

THE EFFECT OF PERSONAL AND PROFESSIONAL CULTURAL VALUES TOWARDS THE MARKETING ETHICS OF ACADEMICIANS

Chuah Chin Wei

College of Business (COB), Universiti Utara Malaysia
Email: francischuah@uum.edu.my

Mohamad Zainol Abidin Adam

College of Business (COB), Universiti Utara Malaysia
Email: mzainol@uum.edu.my

Hoe Chee Hee

College of Business (COB), Universiti Utara Malaysia
Email: chhoe@uum.edu.my

ABSTRACT

This study assesses the personal cultural values and professional values of academicians in regards to marketing ethics. This research uses Singhapakdi and Vitell's (1993) marketing norms scale and professional value scale together with Yoo and Donthu's (2002) three dimensional measures of culture operationalised at the individual level. The findings showed that Uncertainty Avoidance and Professional Values influenced academicians' marketing ethics. It is therefore suggested that managers should look into methods and ways of cultivating professionalism among academicians in order for them to possess good marketing ethics. The findings also showed that demographic factors such as age, gender, years of working experience, academic qualification do not have any influence on academicians' marketing ethics. Other implications of the study were also discussed.

Keywords: Marketing Ethics, Personal Cultural Values, Professional Values

INTRODUCTION

Much has been discussed about marketing ethics and the major factors that influences one's perceived and practiced marketing ethics. Of all these factors that have been analyzed throughout these past researches that, majority of the researches agrees that culture plays the most important role in influencing one's for ethical decision making. (Singhapakdi et al, 1995). Ferrell and Gresham (1985) specified cultural environment as a background variable of ethical decision making in marketing and so does Hunt and Vitell (1986) that prioritized cultural

environment as one of that factors directly influenced the marketing ethics decision process. The interest of looking deeper into what are the influencing factors that determine and affect one's marketing ethics decision arises when, Murphy and Laczniak (1981) reviewed the scholarly work in marketing ethics at that time they concluded that the area was lacking in its theoretical dimension (Singhapakdi and Vitell, 1993). Their criticism has stimulated positive feedback towards the research in marketing ethics. Early scholarly work by Ferrell and Gresham (1985), Hunt and Vitell (1986) has build up the foundation models and theory which was finally being tested by other scholar such as Mayo and Marks (1990), Singhapakdi and Vitell (1990, 1991), and Vitell and Hunt (1990).

Past research revealed that both personal cultural value and professional value had the biggest impact towards marketing ethics and ethical decision making. The influence of personal cultural values on ethical decision making has been well recognized by the theoretical work in the marketing ethics literature by Ferrell and Gresham (1985), Hunt and Vitell (1986), Ferrell, Gresham and Fraedrich (1989) (Rallapalli et al.,2000). There are several studies which examined the impact of professional value on the ethical decision-making (Singhapakdi and Vitell 1993) and Vitell et al. (1993a). However, there was not much research, which compares professional values across culture (Rallapalli et al., 2000).

Various studies conducted for the past 20 years has been focusing on the marketing ethics of marketers and also the perceived marketing ethics of student who has undertakes ethical subjects such as marketing ethics and business ethics. However, none of the research had really talks about another group of community, which is closely related to the other two groups mentioned above. The group that is being mentioned here is the academicians.

This study would extends the work of Yoo and Donthu (1998) in which they suggested that future research should focused business professionals' and academicians' marketing ethics. They proposed that nonstudent marketing practitioners and academicians are likely to behave differently from students and show a higher level of ethical sensitivity than students because they are generally

more experienced in marketing environment and feel more responsible (Sparks and Hunt, 1998)

LITERATURE REVIEW

Relationship between Demographic Factor and Marketing Ethics

Dibb et al. (2001) defined ethics as “relate to moral evaluations of decisions and actions as right or wrong on the basis of commonly accepted principles of behavior” and marketing ethics “are the moral principles that define right or wrong behavior in marketing.” On the other hand, Vitell (1986) defined marketing ethics as “inquiry into the nature and grounds of moral judgments, standards, and rules of conduct relating to marketing decisions and marketing situations”

Yoo and Donthu (1998) reveal that “marketing is considered as the most unethical of business functions and most marketing practices have been criticized as such.” Plenty of research has been done and few models have been developed to measure marketing ethics.

