

How does the Pattern of Business Ethics Develop in Strategic Management Literature? A Study on Academic Research in Turkey

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Abstract

This study investigates how boundaries of business ethics are developed in academic contributions to strategic management literature in Turkey. For this purpose strategic management books published in Turkey, national management and organizational congress books, related papers indexed by asosindex.com and related graduate and doctoral thesis are investigated using bibliometric analysis method. Eight strategic management books, a doctoral dissertation and a paper presented in a national management and organizational congress are obtained during the research. However no papers published by journals were accessed. Findings indicate that there is no significant progress on business ethics in strategic management literature and a significant gap exists in the field. In light of these findings, some evaluations and suggestions are provided for future research.

Key Words

Business Ethics, Ethics Codes, Strategic Management, Strategy.

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Purpose of this study is to find out the progress of business ethics theory and research in strategic management studies conducted in Turkey. More specifically, the paper analyses *i*) the topics strategic management addresses in business ethics *ii*) the topics of strategic management that are studied along with business ethics *iii*) the existence and content of the studies investigating the development of business ethics in identifying the organizational strategy *iv*) and finally, the existence and content of the studies linking business ethics theories and strategic management approaches. Thus, by evaluating the studies that deal with these concepts at both ends of the spectrum the bond between strategic management and business ethics will be demonstrated.

In recent years, the management literature has been discussing two factors that would determine the success or failure of businesses. One of them is strategic management and the other is business ethics. In Turkey both strategic management (Barca & Hızıroğlu, 2009; Duman, Kalemci, & Çakar, 2005), and business ethics (Özdemir, 2009) have gained impetus in the academia since 2000s. In addition, these two disciplines have been studied separately or jointly in strategic management books (Ülgen & Mirze, 2007), undergraduate and graduate programs. There are some meta-analytical studies in strategic management research in Turkey (Barca & Hızıroğlu, 2009; Dalyan, 2002; Duman et al., 2005), and also in business ethics (Özdemir, 2009). Furthermore, Eğri and Sunar's meta analytical study (2000) found some research conducted in public sector, private sector and civil society contexts, however not the academic context, thus failed to evaluate the status of business ethics.

In western countries, there are many studies reviewing the business ethics literature (Chan, Fung, & Yanu, 2009, Ma, 2009; Talukdar, 2010), as well as the strategic management (Nerur, Rasheed, & Natarajan, 2008). Although many studies argue that ethical issues should be emphasized more in strategic management (Freeman, 1984; Gilbert, 1995; Hosmer, 1994; Singer, 1994) only a few of them investigate the extent of ethics in strategic management. Lemke and Driscoll's (2009) and Geiger's (2010) studies examine the sections on

ethics in strategic management textbooks. Robertson's (2008) study analyses the research on business ethics in all issues of Strategic Management Journal published between 1996 and 2005. Elms, Brammer, Harris and Phillips' study (2010) suggest that these two fields have common areas of study that could further be developed such as stakeholder theory, managerial discretion, behavioural strategy, strategy as practice and environmental sustainability.

To achieve the objectives of this study, strategic management books published in Turkey, the national congress books on management and organization, www.asosindex.com database articles and graduate dissertations have been analysed through bibliometric analysis.

Strategy and Ethics

Co-existence of the Strategy and Ethical Concepts

A strategy that is focused on strategic and ethical thinking constitutes an important bridge between ethics and applications (Hansen & Smith, 2006). Although research on business ethics plays a dominant role in the management literature and in the business world, there appears to be a gap in strategic management (Miles, 1993; Robertson, 2008). The reason for this could be the concept of strategy also refers to selfishness, penetration, application and modernity (Singer, 1994).

