are no statistically significant differences among participants' religiosity and ethical attitudes in terms of demographic measures, such as age, education, position etc..

Model	Standardized beta	t- value	Significance
(a) Dependent variable: marketing dimension			
Constant		15,356	0,000
Intrinsic Religiosity	-0,061	-1,369	0,172
Extrinsic Religiosity	0,170	3,830	0,000
R <sup>2</sup> = 0,029	F- value = 7,640		
Adjusted R <sup>2</sup> = 0,025	Significance = 0,001		
(b) Dependent variable: management dimension			
Constant		9,280	0,000
Intrinsic Religiosity	-0,132	-3,047	0,002
Extrinsic Religiosity	0,266	6,169	0,000
R <sup>2</sup> = 0,077	F- value = 21,265		
Adjusted R <sup>2</sup> = 0,074	Significance = 0,000		
(c) Dependent variable: following directives			
Constant		11,277	0,000
Intrinsic Religiosity	-0,117	-2,636	0,009
Extrinsic Religiosity	0,148	3,335	0,001
R <sup>2</sup> = 0,030	F- value = 7,857		
Adjusted R <sup>2</sup> = 0,026	Significance = 0,000		
(d) Dependent variable: independent actions			
Constant		8,363	0,000
Intrinsic Religiosity	-0,106	-2,493	0,013
Extrinsic Religiosity	0,311	7,294	0,000
R <sup>2</sup> = 0,098	F- value = 27,550		
Adjusted R <sup>2</sup> = 0,094	Significance = 0,000		

**Table 3:** Regression Analyses

According to the correlation and regression analysis, we rejected hypothesis H<sub>1</sub>, and accepted hypothesis H<sub>2</sub>, H<sub>3</sub>, H<sub>5</sub>, H<sub>6</sub>, H<sub>7</sub>, H<sub>8</sub>, and partly accepted H<sub>4</sub> (because, results of the regression analysis support this hypothesis).

## Conclusion

In this study, we explored the relationship between religiosity and ethical attitudes of the managers / white-collar employees. The findings of the study show that there are significant and meaningful correlations between the dimensions of religiosity and attitudes towards questionable business practices. That is, an intrinsic religious orientation appears to explain, in part, one's attitude toward questionable business practices. People who have a stronger intrinsic religious orientation tend to be more likely to believe that questionable business activities were wrong or unethical. Furthermore, people who have stronger extrinsic religious orientation tend to be more likely to believe that questionable business activities were less unethical. It is perhaps not surprising that someone who has high extrinsic religious orientation might be inclined to support these kinds of activities.

Our findings related to the intrinsic religiosity are consisted with the findings of Vitell et al. As expected, the stronger a respondent's sense of intrinsic religiosity, the more likely he/she was to find various "questionable" business activities as wrong. (Vitell et al. 2005; Vitell and Muncy, 2005; Vitell et al. 2006; Vitell et al. 2007)

It is interesting to note that people who have high extrinsic religious orientation consider questionable business practices more acceptable than people who have low extrinsic religious orientation. As Allport (1967) put the word "uses" to differentiate the intrinsic religiosity and extrinsic religiosity, extrinsically motivated

people approach religion as a tool or instrument to reach some personal goals, such as making friends etc. In other words, they are not sincere enough.

We believe that this study is an important step toward understanding the relationship between religiosity and ethical attitudes of people in the workplaces. However, factors like personality, motives etc. should be included into the analysis. Because, correlation coefficients,  $R^2$  and beta values are low. Intrinsic and extrinsic religiosity are explaining only small amount of the managers/white-collar employees' ethical attitudes towards questionable business practices.

In summary, the field of business ethics, religiosity, and the relationship between business ethics and religiosity require further empirical studies.

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