The ethical theory that has developed over the years by researcher indicates that an ethical decision-making is also situational specific. For example, Hunt and Vitell (1986) in their general theory of marketing ethics, specify “perceived ethical problem” as the catalyst of the whole ethical decision process while Ferrell and Gresham (1985) specified that “ethical issue or dilemma” as a component preceding the ethical decision process. Ferrell and Gresham (1985), Hunt and Vitell (1986) came to agreed that an individual would apply ethical guidelines based on different moral philosophies or ideologies when making decisions involving ethical problems.

Marketing ethics theories generally recognized demographic factors as determinants of various aspects of an ethical decision making process (Ferrell and Gresham, 1985, Hunt and Vitell, 1986). Among plenty of identified factors, age is said to be directly influence an individual’s ethical decision. Kohlberg’s (1981) rational theory of cognitive moral development indicated that individual’s cognition, emotion and judgment may change as a person moves through the six

stages of moral development. The identification of age as a determinant of ethical behavior was supported by Thoma (1985) and Rest (1986) (Borkowski and Ugras, 1993). Therpstra et al. (1993) also agreed that people tend to become more ethical when they grew older and this is in line with Hall's (1976) research that state as people age, they tend to become less concern with wealth and advancement but more interested in personal growth.

Apart from age factor, there is no past research that focuses on the gender factor with the level of marketing ethics. None of the business scholar has manage to come to a theory that gender does actually plays a role in the level of marketing ethics regardless of students, marketers nor academicians. However, a meta-analysis by Borkowski and Ugras (1998) reveal that female students develop a higher ethical behavior and attitude than male students and the concluded that female addresses ethical issue through a "care" responsibility oriented framework while males employ a "justice" approach as posited by Kohlberg (1984). A work by Beltramini et al. (1984) found that female college students were more concern with ethical issues than the male counterparts. Thoma and Rest (1985) found that female student were generally more ethical than males but did not find the differences to be significant.

However, Glover et al. (2002) concluded that gender differences found in their study were situational specific in which men made more the ethical decision when the moral intensity of the behavior portrayed in their scenarios was extreme, presenting either ethical or unethical behavior and they made unethical choices when the portrayed behavior was in grey "area". Nevertheless, the increase of female in workforces suggests that gender differences in ethics warrant further study. It leads to our first hypothesis:

Hypothesis 1: There is a relationship between demographic factors and the marketing ethics of academicians.

Relationship between Individual Cultural Value and Marketing Ethics

Hunt and Vitell (1986) stated that culture is a factor that directly affects decision making. Past research have been generally interested in the national-level

culture (e.g Cohen, Pant, and Sharp, 1992; Lu, Rose and Blodgett, 1999) in which all the researcher argues that all member of a nation shares an identical culture. However, recent research by reveals the opposite, several researches (e.g Yoo, Donthu, Lenartowicz, 2001; Yoo and Donthu, 1998) found that it is difficult to stereotype a person's cultural value simply based on his or her nationality because distinct of subculture do occur. Instead, they propose an individual cultural value measurement, which derives from Hofstede's (1980, 1981) typology of nation-level culture. They confirmed that individual culture values have the same dimensionality as in Hofstede's nation-level cultural value. In this study, the focus is on three dimension of Hofstede's nation-level cultural value operates at individual level, namely collectivism, uncertainty avoidance, and power distance.

