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**Kaiyrkul Abdyrakhmanova**

PhD student  
Szent István Egyetem  
Gödöllő, Hungary

**Péter Kollár**

Szent István Egyetem  
Gödöllő, Hungary

## **ETHICAL POSITIONS IN HUNGARY, CHINA, TURKEY AND KYRGYZSTAN IN LIGHT OF IDEALISM AND RELATIVISM**

**Abstract:** This paper is devoted to the study of ethical positions of the respondents from Hungary, China, Turkey and Kyrgyzstan. In the context of globalization, when the process of world economic, cultural, social integration occurs, the effectiveness of interaction between countries and peoples, especially in trade and economic relations, depends on an understanding of the concept of business ethics. Therefore, an understanding of national aspects of business ethics plays a significant role. The idea of business ethics may vary depending on the national and cultural characteristics, traditions, mentality and stereotypes of the country with which the interaction takes place. Therefore, it is necessary to study the ethical position. To do this, we conducted a survey, using the Foresight questionnaire, among 905 respondents from Hungary, China, Turkey and Kyrgyzstan, who are students of Department of Business, and had work experience in private and public sector. The results of the study confirm the hypothesis that the reason for difference in ethical position is the difference in culture and history.

**Keywords:** Business ethics, Idealism, Relativism, Hungary, China, Turkey and Kyrgyzstan

### **1. INTRODUCTION**

Companies entering to global economy deal not only with differences in culture, politics, management style but also face challenge of understanding the ethical mindset of their partners. Ethics doesn't have universally definition. In Cambridge Dictionary (2016) ethic is "a system of accepted beliefs that control behavior, especially such a system based on morals". Researchers define ethic as "a set of principles describing a behavior code that explains what is good and right or bad and wrong" (Henderson, 1982), how people ought to act based on moral principles and ideals such as justice, fairness and trust (Lacey, 1996; Wiley, 1995) "concerned with clarifying what constitutes human welfare and the kind of conduct necessary to promote it" (Powers & Vogel, 1980)

Furthermore business ethics may vary depending on the national and cultural characteristics, traditions, mentality and stereotypes. Strategies and procedures that may be considered appropriate, legitimate, or even laudable in one country may be condemned as morally unacceptable elsewhere (Forsyth and O'Boyle, 2011). There are still ethical problems in the field of legislation, jurisdiction, political life, the functioning of the police, and state administration, after the socialistic period in Czech Republic. The reasons of those problems are insufficient law and jurisdiction, low support of

ethics in-law, and shortage of interest from political leaders and government in ethics (Poor *et al.*, 2018). In some cultures employees think less of maximizing their personal outcomes at the expense of others and the company as a whole. They dally during work breaks, call in sick so they can enjoy some time off, take credit for work they did not do, and misuses the trust such as taking company supplies for using at home, but in other cultures such improper actions are roundly condemned (Forsyth and O'Boyle, 2011) (Al-Kazemi and Zajac, 1999).

In this study we conducted a survey, to determine ethical positions in Hungary, China, Turkey and Kyrgyzstan. Foresight questionnaire was used among 905 respondents who are students of Department of Business, and had work experience in private and public sector. We have predicted that the reason of difference in ethical position is the difference in nationality and gender.

## 2. THEORETICAL FRAMEWORK

According to Al-Khatib *et al.*, (2016) moral philosophies defined in two categories as deontological and teleological. Both deontological and teleological valuations include ethical decision-making process. Furthermore Al-Khatib *et al.*, (2016) assume that deontological/teleological paradigm was similar to Forsyth's (1980) two-dimensional personal moral philosophy concept – idealism and relativism.

According to Forsyth and O'Boyle (2011) "theory of Ethics Position assumes that moral actions and assessments are the external expression of a person's integrated conceptual system of personal ethics, or ethics position. These positions, which are the result of a lifetime experience in confronting and resolving moral issues, differ along two general dimensions: relativism and idealism".

Forsyth (1980) draw four ethical positions according to idealism and relativism dimension (Table 1). Situationists (high idealism - high relativism): who favor securing the best possible consequence for all concerned even if doing so will violate traditional rules that define what is right and what is wrong. Absolutists (high idealism – low relativism): who believe people should act in ways that are reliable with moral rules, for doing so will in most cases yield the best outcomes for all concerned. Subjectivists (low idealism – high relativism): who based their ethical choices on personal considerations, such as personalized values, moral emotions. Exceptionists (low idealism – low relativism): who endorse moral rules as guides for action, but admit that following rules will not necessarily generate the best consequences for all concerned.

