

The Impacts of Religiosity on the Ethical Attitudes of the Prospective Managers

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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 tested mainly one hypothesis: whether ethical attitudes are affected by religiosity. However, we also explored the relationships between ethical attitudes, intrinsic and extrinsic religiosity and various demographic measures of the participants such as age, sex, and nationality.

In our study, we surveyed students at two different universities -- one is in Turkey and the other is in Bosnia & Herzegovina. Our sample consisted of first year university students. Our survey instruments have three parts. First part included 24-vignette ethics scale of Barnett and Brown (1994). Second part included 15-item religiosity scale of Allport and Ross (1967) -- adopted version of it by Vitell et al. (2007). Third part contained various demographic measures such as age, sex, and nationality.

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. For example, 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.

Calkins (2000) also states that business ethic has neglected recently its religious traditions and become construed more narrowly as an applied philosophy and social science. This narrowness has confused business ethics' role in business education. Therefore, business ethics should become more integrated, interesting, and autonomous as an academic discipline by incorporating its key religious traditions. While the philosophical "world of ideas" is important to business ethics, so is the religious "world of ideals"; and while social science's deductive analysis is important to business and society, so is religion's inductive character forming capacity.

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 investigated the roles that prospective managers' religiosity play in determining their ethical attitudes regarding questionable business practices.

Literature Review

Huffman (1988) states that religiosity is one of the strongest determinants of values. Weaver and Agle (2002) say that religiosity is known to have an influence both on human attitudes and behavior. Furthermore, Hunt and Vitell (1993) underline that religion is one of the factors that significantly influences ethical judgments. 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). Recently, using a student sample, Vitell et al. (2005) found that intrinsic religiosity was a determinant of ethical beliefs. They found that intrinsic religiousness is a significant determinant of ethical attitudes in various situations regarding questionable business practices.

Results of Vitell et al. (2006) study indicated again that intrinsic religiousness was significant determinant of most types of ethical beliefs. Vitell et al. (2007) found that 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. An intrinsic religious orientation appear to explain ethical beliefs, as expected, with more religiously oriented individuals being more likely to view questionable behaviors as wrong and vice versa.

Ibrahim et al. (2008) analyzed the relationship between a person's degree of religiousness and corporate social responsibility orientation. The statistical analysis showed that religiousness influence students' orientation toward the economic, ethical, and philanthropic responsibilities of business.

Kennedy and Lawton (1998) examined the relationship between dimensions of religiousness (fundamentalism, conservatism, and intrinsic religiousness) and their ability to predict students' willingness to behave unethically. Results of the study show a negative relationship between the dimensions of religiousness and willingness to behave unethically. They also found relatively high positive correlation between intrinsic and extrinsic religiousness.

Phau and Kea (2007) found from their cross-cultural research with first-year university students who practiced their religion tend to consider themselves more ethically minded than those who do not.

Singhapakdi et al. (2000) examined the influence of religiousness on different components of marketing professionals' ethical decision making. The results of the study indicated that the religiousness of a marketer can partially explain his or her perception of an ethical problem and behavioral intentions. Results also suggest that the religiousness significantly influences the personal moral philosophies of marketers.

Siu et al. (2000) found that the ethical interest and behavior are related to religiousness. They showed that religiousness has positive impact on ethical interest and behavior in general and the ethical philosophy of contractualism in particular.

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

Conroy and Emerson (2004) surveyed university students and empirically showed that religiosity is a statistically significant predictor of responses in seven of the eight vignettes for which religiosity is significant, the effect is negative, implying that it reduces the "acceptability" of ethically-charged scenarios. In sum they found that religiosity is significantly correlated with ethical perceptions.

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

H1: Intrinsic religiosity is a positive determinant of the prospective managers' ethical attitudes. That is, those with higher intrinsic religiosity will have much higher ethical attitudes.

H2: Extrinsic religiosity is a positive determinant of the prospective managers' ethical attitudes. That is, those with higher extrinsic religiosity will have much higher ethical attitudes.

Methodology

This article presents the results of a study that investigated the roles that prospective managers' religiosity play in determining their ethical attitudes regarding questionable business practices. Two dimensions of religiosity – intrinsic and extrinsic religiousness – were studied.

Sample

A questionnaire was completed by the students of two universities one in Turkey (public university), and the other one is in Bosnia & Herzegovina (a private university). Students who are participants of this study are likely to be the prospective managers and professional practitioners of their fields in the future. From about 450 first-year students (freshman), 318 students completed the questionnaire correctly. The response rate is 70%. 58.5% of the sample was male and 41.5% of the sample was female. About 88% of the sample was younger than 22 years old and 11% of the sample was older than 22 years old. All the participants were Muslim. 91.8% of the sample was Turkish and 8.2% of the sample was Bosnian. 57.5% of the sample was from university in Turkey, and 42.5% of the sample was from university in Bosnia & Herzegovina.

Measures

Our survey instruments have three parts. First part included 24-vignette ethics scale of Barnett and Brown (1994). Second part included 15-item religiosity scale of Allport and Ross (1967). We used the adopted version of the scale by Vitell et al. (2007). Third part contained various demographic measures such as age, sex, and nationality.

The dependent construct in the analysis was prospective managers' 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 5-point scale from – definitely believe that it is unethical (1) to definitely believe that this is ethical (5). It is important for the reader to note that a low score on this scale means that prospective managers find these actions as more unacceptable. Overall reliability score of the ethics scale is 0.827.