Strategy literature could be grouped under two main headings. The first one "position approach" and the other one is "resource based approach". In analysing the relationship of these approaches with ethics, there are two methods. One of them is involved with the effect that ethics and social responsibility have on the performance of organizations. The second method is the management of social problems. From this standpoint, social problems are seen as vital routers in a business environment (Miles, 1993). Accordingly, we need focus on two specific problems for an ethical assessment of these two approaches (Vogel, 1991). The first one is *the intent* and the second one is *the result*. Considering these two approaches, the concerns mentioned above draw a depressing

picture of ethics and strategy. However, Foss (1997) mentions that *the position approach* addresses industrial organizations in all debates, but he is interested in the performance of businesses to explore opportunities.

Studies Analyzing the Coexistence of Strategy and Ethics

Studies analyzing the coexistence of strategy and ethics will be assessed under two headings, as international and national levels to better evaluate the progress in the field.

International arena could be assessed by *the funnel approach*. Narrowing down the studies from the general area of business ethics to a more specific area of coexistence of business ethics and strategy will make it easier to track the progress in the field.

Chan et al (2010) analyzed 4200 articles published in 10 prominent journals of business ethics between 1999 and 2008 in the context of academics and institutions that have contributed to the field (Table 1). 67 different countries contributed to the journals and 22% of the top 100 institutions have been identified to be “religiously-oriented”. These institutions are namely Orthodox Protestants, the Church of Jesus Christ of Latter-day Saints, Baptist, Jewish and Roman Catholics. It seems that business ethics research is substantially guided by the missions of the institutions on the basis of their value systems or religious beliefs. Assessment made on academics reveals that the professors in the institutions of the United States of America make important contributions to the field. Some of the findings of this study are summarized in the table below.

In order to assess the development of business ethics in the field, Ma (2009) scanned such keywords as “business ethics, corporate ethics, social responsibility, social performance, corporate citizenship and social responsiveness” in the Social Sciences Citation Index for articles published between 1997 and 2006. His scan yielded 643 articles which he later analyzed with cited references method. These articles have used 21, 952 other articles in their bibliographies

and the summary of the findings is presented in Table 2. Results point to a change in paradigm (Kuhn, 1962) between the first and the second five years. The topics that are mainly discussed in the first 5 years focus on theory of ethical decision-making and the theoretical framework for understanding business ethics whereas in the second 5 years corporate social responsibility and business performance issues are addressed.

Table 1.	
<i>Findings of Chan et al. (2010)</i>	
Journals within the scope of this research	
Business and Society	
Business Ethics: European Review	
Business Ethics Quarterly,	
Business and Society Review,	
Ethics and Information Technology,	
Ethical Theory and Moral Practice,	
International Journal of Value Based Management,	
Journal of Business Ethics,	
Journal of Markets and Morality,	
Teaching Business Ethics	
Continental Distribution of Academics who have contributed to the field	
Continent	Percentage
North America	55.9
Europe	25.3
Asia-Pacific	8
National Distribution of Academics who have contributed to the field	
Nation	Number of Articles
USA	567
UK	109
Spain	45
Canada	41
Germany	35
Australia	31
Taiwan	23
Netherlands	16
Turkey	14
Academics who have contributed to the field	
Herman Tavani	
Daryl Koehn	
Antonio Argandona	
Geoff Moore	
Thomas Hemphill	

Table 2.
Findings of Ma (2009) Study

Journals with the highest cited references	
Journal	Number of cited references
Journal of Business Ethics	3013
Academy of Management Review	548
Academy of Management Journal	289
Business Ethics Quarterly	253
Journal of Marketing	231
Strategic Management Journal	167
California Management Review	162
Business and Society	160
Harvard Business Review	140
Authors with most cited references and their works	
Author	Work
Between 1997-2001	
Friedman (1970)	The social responsibility of business is to increase its profits
Ferrell ve Gresham (1985)	A contingency framework for understanding ethical decision making in marketing
De George (1987)	The status of business ethics: Past and future
Freeman (1984)	Strategic management: A stakeholder approach
Between 2002-2006	
Carroll (1979)	A three-dimensional conceptual model of corporate performance
McWilliams & Siegel (2001)	Corporate social responsibility: A theory of the firm perspective
Freeman (1984)	Strategic management: A stakeholder approach
Wood (1991)	Corporate social performance revisited