**Table 1:** Taxonomy of Ethical Positions

	High relativism	Low relativism
High idealism	Situationists: Reject moral rules; advocates individualistic analysis of each act in each situation; relativistic.	Absolutists: Assume that the best possible outcome can always be achieved by following universal moral rules. What here?
Low idealism	Subjectivists: Appraisal based on personal values and perspective rather than universal moral principles; relativistic.	Exceptionists: Moral absolutes guide judgments but pragmatically open to exceptions to these standards; utilitarian

Source: Forsyth (1980)

Franke & Nadler (2008) believe that contemporary comparisons of different countries allow to understand the impact of culture on ethical attitudes. (Hofstede, 2001). According to Hunt and Vitell (1986) ethical decision making based on culture, since culture influences on how a person perceives, understands and solves ethical issues. Hofstede (1984) suggested six dimensions of natural culture: Power distance, which means the expanse of the inequalities between different individuals; Uncertainty avoidance, shows preference to structural situations in unstructured situations; Individualism-collectivism when person behave as individual or taking part in a group. Masculinity/Femininity is degree of attention which a society pays more, for achievement or nurture; Long-Term Orientation when person focus on achieving quick results or on long-term aims; Indulgence, when individuals try to control desires or prefer to live according to their desires.

### 2.1. Gender

Does gender plays role in ethical positions? According to (Singhapakdi, Vitell and Franke, 1999) women have more ethical intentions than men. Franke *et al.*, (1997) found that "there are significant gender differences in ethical perceptions of business practices, which decline as a function of work experience and are moderated by characteristics of the practices themselves". Ekin & Hande T., (1999) suggested that female managers are having a stronger connection to

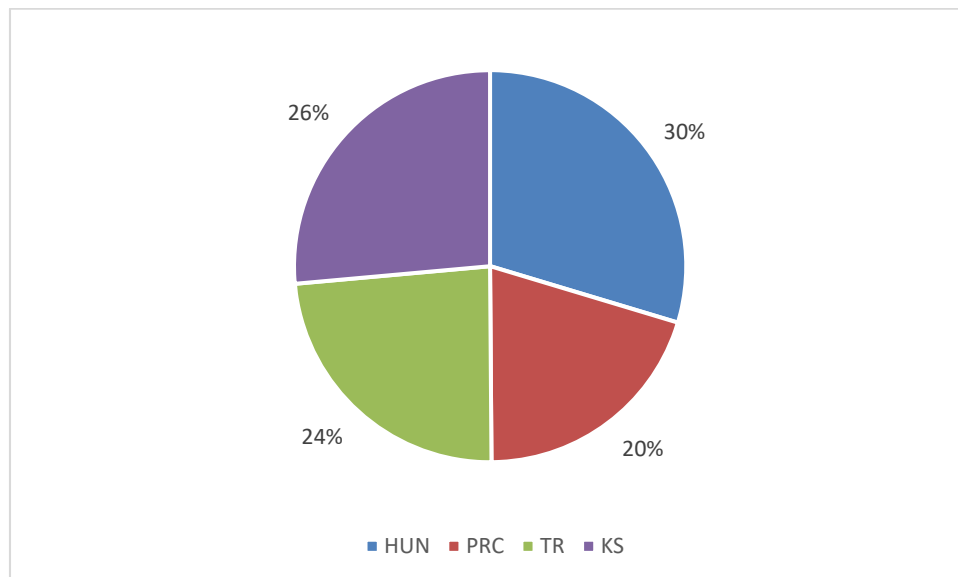
business ethics than their male colleagues. The sex of the individuals involved in a behavior moderates the gender differences in ethical perceptions.

### 3. RESEARCH METHODOLOGY

To investigate respondents' ethical attitudes we have used the Ethical Position Questionnaire (EPQ), developed by D.R. Forsythe. It contains 20 statements and requires individuals to indicate their acceptance of these statements - which vary in terms of relativism and idealism. The relativism scale includes assertions such as "Different types of morality cannot be compared in terms of 'rightness'" and "What is ethic - varies according to the situation". The idealism scale, on the other hand, measures an individual's perspective on positive and negative consequences with such assertions as "Individuals should ensure that their actions are free of any intent to harm others - even to the slightest degree" and "If an action could harm an innocent third party, it should not be taken" (Forsyth, 1980).

In the current questionnaire each statement was rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). To show the Idealism and Relativism scales we counted the averages of items 1-10 (Idealism) and items 11-20 (Relativism). Higher scores result higher levels of idealism or relativism.

