THE INFLUENCE OF DEMOGRAPHIC ASPECTS UPON BUSINESS ETHICS IN ROMANIAN INDIVIDUALS

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Abstract: *The purpose of this research was to analyze the existence in Romania of a correlation between the level of business ethics and three variables (age, gender and background). In order to achieve this objective, we studied the scientific literature which tries to define ethics and business ethics, its characteristics, the elements which influence it. In the case study designed within this paper, the presence of business ethics as entrepreneurial quality in Romanian individuals is analyzed based on the data collected from the responses provided by 1460 respondents in a questionnaire. The variables refer both to the level at which business ethics is found in the behaviour of Romanians, and to their gender, age and background. The database thus put together was processed with the Microsoft Excel Programme and the statistics software SPSS (Statistical Package for the Social Sciences). The analysis shows that almost half of the respondents (43.56%) have a very high level of business ethics, being followed by those whose level of this entrepreneurial quality is high (29.11%). Those with an average level of business ethics represent 13.42%; 7.88% represent individuals with low level of business ethics, and 6.03% are those with a very low level of this entrepreneurial quality. Then we studied the relations between the occurrence of business ethics in the behaviour of the respondents and their age, gender and background. We carried out statistical tests which would support or reject the existence of some tighter or weaker relations between business ethics and the three variables. Of the three variables analyzed in relation to business ethics, it was proven that the latter is in correlation with all of them. This means that age, gender and background have a major contribution to acquiring this entrepreneurial quality. The results of this research can represent a major source of information for the political decision makers who have to implement measures for helping those living in rural areas, for supporting the youth, and for fighting gender-based discrimination.*

Keywords: *business ethics; entrepreneurial quality; Romania; age; environmental origin.*

JEL classification: *I25; L26.*

1. Introduction

Business ethics makes major contributions not only in the field of entrepreneurship, it is also a major determinant of social progress. Even though business ethics is often studied only in relation to entrepreneurship, this study makes a significant contribution to research in this area, due to the fact that it is reported to individuals in general, not taking into consideration their professional status.

Ethics is that behaviour which is morally acceptable as being “right” and “fair”, unlike the one considered “wrong” and “unfair” (Sims, 1992). Ethical values, attitudes and behaviours evolve under the influence of culture (Scholtens & Dam, 2007), the latter being defined as the collective programming of the mind (Hofstede, 2001). Yet the principles of ethics are not subjective gauges which vary according to culture, social or economic conditions (Hosmer, 1994). Business ethics represents an important quality of every entrepreneur.
This is precisely why, in this paper, we decided to analyze the manner in which age, gender and background influence business ethics. If, as regards culture, religion or spirituality, there are numerous studies which analyze the creation of the relation between these and the level of business ethics in the individuals’ personality, when it comes to gender, age and background (rural/urban), scientific literature contains few analyses. The novelty of this approach is also given by the referencing of this quality at the level of Romanian individuals.
In order to reach this objective, we will begin with examining the scientific literature available in this field, which tries to define ethics and business ethics, as well as identify their characteristics.

2. Literature Review

Ethics is a systematic approach of the moral judgment based on reason, analysis and synthesis (Christie, et al., 2003). Ethical principles are basic rules which were proposed in order to ensure a “better society” (Hosmer, 1994).
Business ethics is the application of ethical principles to the issues which appear in the carrying out of businesses (Parboteeah, et al., 2008). In the literature in the field of business ethics, cultural differences are perceived as the main indicators which explain the variation in the actions of businesses (Mensah, 2014; Bodley, 2005). Despite the fact that there is a small number of universally acceptable ethical values, such as honesty or loyalty, their practical interpretations in business can vary amongst the various cultures (Smith & Hume, 2005).
A manger’s daily life is hectic, and thus they are often forced to make quick decisions, having little time for analyses and debates (Mintzberg, 1990). Despite these, the action should be preceded by thought (Mintzberg & Westley, 2001).
Business ethics has its own talisman words: conflict of interests, corruption, fraud, social responsibility of enterprises, and when properly used, these words help in the decision making process of more sensitive issues (Burg, 2009).
Business ethics can be defined as the collection of norms which are applied in a market that functions properly; these norms include various moral obligations (Shaw, 2009). Business ethics refers to the moral principles which define what is right and wrong in business (Ferrell, 2004).
At the same time, along history, specialists in business ethics were aware of the fact that achieving social objectives will be inefficient when economic objectives are prioritized (Arnold, 2010), thus they request change which would require a shift in the main objective of companies from generating profit to better living standards and social justice (Cragg, et al., 2012). Thus, even if the aim of any company is very simple, namely to maximize profit for the shareholders (Friedman, 1970), enterprises should be administered in such a way as to obtain a balance amongst the interests of all interested parties (Freeman, 1984). Furthermore, ethical practices have to be encouraged when it comes to the employment policy (Cozma Ighian, 2015).