Collectivism pertains to people who "from birth onwards are integrated into strong, cohesive in groups, which throughout people's lifetime continue to protect them in a change for unquestioning loyalty" (Hofstede, 1991). Collectivists prefer to emphasize "we" rather than individualist's "I". Individualist pursue self-interestes, individual expression, and prefer loose ties between individuals in a society and organizations as compare to more formal ties (Hofstede, 1984; Triandis, 1995). According to Hofstede (1984), collectivists are more likely to strive for group success rather than personal achievement and they tend to adopt the ideological identity of their authorities. Hence, they are vulnerable to in-group influences and loyal to in-group norms. They are expected to consider marketing norms that are prevalent within their marketing in-group. Therefore, they are more likely to stick to organizational codes of ethics even at the expense of personal interests since the welfare and goals of the group are of primary concern. (Kluckhohn and Strodtbeck, 1961). Vitell et.al (1993) add on that because collectivists wanted to build harmony with related group of interest, they are more likely to consider marketing ethics that assert protection of such stakeholder. It leads to our second hypothesis:

Hypothesis 2: There is a positive relationship between collectivism and marketing ethics of academicians.

Uncertainty avoidance is defined by Hofstede (1985) as “the degree to which the members of a society feel comfortable with uncertainty, ambiguity, which leads them to support beliefs promising certainty and to maintain institutions protecting conformity.” Individuals who have greater uncertainty avoidance are more concerned with security in life, feel a greater need for consensus and written rules and are intolerant of deviations from standard practices (Hofstede, 1984). Ferrell and Skinner (1988) mentioned that people with strong uncertainty avoidance will consider norms positively, which reduce ambiguity among various activities, procedures and behavior and thus lead to the control of environment, events and situations. It leads to our third hypothesis:

Hypothesis 3: There is a positive relationship between uncertainty avoidance and marketing ethics of academicians.

Power distance is the dimension that concerns general human inequality. Hofstede (1985) define it as “the degree to which the members of a group or society accept the fact that power in institutions and organizations is distributed equally.” In their study, Vitell et al. (1993) also mentioned that people with large power distance show greater reliance on centralization and formalization of authority, greater tolerance for lack of autonomy, and acceptance of inequalities in power. They too, accept a power hierarchy, tight control over their behaviors, vertical top-down communication, and even discrimination. In addition to that, people of large power distance are likely to obey their superiors and follow more formal norms rather than their peers and informal norms. It leads to our fourth hypothesis:

Hypothesis 4: There is a negative relationship between power distance and marketing ethics of academicians.

Relationship between Professional Value and Marketing Ethics

Singhapakdi et al. (1993) defined professional value as “values relating to one’s professional conduct that are commonly shared by the member of a particular profession.” David (1998) reviewed professional values as: “It consists of those morally permissible standards of conduct each member of a group wants

the other to follow even in their follow-up they would mean he/she too has to follow them.” Plenty of research has been done on professional environment on ethical decision making (e.g. Singhapakdi and Vitell, 1993b; Vitell et al., 1993a) but there has not been much research comparing professional values on marketing ethics. Vitell et al. (1993) mentioned that by looking at the fact that the ethical judgment of marketer can be partially explained by his/her professional values.

Finally, it leads to our fifth hypothesis:

Hypothesis 5: There is a positive relationship between professional values and marketing ethics of academicians.

METHODOLOGY

Sample

Academicians who are currently teaching and lecturing in private higher learning institution are selected for the survey. A total of 108 self administered questionnaires were distributed to the academicians and only 88 questionnaires are completed and valid for statistical analysis. The descriptive summary of the respondent is exhibited in Table 1. Of the respondents, 52.3% are male and 47.7% are female respondents. Out of the 88 respondents, 47.7% are Chinese, 28.4% are Indian and 23.9% are Malay respondents. 50% of the respondent participated in the survey possesses a Master degree and 34.1% of the respondent age between 36 to 40 years old making up the largest group of respondent. Out of the total of 88 respondents, 42% of them have a working experience of more than 10 years.

