

# Perceptions of College Students and Attitudes of Private and Public Employees towards Business Ethics\*

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**Abstract:** This empirical study aims to contribute to the limited number of comparative studies in the business ethics literature by contrasting business ethics perceptions of undergraduate students with ethical practices of business and public sector employees. Based on the deontological theory of ethics, a survey was designed, and conducted with 135 undergraduate students, 148 private and 117 public sector employees mostly located in Istanbul. Statistical analysis of independent t-test and descriptive statistics indicated that ethical attitudes of private and public sector employees significantly different that student's ethical perceptions, while there is no significant difference of ethical attitudes between private and public sector employees. The difference on perceptions is more evident in students-private sector employees' case while there are significant dispersions over the private and public sector employees over the role of civil servants, according to the results.

**Key Words:** Business Ethics, Business Ethics Perceptions, Business Ethics Attitudes, Private and Public Sectors, University Students.

Recently, the concept of business ethics has been subject of in-depth studies focusing on ethical perceptions and attitudes of Turkish university students and employees in different sectors. Historically, studies and university courses in the field of business ethics took place in the U.S. where many scholars directed their research focus on student perceptions towards

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business ethics. In time, similar studies have been conducted to determine perceptions, attitudes, and ethical behaviors based on education, gender, and income levels. Since the mid-1980's business ethics literature has rapidly grown, and covered many aspects of business ethics and its association with sectoral, social, cultural, spiritual, and regional differences (Ahmed, Chung, & Eichenseher, 2003, p. 91; Vural & Bat, 2011, p. 32).

While a number of scholars from different fields attempt to scrutinize the business ethics concept, there have been still few studies that aim to examine perceptual and behavioral aspects of business ethics. The most common studies in this area often compare and contrast ethical perceptions based on gender (Atakan, Burnaz, & Topcu, 2008), and cultural differences among university students or business professionals. In fact, a limited number of business ethics articles in Turkish context seem to elaborate on private and public sector employees' ethical practices in their professional work environment (Özgener, 2002). In the field, the latest discussions have been focusing on how traditional ethical values and contemporary business practices developed through increased competition could be incorporated to create more ethical business atmosphere (Murat, 2010, p. 20). A similar trend in research has also been observed in the public sector after witnessing financial crises caused by careless and unethical public officials (Görmez et al., 2009; OECD, 2012). This study mainly aims to determine how university students apprehend the concept of business ethics as the future employees while attempting to ascertain similarities and differences between ethical attitudes of Turkish private and public sector employees.

### **Conceptual Background: Description of Business Ethics, Perceptions and Attitudes**

This study used the deontological approach as its theoretical foundation. Deontological theory mostly shaped and introduced by Immanuel Kant focuses on the actions of an individual, and his/her moral obligations and responsibilities to do the right thing in any circumstances. According to the deontological ethical perspective, individuals reviewing their behaviors and practices should ask the question "what I did" if they find out ethical consequences of pertaining action (DesJardins, 2011, p. 38; Frederickson, 1997, p. 167; Gök, 2009, p. 130; Pickens, 2005; Usta, 2010, p. 168).

Throughout this study, the concept of business ethics is considered as a broad concept covering other terms like work ethics, professional ethics,

and business organizations' ethics (Özdemir, 2009, pp. 304-305). Therefore, this study accepts the following business ethics definition: "Being impacted by company's internal and external environmental factors, and universally accepted or socially settled ethical values and norms, business ethics is developing and applying ethical codes that guide all business activities and behaviors within an organization (Gök, 2009, p. 551; İktisadi Girişim ve İş Ahlakı Derneđi [İGİAD], 2008, pp. 16-17).

While increasing competition at local and global business sectors are eager to develop ways of production for low-cost and high quality products, consumers become more sensitive to production and marketing processes of business communities. During last three decades, the concept of business ethics has been attracting great attention of scholars from various academic fields. Scholars have not only conducted researches to determine ethical practices in the business communities, but also attempted to examine university students' perceptions based on gender, culture, religious belief, ethnic background, educational level, and field of studies. Most of the studies focused on students have examined following factors' impact on ethical perceptions; age (Çınar & Kazancı, 2010); gender (Atakan et al., 2008), education (Cagle & Baucus, 2006; Coşkun & Karamustafa, 1999; Lau, Caracciolo, Roddenberry, & Scroggins, 2012; Radtke, 2004), social culture (Ahmed et al., 2003; Hay, Larres, Oyelere, & Fisher 2001; Moore & Radloff, 1996). It seems that studies examined the impact of gender on ethical perceptions and attitudes of business sector people present mixed results. While some of the ethical studies conclude that there are significant difference between ethical behaviors of male and female business members (Betz, O'Connell, & Shepard, 1989; Carnes & Keithley, 1992; Dawson, 1997; Hunt, 1997; Kohut & Corriher, 1994; Kracher, Chatterjee, & Lundquist, 2002; Kum-Lung & Teck-Chai, 2010; Peterson, Rhoads, & Vaught, 2001; Sidani, Zbib, Rawwas, & Moussawer, 2009), others argue that gender does not have a significant effect on ethical perceptions and attitudes among private sector employees (Cortese, 1989; Ergenali & Arıkan, 2009; Kidwell, Stevens, & Bethke, 1987; Rest, 1986; Sikula & Costa, 1994; Tsalikis & Lassar, 2009). Considering private sector ethical practices, the research shows that maturation and education are positively associated with ethical perspectives and behaviors among working people (Giacalone, Payne, & Rosenfeld, 1988; Kraft & Singhapakdi, 1991; Peterson et al., 2001).