Business ethics is considered a necessary pillar for business success (Tsalikis, et al., 2008). It has become an important request for the doing business on the world market (LeFebvre, 2011). This is why education in this direction is important. Education, training and continuous education have been supported by many authors (Rădulescu, et al., 2015). The chances of a manager reaching his/her goals increase with his/her participation in training courses (Zima, 2013). Companies where continuous professional development and overcoming one's own limitations are prioritized, have greater chances of success (Vele, 2013). Some authors even recommend partnerships with educational institutions in order to develop educational programmes which would benefit both parties involved (Pop & Borza, 2016).
Research has shown that business schools should also focus on ethical education; this is supported both by researchers in the university environment (Evans & Weiss, 2008) and by students (Ditlev-Simonsen & Midttun, 2011). But can ethics by learned?
There are authors who consider that ethics cannot be thought because the development of character is considered to have been completed before college (Cragg, 1997). Yet most theoreticians suggest that ethics can be learned efficiently (Sims, 2002). Empirical studies have proven that introducing an ethics-related component in the classroom can often lead to an improvement of ethical sensitivity, of the sensitivity to moral reasoning and even ethical behaviour (Loe & Weeks, 2000; Lowry, 2003).
Yet a reasonable compromise between the two extreme positions is to suggest that learning ethics can be achieved only by those individuals who are already prepared to consider ethical strategies and moral values (Cragg, 1997).
Ethics in business can be defined as a form of applied ethics that analyzes rules and principles in a commercial context; the various moral or ethical issues that can arise in a business environment; and all special duties or obligations that apply to persons who are engaged in business (Christensen, Peirce, Hartman, Hoffman, & Carrier, 2007).

3. Research Methodology

The presence of business ethics as entrepreneurial quality in the personality of Romanian individuals is analyzed based on the data collected from the responses provided by 1460 respondents to a questionnaire. The database consists of individuals belonging to all regions of the country, from both urban and rural areas. The sample thus created is representative, having a 95% level of trust and a maximum admitted margin of error of 2.6% in rapport to a total population of approximately 16 million Romanians over 18 years of age, the age at which they are considered adults, and the qualities are considered to have already settled in their character and no major changes might occur. The question that analyzes the level of ethics presence in the personality of individuals (To what extent do you consider the moral norms besides the legal ones to reach your goals?) and those studying age, gender and home environment were included in the survey which became the foundation on which the database was created.
It should be noted that the answers to the question regarding the level of ethics are measured on a scale of 1 to 5 where 1 represents the lowest level and 5 the highest level.
The questionnaire was given to the respondents disregarding their social status or the fact that they were entrepreneurs or not, because studying this entrepreneurial

quality can offer clues about what can inhibit/encourage Romanian individuals to start their own business. The survey was developed on Google Forms platform, and it was applied online using Facebook's social network.
The studied variables refer both to the level to which business ethics is found in the behaviour of Romanians, and their gender, age and background. The database thus created was processed with the Microsoft Excel Programme and the statistics software SPSS (Statistical Package for the Social Sciences).

4. Results and Discussions

For starters, it is very important to analyze the level of business ethics as entrepreneurial quality which characterizes the group of respondents. The five levels of business ethics and the percentages of individuals who hold each of these levels are presented in figure 1. One can easily notice that almost half of the respondents (43.56%) have a very high level of business ethics, being followed by those whose level of this entrepreneurial quality is high (29.11%). Despite all these, those who have an average level of business ethics are represented only by a percentage of 13.42%; this is not an insignificant number, especially in rapport to the size of the sample group. It is noteworthy that as the level of business ethics decreases, the number of respondents who represent these levels also decreases, thus we reach 7.88% in the case of individuals with a low level of business ethics and 6.03% in the case of individuals with a very low level of this entrepreneurial quality.