Table 1: Sample Characteristics (n=88)

	<i>n</i>	<i>%</i>
Gender		
Male	46	52.3
Female	42	47.7
Race		
Chinese	42	47.7
Indian	25	28.4
Malay	21	23.9
Level of Education		
Degree	41	46.6
Master	44	50.0
PhD	3	3.4
Age		
25 to 30	14	15.9
31 to 35	24	27.3
36 to 40	30	34.1
40 and above	20	22.7
Work Experience		
2 to 4 years	17	19.3
5 to 7 years	20	22.7
8 to 10 years	14	15.9
More than 10 years	37	42.0

Sources : Data Processing

Measures

Vitell, Rallapalli, and Singhapakdi's (1993) 24-items scale were used to assess marketing ethics. The scale was originally developed to measure the marketing-related norms of marketing practitioners. The scale itself was divided into 5 components, namely price and distribution norms, information and contact norms, product and production norms, obligation and disclosure norms, and general and honesty and integrity. This scale has been found reliable and valid and the factor of the scale achieved acceptable reliability between .60s and .80s (Klein, 1999; Singaphakdi, Rallapalli, Rao and Vitell, 1995). The scale has been adopted and adapted by plenty of research (e.g Rallapalli et al., 1994; Singhapakdi et al., 1995; Vitell, 1995; and Klein, 1999). According to Yoo and Donthu (2002), the scale is suitable not only to measure students' current ethical sensitivity but also to predict their future ethical behavior in real job settings. The

same goes for academician; the scale is very much suitable to measure the academicians' ethical sensitivity.

Table 2: Sample Characteristics (n=88)

	<i>n</i>	%
Gender		
Male	46	52.3
Female	42	47.7
Race		
Chinese	42	47.7
Indian	25	28.4
Malay	21	23.9
Level of Education		
Degree	44	50.0
Master	3	3.4
PhD		
Age		
25 to 30	14	15.9
31 to 35	24	27.3
36 to 40	30	34.1
40 and above	20	22.7
Work Experience		
2 to 4 years	17	19.3
5 to 7 years	20	22.7
8 to 10 years	14	15.9
More than 10 years	37	42.0

Sources : Data processing

To measure the individual cultural value, Donthu and Yoo's (1998) and Yoo, Donthu and Lenartowicz's (2001) 26 item scale was used. However, since this study measure only 3 dimension of individual cultural value, the scale itself consist only 15 items. The scale was developed to measure Hofstede's (1980, 1991) dimensions of cultural orientation at the individual level by maintaining consistency with the extending previous research (Yoo and Donthu 2002). The scale used for this study, consist of 3 dimensions which are collectivism, uncertainty avoidance and power distance. The reliability of the 3 dimensions of the scale ranged from .70 to .90 for the pooled data.

For this study, professional values were measured by using a 9-item scale developed by Singaphakdi and Vitell (1993). The 9-item scale develop by both

researcher derives from the code of ethics of the American Marketing Association. The reliability of this scale, measured by the coefficient alpha, is 0.7 which is indication that all the 9 items were valid and reliable to be used in the study.

RESULT AND DISCUSSION

Descriptive Statistics, Reliability Coefficients and Correlations

The descriptive statistic for personal values, professional values and marketing ethics are presented in Table 2 along with its correlation matrix. Collectivism were positively correlates with power distance ($r = .328, p < .01$). Uncertainty avoidance positively correlates with marketing ethics ($r = .402, p < .01$) and professional values also positively correlates with marketing ethics ($r = .387, p < .01$). The correlation ranges from moderate to strong based on criteria proposed by Cohen (1992).

Hypothesis Testing

ANOVA test was conducted to test the hypothesis on demographic factor with marketing ethics. The result of the test are shown in Table 3. A multiple regression analysis then was conducted to test the other four hypotheses stated earlier. The results of the regression analysis for this hypothesis are shown in Table 5.

Table 3: Relationship Between Demographic Factor and Marketing Ethics

Demographic Factor	Sig.
Ethnic Group	.459
Age	.231
Working Experience	.537
Academic Qualification	.661

Dependent Variable: Marketing Ethics

Sources : Data Processing

**Table 4: Construct Intercorrelations and Scale Reliability Values:
A Completely Standardized Solution**

Variable	Mean	SD	Collectivism	Uncertainty Avoidance	Power Distance	Professional Value	Marketing Ethics
Collectivism	3.68	.47	(.907)				
Uncertainty Avoidance	4.10	.43	.146	(.744)			
Power Distance	3.84	.62	.328(**)	.026	(.903)		
Professional Value	4.06	.32	-.136	.174	-.047	(.707)	
Marketing Ethics	4.19	.24	-.075	.402(**)	.072	.387(**)	-