Tseng, Duan, Tung and Kung (2010) examined 3059 articles and 85,000 citations published in 1997-2006 in three SSCI and SCI-indexed journals (Ethics, Ethics & Behavior, Journal of Business Ethics). Accordingly, the most cited journals are shown below: Academy of Management Review (614), Journal of Business Ethics (507), Journal of Marketing (173), Journal of Applied Psychology (156), and Journal of Macromarketing (130). This study shows three highlighted factors in the field: *i*) ethical and unethical decision making, *ii*) corporate governance and firm performance, *iii*) ethical principles and codes of conduct.

A search in international literature on strategy and business ethics has revealed Robertson's (2008) study which reviewed articles dealing with strategic management and ethics. Robertson analyzed articles published in strategic management journal in the period of 1996-2005 within the framework of "business ethics". He found 23 descriptive articles integrating strategic management with business ethics on subjects including corruption, morality, reputation management, corporate social responsibility, glass ceiling / gender equality, ethical decision-making, white-collar

crime, insider trading, environmental issues (natural environment), and codes of ethics. Non descriptive studies focused on ethical issues are involved in layoffs, downsizing, CEO compensation, anti-dumping legislation (financial dumping), organizational commitment, business risk, organizational slack, patent litigation, religion, takeovers, social capital, corporate governance, risk-taking, firm survival and bankruptcy. The study also looked into the 23 articles thematically, and found 7 articles on environmental management, 5 articles on ethics policy and planning, 4 articles on reputation management, 3 articles on paper white-collar crime, and 2 articles on corruption and international market analysis and 2 articles on analysis of business ethics research.

Geiger (2010), Lemke and Driscoll (2009) also provide an important contribution in this field by investigating how content of business ethics could be developed in strategic management textbooks. In their studies, it was concluded that the presence of business ethics is still insignificant but there is an increase. They also added that ethical content of textbooks is uncertain and there is need for further research in this area.

On the other hand there are some very important international studies addressing the co-existence of strategy and ethics (Behnam & Rasche, 2009; Gilbert, 1986; Freeman, 1984; Hosmer, 1994; Husted & Allen, 2000; Robertson & Crittenden, 2003). These studies agree that the relation between strategy and ethics is significant, and that the balance in this relationship will shape the future of businesses. Also they propose new approaches as to how strategy and ethics should be investigated in the future.

At the national level, two studies were found that review business ethics literature. In this study, articles that were analyzed were classified into eight topics *a)* business ethics literature, *b)* professional ethics literature, *c)* work-ethics literature, *d)* social responsibility literature, *e)* environment and business ethics literature, *f)* public administration and business ethics literature, *g)* religious values and business ethics literature, *i)* Akhi organizations (Guilds) and business ethics literature (Özdemir, 2009). Özdemir's work lists the names of books, translated books, journals and reports on business ethics. Eğri and Sunar's (2010) study conducted semi-structured interviews with 11 people in the public sector, private sector and civil society and tried to analyze the development of business ethics literature in Turkey. There is

only one doctoral dissertation that is directly investigating the relationship between strategy and ethics, which analyzes how the ethical codes of businesses are reflected in competitive strategies of businesses. Dissertation investigated the attitudes of companies traded in the Istanbul stock exchange, and the factor analysis showed that eight factors influence the competitive strategies, which are instrumental competitive strategies, reciprocity-oriented competitive strategies, culture-oriented competitive strategies, market decisive competitive strategies, exploitative competitive strategies, ethics framed competitive strategies, competitive strategies for minimizing conflict, competition strategies based on all stakeholders.