Our research was conducted in Hungary, China, Turkey and Kyrgyzstan. Our sample comprises 904 from these countries. In our previous studies (e.g. Poor et. al. 2015, 2016) country variable (living place) was also included. To avoid distortion and to aspire to homogeneity we have analysed data among nationality variable and we have closed off respondents whose nationality and living place differed, for example, Hungarian minority who live in Slovakia or in Serbia. The sample, for the most part, was collected among business students, as well as employees from both private and public sector. Figure1 illustrates distribution of respondents in term of nationalities.



**Figure 1:** Distribution of respondents  
Source: Authors' research

### 4. RESULTS

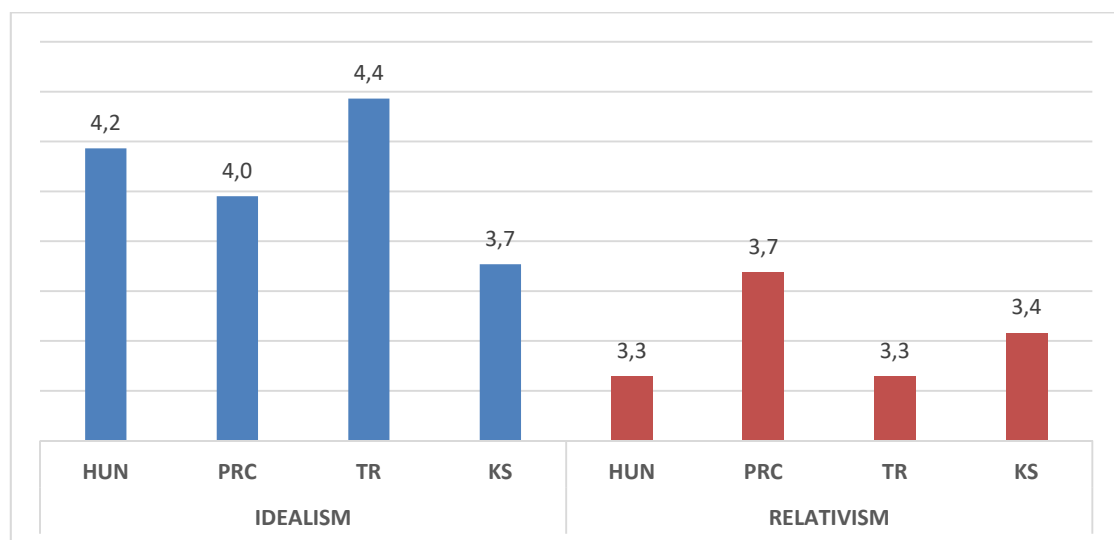
*Hungary:* Ownership has changed in some extent in Hungary along with the economic and market structure after the regime change in 1989, which created a good opportunity for entirely developed market economy that is in use in the country today. These changes increased the importance of values which brought to an environment in which businesses focus on customer orientation as a vital factor. On the other hand, proficiency in foreign languages became more critical on the way for success as globalization spreads. The important majority of the population in the country follow the Judaeo-Christian cultural traditions, however based on the research done by European Values Study (EVS) in 2000, the rate of practicing a religion is only moderate which is just 43% of total population. (Poor, J. et. al., 2016).

*China:* China can be compared with CEE region for their physical size, population and topographic location (from the isolation point of view). In fact there are not so many "real" Chinese values considering these factors. On the other hand, Chinese people are tend to be less risky (avoiding uncertainty), which can also be observed from a Chinese proverb - "The tallest tree gets cut first" – which means, the ones who are removed first are the ones who stands out.

Furthermore, interestingly experiments by communism could not make a significant impact on the Chinese culture, which is highly influenced by its historical feudal system that reflects high power-distance (Poor, J. et. al., 2016).