In a similar vein, studies have been also conducted in the public sector since the last decade of 20<sup>th</sup> century when emerged countries intensively dealt with great financial crises, and a number of emerging countries started to fight against corruption (Mujtaba, Tajaddini, & Chen, 2011; Svensson, Wood, & Callaghan, 2010). There are internal (i.e. believes and values) and external controls (i.e. ethics legislation and codes of ethics) as two general approaches to maintaining responsible conduct in public organizations (Cooper, 2006; Cooper et al., 1998). In Turkey, codes of ethics have been recently established in order to assess public workers' ethical behaviors in conducting public services (Akbulut, 2000; Öztürk, 1999; TÜSİAD, 2005), although Arslan and Berkman (2009) argues that these type of external control mechanisms does not provide the expected outcomes without designating some sort of sanction power to the pertaining committees in the public sector. In the Turkish public sector context, we have a limited number of empirical studies that attempt to determine efficiency of current external control mechanisms (Demirci, 2007; Özdemir, 2008; Öztürk, 1999; Usta, 2010), identify ethical perceptions (Kaplan, 2009), compare ethical attitudes between the private and public sector employee (Özgener, 2002), and examine the impact of maturity on democratic, professional, and ethical values (Ömürgönülşen & Öktem, 2009). This study aims to contribute Turkish business ethics literature a descriptive study of determining university students' business ethics perceptions, and comparing ethical attitudes of Turkish private and public sector employees.

## Empirical Analysis

Our survey is constructed by incorporating previous survey questions and the scales used in Small (1992) and Khalizani, Omar, and Khalisanni (2011) which studied students' perceptions of business ethics and private sector employees' attitude towards business ethics, respectively. It is applied to some 135 students from Turkish universities (both public and foundation-al), 148 private sector and 117 public sector employees (i.e. civil servants). The newly constructed survey for this study has three parts (A, B and C) which include questions on participants' demographic information, general statements on business ethics (at perceptions level) and specific arguments to test differences among groups regarding their attitude and perceptions towards business ethics, respectively. Part B (the second part) has enabled us to compare between three distinct groups based on their differences at perceptions while the first 11 questions in part C (the third part) yielded

results by specific independent t-tests to compare private and public sector employees' differences regarding their attitude towards business ethics practices. Reliability analysis for each part is carried out as we found part C in the survey to yield [N=114,  $\alpha=0.62$ ] while parts A and B which are not subject to independent t-tests provide [N=143,  $\alpha=0.67$ ] and [N=141,  $\alpha=0.61$ ] values. Number of observations at each part of the survey differs due to missing entries for each part while these values indicate that our constructed survey is suitable for the pursued analysis.

The survey is constructed by using five-point Likert-items to provide the Likert-scale with stratified simple random sampling procedure (Garson, 2009). In accordance with this procedure, each of our socially stratified groups (i.e. students, private and public sector employees) are subject to random sampling while taken into account their total population (Garson) and it is provided that our sampling group is proportional to total population(s). Three hypotheses of the study are formulated as follows:

H<sub>1</sub>: Students' perceptions over business ethics are different than that of private sector employees.

H<sub>2</sub>: Students' perceptions over business ethics are different than that of public sector employees.

H<sub>3</sub>: Private sector employees' attitude towards business ethics practices is different than that of public sector employees.

Null hypotheses of the study indicate validity of the above propositions while the alternative hypotheses for each case indicate that rejecting the null is valid.

## Results and Interpretations

Independent t-test statistics imply that our null hypotheses H<sub>1</sub> and H<sub>2</sub> are true that students' perceptions over business ethics are different than those of both private and public sector employees. However, the magnitude and significance of the test results indicate that the case for the first hypothesis (H<sub>1</sub>) is more significant, compared to H<sub>2</sub>. Thus, our argument that students have different perceptions over business ethics compared to those of private and public sector employees has been tested and found to be statistically significant according to test results (see Table 3 and 4). Furthermore, our last hypothesis (H<sub>3</sub>) has also been subject to independent t-test and

found to be invalid which imply that the alternative hypothesis that there is no difference in private and public sector employees' attitude towards business ethics practices is true (see Table 5). Overall, these results indicate that students who are not at the job market yet tend to have different (and often more positive in normative terms) perceptions over business ethics since they have not faced with every-day realities in the business life. Moreover, despite the insignificance in differences of private and public sector employees' attitudes towards business ethics practices in general it is quite evident that there is a significant diversion among the two groups relating to the questions over civil servants' position. This should imply the fact that the two groups of business people come across so often in daily practices that have opposite seats on the table.

This study which has provided a comparative analysis of university students, private and public sector employees' business ethics perceptions and attitudes is expected to shed some light on the possible causes of divergences and convergences regarding the issue. Further studies that incorporate factor analysis or simple/multi-dimensional regression analysis will bring further details in understanding the patterns.

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