Extrinsic and intrinsic religiosities were measured using the adopted version of Allport and Ross (1967) religiosity scale and using a 5-point Likert type scale (1 = I completely disagree; 5 = I completely agree). Here, high score means high religiosity. Overall reliability score of religiosity scale is 0.718. 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 0.769. The extrinsic dimension includes 6 items and has a reliability of 0.683. It is exemplified by items such as, "I go to religious services because it helps me make friends."

Results

Correlation and multiple regression analyses were used to test the hypothesis. In addition, the Independent Samples Test is used to compare participants' ethical attitudes and religiosity levels in terms of age, sex, nationality etc.

There is a statistically significant relationship between intrinsic religiosity and ethical attitudes of the participants. Correlation coefficient is -0,290 ($p = 0,000$). Correlation is significant at the 0.01 level (2-tailed). That means participants who have higher intrinsic religiosity score have more positive ethical attitudes than participants who have lower intrinsic religiosity score. There is no significant relationship between extrinsic religiosity and ethical attitudes of the participants. We could not find any significant relationship between dimensions of the religiosity, either.

Multiple regression analyses were used to analyze the data and test the hypotheses. Dimensions of the religiosity, ethnicity, age, types of the university and sex were independent variables and the ethical attitudes of the participants were dependent variable. However, multiple regression analyses showed that, there are only statistically significant relationship between intrinsic religiosity, ethnicity, sex and ethical attitudes. Age, types of the university and extrinsic religiosity have no significant impact on the participants' ethical attitudes. The results of the regression analyses are below (Table 1). The results clearly illustrates that an intrinsic religious orientation, ethnicity and sex significantly explained the participants ethical attitudes. As expected, the stronger a participant's sense of intrinsic religiosity the more likely they were to find these various "questionable" business activities as wrong and vice versa. Thus, hypothesis 1 was supported, but hypothesis 2 was not supported.

Table 1: Regression Analyses

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,422 ^a	,178	,170	,45198

a. Predictors: (Constant), Sex, Intrinsic Religiosity, Ethnicity

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13,884	3	4,628	22,655	,000 ^a
	Residual	64,146	314	,204		
	Total	78,030	317			

a. Predictors: (Constant), Sex, Intrinsic Religiosity, Ethnicity

b. Dependent Variable: Ethical Attitudes

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,132	,190		11,204	,000
	Intrinsic Religiosity	-,155	,034	-,235	-4,511	,000
	Ethnicity	,376	,096	,208	3,940	,000
	Sex	,192	,053	,191	3,624	,000

a. Dependent Variable: Ethical Attitudes

According to the Independent Samples Test female participants (mean = 2.1120; std. deviation = 0,49880) have more positive ethical attitudes than male participants (mean = 2,3782; std. deviation = 0,45005). This result is statistically significant ($F = 0,190$; $t = -4,880$; $p = 0,000$). Furthermore, female participants (mean = 3.8663; std. deviation = 0,77121) have higher intrinsic religiosity score than male participants have (mean = 3.6761; std. deviation = 0,70575). This result is statistically significant ($F = 1,203$; $t = 2,243$; $p = 0,026$).

The Independent Samples Test showed that Turkish participants (mean = 2,1804; std. deviation = ,47967) have more positive ethical attitudes than Bosnian participants (mean = 2,6955; std. deviation = 0,43537). This result is statistically significant ($F = 0,254$; $t = -5,284$; $p = 0,000$). Furthermore, Turkish participants (mean = 3,8215; std. deviation = 0,75874) have higher intrinsic religiosity score than Bosnian participants have (mean = 3,4038; std. deviation = 0,50536). This result is statistically significant ($F = 8,330$; $t = 2,751$; $p = 0,006$) too.

In terms of university type, there are no significant differences between ethical attitudes and extrinsic religiosity levels of the participants. However, there is a significant difference between participants of the two universities in terms of intrinsic religiosity. Specifically, participants of the Turkish University have a lower intrinsic religiosity score (mean = 3,6277; std. deviation = 0,71974) than participants of the Bosnian University (mean = 4,0037; std. deviation = 0,73713). This result is statistically significant ($F = 0,371$; $t = -4,557$; $p = 0,000$).

Conclusion

In summary, hypothesis 1 was generally supported. 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. Hypothesis 2 was not supported. Apparently, extrinsic religiosity is not a factor in determining one's attitudes toward questionable business practices. However, it is perhaps not surprising that someone who has 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. (2006; 2007). In addition, the finding about the relationship between sex and ethical attitudes is also consisted with the

other studies' findings. For example, Aydemir and Demirci (2008) found that female participants have more ethical attitudes than male participants have.

As with any study, some limitations exist. Bosnian participants' size is very limited. In addition, there are clearly other variables that were not included in this study which may help to explain the ethical attitudes of the prospective managers. For example, while the age, sex, nationality factors were examined, it might be interesting to examine other demographic variables such as religious affiliation, job experience, etc. Furthermore, the differences between practicing or non-practicing believers' ethical attitudes are also interesting to be examined.

We believe that this study is an important step toward understanding the relationship between religiosity and ethical attitudes of people in the global business environment. Especially, it is very important to understand people's attitudes in the multi-ethnic, multi-cultural, and multi-religion environments.

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

To the extent that current university students are future business leaders, as Conroy and Emerson (2004) suggested that management teams that include more ethnically and sexually diverse, older, and church-going (or mosque/synagogue-going) members (holding all else equal) may reduce the probability of future ethics scandals like those involving Enron, Arthur Andersen, WorldCom and others.

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