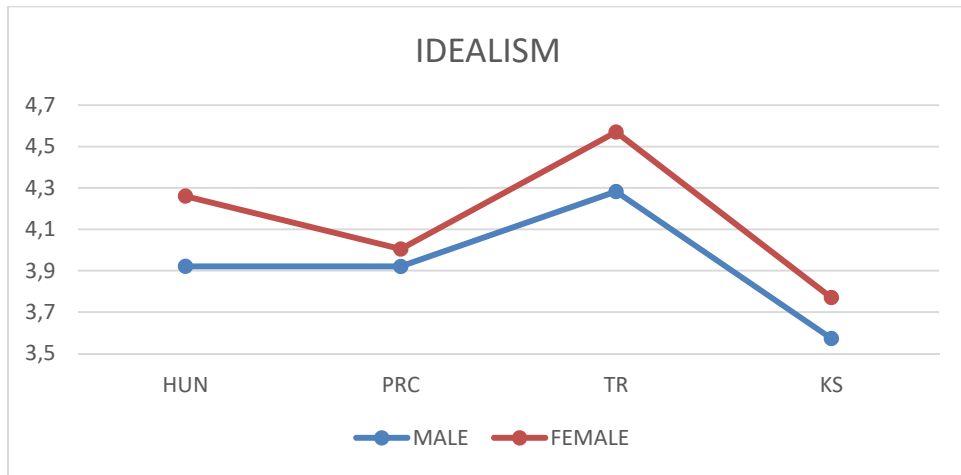
*Turkey:* All kinds of relations being social, economic or even political are formulated on fear in Turkey Akgeyik (2009). (According to the research held by Akgeyik, although business ethics within Turkish people is at the very satisfactory level, nowadays they lag behind both technically and practically. That is the reason why, currently a negative attitude appears in the Turkish society towards businesses and businessmen(Arslan& Berkman,2009). Later on, they continue that, these conditions show that the position of State Institutions in country is highly under the negative impact, driven from the inadequacy of civil organizations, civil society organizations, bureaucracy and bureaucrats. Turkey has an increasing number of university graduates every year(Yavuzaslan et al., 2016). Therefore, there is not enough positions in public sector, and it reveals the fact that many university graduates should start consider starting a career in business life. In turn, it conditions to start teaching the concept of business ethics since higher education.

*Kyrgyzstan:* Figure 2 shows the relationship between the ethical position and the nationality of respondents. According to the results, we can assume that the nation is tend to be more idealistic( $p<0,01$ ) than relativistic ( $p<0,01$ ). It means that respondent's belief in moral absolutes, thus, all ethical judgments are based on ethical principles and right actions lead to expected results. Individuals with strong idealistic principles avoid engaging in activities that contradict to their beliefs. We have measured the higher idealism value in case of Turkish respondents. According to Figure 2 we can note that Hungarian and Turkish respondents are very similar. In case of these nations, we have measured higher idealism values. The less idealistic are Kyrgyz. In case of relativism scale we can note those analysed nations are less relativist. We have measured the lowest value in case of Hungarian and Turkish respondents and rate of relativism is very similar in case of Kyrgyz respondents. According to results respondents do not reject universal ethical principles; rather they accept them in their ethical decision-making process. We have measured the highest relativism in case of Chinese respondents.

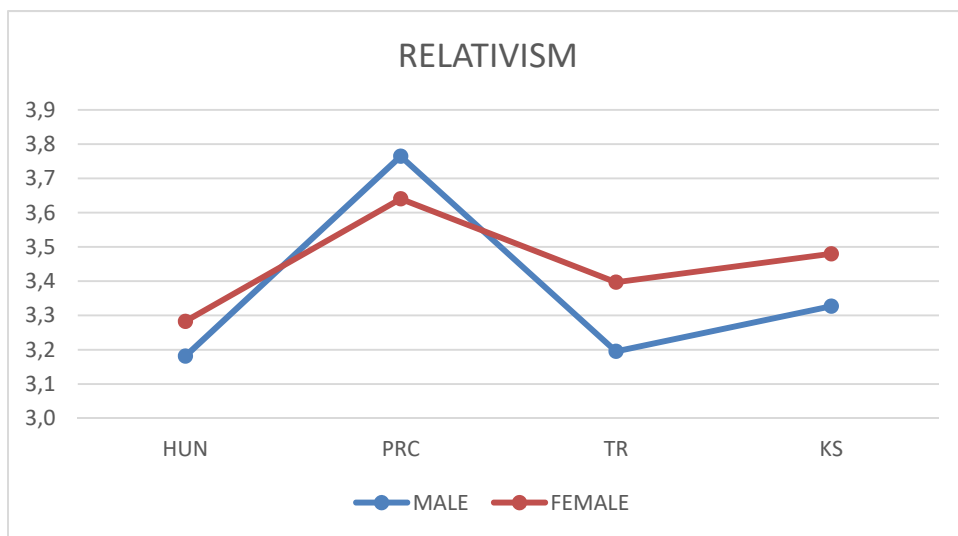


**Figure 2: Idealism and Relativism by nationality**  
Source: Authors' research

Figure3and 4 demonstrate that women show more idealistic attribute than men, but ethical position value is nearly equal in case of the gender. We can see the highest differences in case of Hungarian respondents. It can also be said regarding relativism dimension. In our sample, there is a small difference between the genders. Despite of bare relative differences independent sample t-test resulted in significant difference between gender in case of idealism and relativism too ( $p<0,01$ ).