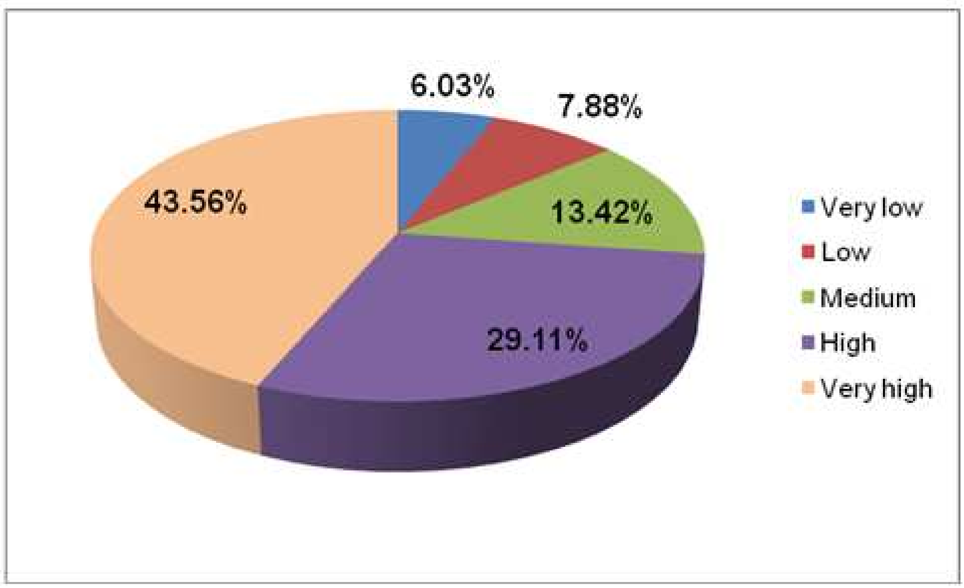

Figure 1: Representation of individuals at every level of business ethics

Table 1 describes descriptive statistics of quantitative and qualitative variables, namely business ethics and respondents' age. As expected, business ethics have a minimum of 1 and a maximum of 5, averaging 3,963. Age related, the youngest respondent turned 18, while the oldest is 68 years old and the average has a value close to 32 years.

Scale variables possess a much lower standard deviation in business ethics (1,194) compared to the on correspondent to the age of respondents (12,054).
The negative value of the Skewness coefficient calculated on the business ethics variable reveals that we have a negative asymmetric distribution that is oblique to the left. This phenomenon occurs because the median value (parameter dividing the observations into two equal parts) is higher than the mean value. The situation changes when it comes to age because the variable has a positive value of the Skewness coefficient, which means that the series is asymmetric positive and that the median is lower than the average. Both studied variables have positive coefficients of the Kurtosis coefficient leading to the conclusion that we have leptokurtic distributions that have a high "hump".

Table 1: Descriptive statistics

	Business ethics	Age
Mean	3.963	31.952
Median	4	28
Std. deviation	1.194	12.054
Variance	1.427	145.321
Skewness	-1.075	0.985
Kurtosis	0.169	0.013

Further we wanted to study the relation between the presence of business ethics in the behaviour of the respondents and their gender, age and background. We need to identify the manner in which these variables influence the development of business ethics. Due to the fact that the variables which describe gender (male and female) and the background (urban and rural) are nominal, in order to analyze the correlation between these and the level of the presence of business ethics, we have applied the Chi-square test presented in table 2 and in table 4 respectively. Both tables are made up of the Pearson coefficient, the likelihood ratio, the number of degrees of freedom and the Sig values.
As regards the number of degrees of freedom, these are 4 in both situations because the variable which describes the level of business ethics is ordinal, created on the basis of the responses given on a scale from 1 to 5, and 4 (5-1) represents the number of independent comparisons done within this variable. The identification of the correlations studied in table 2 and in table 4 are achieved by comparyinf the Sig value with the chosen significance threshold, this being generally 0.05 in statistical research.