Design of the Study

Purpose and Importance of the Study

This study deals with a) how strategic management textbooks approach business ethics b) how MA/MSc and PhD theses discuss the strategic management and ethics relationship c) the progress achieved by scientific articles and d) the progress achieved by the management and organization congresses in Turkey. This study is one of the pioneering studies in the field to reveal the pattern of business ethics and strategic management and is expected to contribute to future studies.

Scope and Methodology of the Study

For the purpose of the research, academic books were accessed via internet research. Academic papers were searched through www.asosindex.com database and master's and doctoral theses were obtained from www.yok.gov.tr. Management and organization congress proceedings were searched in congress publications. The key words in this research were "strategy, strategic management, ethics and business ethics".

This study used bibliometric analysis. Bibliometric method analyzes specific features of academic studies, such as the number of published scientific works in a time period, popular research areas, most contributing universities, the number of works

by authors, keywords, cited references, co-citations etc. conducted in a particular area (Barca & Hızıroğlu, 2009). According to Pritchard (1969), bibliometric analysis is the use of mathematical and statistical methods to identify some of the features of written books and articles in a field. Bibliometrics can be either descriptive, such as looking at how many articles an organization has published, or evaluative, such as using citation analysis to look at how those articles influenced subsequent research by others (McBurney & Novak, 2002). Data obtained was entered into an Excel worksheet to be used in bibliometric analysis, and then interpreted.

Results and Evaluation

Books on Strategic Management

An internet search was carried out on “Google academy” to determine the strategic management textbooks used in undergraduate or post-graduate education institutions in Turkey. The result of this search is shown in the table below.

Table 3.
Business Ethics in Books on Strategic Management

Publishing year	Author/Editor	Title of the book	Edition	Section on Business Ethics	Remarks
2012	Fevzi Okumuş, Mustafa Koyuncu, & Ebru Günlü	İşletmelerde Stratejik Yönetim	1st	no	-Briefly mentioned in the conclusion of the book
2010	Erol Eren	İşletmelerde İşletme Yönetimi ve İşletme Politikası	8th	no	-Objectives of businesses section talks about social responsibilities and the relation with ethics -ethics and moral variables mentioned under general and international environmental variables -Corporate Governance and Managerial Ethics
2010	Hayri Ülgen & S. Kadri Mirze	İşletmelerde Stratejik Yönetim	5th	yes	- Managerial Ethics covers “ethics and morality, factors affecting ethical behaviour, applied ethics, ethical approaches in managerial decisions”
2010	Refika Bakoğlu	Çağdaş Stratejik Yönetim	1st	No	-
2009	Tahir Akgemci & Hasan Kürşat Güleş	İşletmelerde Stratejik Yönetim (MYO)		No	-
2008	Tahir Akgemci	Stratejik Yönetim	2nd	No	-
2007	Ömer Dinçer	Stratejik Yönetim ve İşletme Politikası		No	-
2006	Necdet Timur & Erol Eren	Stratejik Yönetim (Açık öğretim Kitabı)	3rd	No	-In General Environmental analysis, legal, religious and moral analysis and strategic management of the organization.

Academic Articles Studying the Co-existence of Strategic Management and Business Ethics

www.asosindex.com database was searched by entering keywords such as “business ethics, ethics, codes of ethics, business morality, strategy, strategic management” in “title, keyword, and abstract” search fields.

The results of these searches yielded no articles directly evaluating the association of strategic management and business ethics and very few articles that study strategic management issues within the framework of business ethics. These articles examine ethical leadership (1 article), ethical codes and decision making (1 article), ethical decision-making (4 articles), ethics and culture (2 articles). In addition, there is a significant accumulation of research on business ethics, mostly on definition, importance, perception and prevalence of ethics, managerial ethics, banking ethics, marketing ethics, professional ethics, social ethics, auditing ethics, communication ethics, environmental ethics, tax ethics, economic ethics, public relations ethics, negotiation ethics, internet ethics, public ethics, unethical behavior, ethical climate, ethics and human resources, and ethics-law.