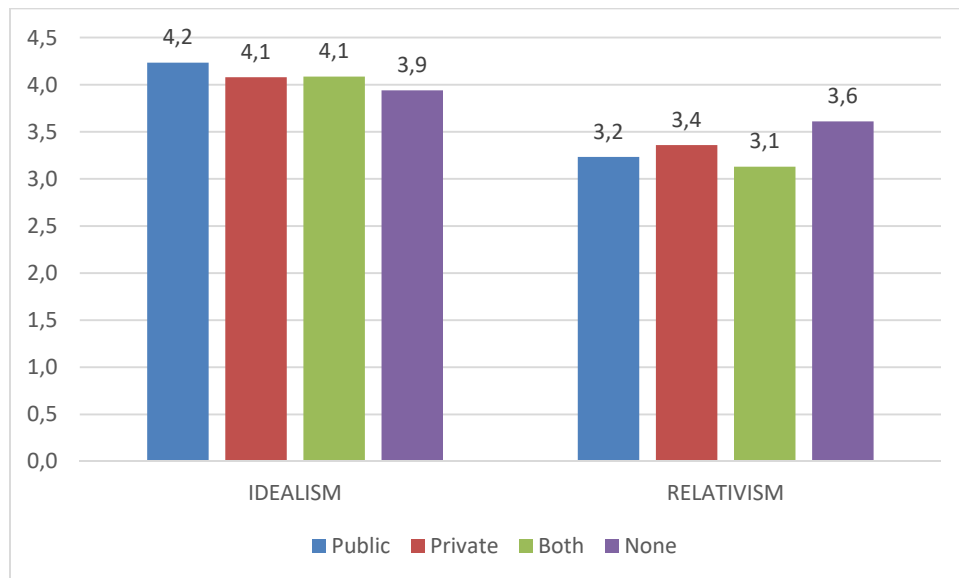


**Figure 3: Idealism by gender**  
Source: Authors' research



**Figure 3: Relativism by gender**  
Source: Authors' research

In this research variables as public and private sectors also were examined. Figure 5 shows the relationship between the ethical positions and sectors. Despite of bare relative differences independent sample t-test resulted in significant difference between sector in case of idealism and relativism scales too ( $p < 0,01$ ). According to results, we can establish that respondents from public and private sectors are more idealistic ( $p < 0,01$ ) than relativistic ( $p < 0,01$ ). In the case of relativism scale, we can establish that private sector is more relativistic than public sector.



**Figure 5: Idealism and Relativism by sector**  
Source: Authors' research

## 5. CONCLUSION

Current research has revealed interesting, at the same time estimated details about Ethical Position in four different countries that, overall reflects a possibility that results would be more or less similar in other countries that are not the objective of this study. However it has also shown that, estimated hypothesis are realistic and there is a significant difference among different nations in regard with the rate of idealism and relativity. It can be called significant difference because, although the level of the variables are not so high, tiny differences in these variables can make considerable impact on the productivity in international companies established in different countries, or companies that host multi-cultural human resources, if these cultural differences are not considered in communication with employees or in the organization culture or an international enterprise established in another country.

The other aspect of this study is about its contribution in creating an opportunity to estimate possible countries that will better fit for business establishment based on the information collected from this or similar researches based on the information about in what extent these cultures are similar or different. It can be told from Human Resource point of view as well. Thus, considering that all businesses try to maximize the productivity and profit, minimizing cultural and communicational gap causing different obstacles within the company, this research and similar researches on this discipline will illuminate HR policies within a company.

Results of this study reveal that all four examined nations are more idealistic than relativistic. It means that respondents' beliefs in moral absolutes are stronger, since all ethical judgments are based on ethical principles and the right actions lead to expected results. In spite of the fact that Hungarian and Turkish respondents are very similar, idealism value of Turkish respondents are higher, while Kyrgyz respondents are less idealistic, which means that respondents do not reject universal ethical principles, rather they accept them in their ethical decision-making process. However Chinese respondents showed the highest relativism. When we approach the issue in terms of gender, women are more likely to be idealistic than men in comparison to the indicated countries, but ethical position value is nearly equal in case of gender.

Collected data has partly confirmed the primary hypothesis, since there are cultural and historical differences in a certain extent and it reflects itself in the difference of ethical position attributes in each of the four target countries. This study has revealed that there is a need for deeper research in regard with the analysis of the reasons of such a variety, the circumstances in which ethical position formulates a country, and cultural perspective of leading ethical opinions in a certain country. To sum up all the findings and ideas stressed above authors believe that this study may help understand moral standards in Central and Eastern Europe better, also it may help researchers of this field as well as entrepreneurs to figure out and interpret the moral aspects and opinions in the target countries of this research.

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