Table 2: The Chi-square test which analyzes the relation between the level of business ethics and the individuals' gender

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.198	4	0.010
Likelihood Ratio	13.180	4	0.010

After carrying out the comparison in the two tables, we can confirm that there are correlations between the level of business ethics and gender (Sig = 0.010 < 0.05),

as well as with the individual's background (Sig = 0.000 < 0.05). As regards the value of the Pearson coefficient, which in the former case is 13.198 and the latter case is 20.264, one can confirm that these relations are significant.
The situation changes in table 3 where we analyzed the correlation between the level of business ethics and the age of the individual, because we used the Spearman coefficient for the test. The decision to use this coefficient was made after analyzing the types of variables used; while the variable which presents the level of business ethics is an ordinal one, the one which describes the age of the respondents is a quantitative one. The interpretation of the results is carried out in the same manner as in the previous cases, namely by comparing the Sig value between the level and business ethics and the age of the respondents to the chosen 0.05 significance threshold.

Table 3: The Spearman correlation coefficients which analyze the relation between the level of business ethics and the age of the individuals

			business ethics	age
Spearman's rho	business ethics	Correlation Coefficient	1.000	0.094**
		Sig. (2-tailed)	.	0.000
	age	Correlation Coefficient	0.094**	1.000
		Sig. (2-tailed)	0.000	.

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

The output of the statistical test in table 3 is, in fact, a matrix of the correlations where the items under the diagonal are repeated, while the diagonal takes the value 1 because it analyzes the correlation between the same variables (age-age and gender-gender respectively).

Table 4: The Chi-square test which analyzes the relation between the level of business ethics and the individuals' background

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.264	4	0.000
Likelihood Ratio	19.104	4	0.001

Following the above, in order to analyze the correlation between the level of business ethics and the age of the respondents, we will use only value 0.000 of Sig which, compared to the value of the significance threshold, shows that there is a correlation between the level of the entrepreneurial quality and the age of the respondents. Moreover, the positive value of the Spearman coefficient (0.094) shows the existence of a direct correlation which generates an in crease of the level of business ethics as the age of the individual increases.
We aim to extend the research and investigate to what extent the gender and home environment influences the development of ethics in the personality of individuals. To obtain this, we transform the nominal variables (gender and home environment) into ordinal variables where 0 represents the male gender from the rural environment, and 1 represents the female gender from the urban environment.

Following the computations of the Spearman’s correlation coefficient, women tend to have higher levels of ethics than men (Spearman's coefficient is 0.086 and Sig value is 0.001 <0.05). After applying the Spearman’s non-parametric test on ethics and home environment, we can say that the urban environment exerts a positive influence on the development of this entrepreneurial quality (the coefficient is 0.066 and Sig is 0.011 <0.05).

5. Conclusions

The concept of business ethics is relatively new in Romania, a country where the communist cultural inheritance can still be felt. Romania’s joining the European Union in 2007 has created many opportunities for businesses in Romania, as well as in the field of research, thus those wishing to become successful entrepreneurs in Romania have a range of models and sources of inspiration available.

In an unpredictable economic environment under continuous development, entrepreneurship means taking chances during the entire process of carrying out these activities. Thus, the decision to initiate a business can be an easy process, yet what follows proves to be slightly more difficult, and this is why the individual need to be aware of whether he/she has certain entrepreneurial qualities meant to help him/her in carrying out the desired actions. If the individual has low levels of several entrepreneurial qualities identified by researchers, it would be wiser to wait for a while before starting a business, and use this time for training and gaining experience, otherwise the likelihood of failure would increase significantly.

This research reveals that more than half of the population of Romania adopts ethical behavior when engaging in a business, whether they receive economic or other benefits from this business. Also, this type of behavior is influenced by the gender, age and individual’s background.

Of the three variables analyzed in relation to the level of business ethics, it has been proven that this entrepreneurial quality is in correlation with all of these. This means that an individual’s age, gender and background have a major contribution in acquiring this entrepreneurial quality.

The outcomes of this research can be an important source of information for the political decision makers who have to implement measures meant to help those living in rural areas, support the youth and fight gender-based discrimination.

A possible extension of this research is the relation between business ethics, the historical regions and the economic development of Romania. It is also possible to investigate the links between business ethics and other entrepreneurial qualities (examples: risk taking, innovation, commitment, punctuality, etc.).

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