Co-existence of Strategic Management and Business Ethics in Graduate Theses

Board of Higher Education (YÖK) National Thesis Center database was searched for keywords such as “business ethics, ethics, codes of ethics, business morality, and strategy, strategic management in “title and abstract” search fields to investigate the association of strategic management and business ethics.

As a result of the search, one PhD dissertation was found to study the association of strategic management and business ethics. This study in 2007 analyzed Istanbul stock exchange market companies to observe the effects of ethical codes in competitive strategies and found out that “ethical codes and competitive strategies influence each other directly as well as indirectly. There is no other graduate study on the association of these two concepts and a limited number of studies on ethical decision making. However, there are plenty of theses on

ethics and strategic management and the number of these studies seems to have increased significantly in recent years. Dissertations and theses mainly focus on the extent of perception, implementation and institutionalization of business ethics through sectorial and cultural comparisons. In addition to this, sub-topics of business ethics, organizational behavior and human resources are analyzed together and make important contributions to the literature.

Co-existence of Strategic Management and Business Ethics in National Congresses on Management and Organization

National congresses on management and organization were reviewed through the publications of congress proceedings. Out of 19 books, 7 of them were reviewed for keywords such as “business ethics, ethics, strategic management, strategy, ethical codes”.

As a result of the search, one paper directly evaluating the association of strategic management and business ethics was found. This paper analyzes whether the codes of ethics are perceived as an opportunity. Searching the conference proceedings did not yield a different result and out 26 papers that investigate strategic management and business ethics most of them were found to analyze the perception of business ethics and relationship of business ethics with various human resources and organizational behavior sub topics. A few studies addressed the relationship between business ethics and decision-making.

Discussion

As a result of the research, we can conclude that the studies on the relationship between strategic management and strategic management elements – formulation, implementation and monitoring - and business ethics do not constitute a significant accumulation of knowledge. Apart from one PhD dissertation analyzing the ethical codes and competitive strategies, there is no major study on the co-existence of these concepts. As a result of searches, it was observed that the studies mainly focus on business ethics, business ethics-

organizational behavior, business ethics and human resources. Lack of business ethics sections in strategic management textbooks is a drawback for progress in this area. Therefore, it could be asserted that absence of clear boundaries of business ethics within strategic management hinders the development of the field and should be explored more by researchers. Studies done in business ethics are generally in conjunction with a lot of other management areas rather than strategic management and the efforts to define business ethics still appear to be significant. Therefore, the study of business ethics as a separate field in management for the future seems likely.

Within the framework of this study, two prominent journals, *Strategic Management Journal* and the *Journal of Business Ethics* were reviewed, and significant studies that analyze the co-existence and association of strategy and business were found. However, these studies lack an approach that will determine the content of business ethics in strategic management. Studies in general elaborate on application of strategic management process and ethics, and the *Journal of Business Ethics* contribute greatly to the entire field of management and organization.

When it comes to the literature in Turkey, strategic management books hardly touch upon ethical issues and there is almost no content related to ethics that can be integrated into strategic management process. Academic studies (Master / PhD theses, articles and conference papers) addressing the issue of strategy and ethics together is almost non-existent. However, academic studies in strategy and ethics separately contribute to the literature at a great extent as it is the case in the international literature.

In both the international and national arenas the need for studies that will pave the way for ethics and strategic management collaboration is apparent. Firstly the progress of business ethics as a study field should be observed and the possibility of studying it as an individual discipline should be extensively discussed. Secondly, in content, process and cognitive approaches to strategic management, content of business ethics should be explained. Thus, new opportunities in relation to other disciplines such as economics, law, psychology, etc. will be eligible. Thirdly, more studies are needed to reveal the

relationship between ethical problems encountered in business life and strategic management tools. Finally, relationship between behavioral strategy, a subject that has been analyzed substantially in recent years and business ethics should be defined and the similarities and differences should be identified in order to clarify the strategy and ethics association.

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