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

Sources : Data Processing

Result from ANOVA analysis shows that none of the demographic factors are statistically not significant (e.g Ethic Group, $p > .05$; Age, $p > .05$; Working Experience, $p > .05$ and Academic Qualification, $p > .05$. Therefore we conclude that there is no relationship between demographic factor and marketing ethics which means that demographic concern such as age, ethic group, working experience and academic qualification do not differ the level of ethical behavior possesses by an individual in this study.

Table 5: Relationship Between Personal and Professional Values with Marketing Ethics

Variables	β	t	Sig.
Collectivism	-.124	-1.237	.220
Uncertainty Avoidance	.362	3.785	.000
Power Distance	.118	1.203	.232
Professional Value	.313	3.272	.002

Dependent Variable: Marketing Ethics

Sources: Data Processing

Collectivism ($\beta = -.124$, $p = .220$) and power distance ($\beta = .118$, $p = .232$) is statistically not significant. This indicates that there is no relationship between collectivism and power distance with the marketing ethics of academicians. On the other hand, uncertainty avoidance ($\beta = .362$, $p = .000$) and professional value ($\beta = .313$, $p = .002$) is statistically significant. This indicates that there is a positive relationship between uncertainty avoidance and professional values with the marketing ethics of academicians. The higher the professional value and uncertainty avoidance behavior possesses by one individual, the better the ethical decision will be. Overall, both personal cultural values and professional cultural values explain 28.5% of marketing ethics. The other 71.5% of marketing ethics of academicians are explaining by unknown factor, which require further investigation. We are able to reject both hypothesis 2 and hypothesis 4 but we failed to reject hypothesis 3 and hypothesis 5.

This study investigates the academicians' perception towards marketing ethics. It is an extension of view from two previous researches by Yoo, Donthu (2002) and Singhapakdi, Rallapalli, Pao and Vitell (1995). The study investigated the differences in perception of marketing ethics between demographic variables: ethnic group, age, academic qualifications and years of working experiences. It also examined the relationship of cultural values, which operates at individual level and consist of 3 dimension namely: collectivism, uncertainty avoidance, and power distance along with the professional value towards the marketing ethics of academician. In general, the findings of present study are partially consistent with result from previous study (Ferrell and Skinner, 1998; Vitell et al., 1993b; Singhapakdi and Vitell, 1993a).

Uncertainty avoidance was positively related to marketing ethics and this means that the higher the uncertainty avoidance by an individual, the better the ethical decision will be made. This is in line with Ferrell and Skinner (1998). Professional values was positively related to marketing ethics and this indicates that the more professional an individual, the better the ethical judgment that is being made. This result is further support by Vitell's work in 1993.

Research by Yoo and Donthu (2002) agrees that age is indirectly associated with the level of marketing ethics because it positively affects the cognitive moral development. This means that older people express moral values more than younger people and younger people are morally lower than old people or lag behind old people. However, the result from this study revealed that there are no significant differences between ages with academicians marketing ethics. Yoo and Donthu (2002) tested age as a variable which compare the older students has a higher level of marketing ethics than younger students and it shows significant differences between ages of students which is being influence by the marketing education of school. In this study, the respondents are academicians which had completed the required marketing and ethical education and it make no differences among them in terms of age. The other factors tested statistically show no significant. Therefore, we conclude that demographic factors do not have any relationship with marketing ethics.

Limitations and Future Research Directions

This study has certain limitation, which provide venue for future research. First and foremost, this research focuses on academicians as respondent for the study. Future research should emphasis on marketing practitioners as per suggested by Yoo and Donthu (2002). One of the major limitations occurred in the study are associated with the respondents. Respondents from this study are conveniently selected possess threat to inaccuracy of data. Some of the respondent are said to be not fully originated from academic background in which this means that one's have the experience of working in the industry before joining in the academic field. The past industrial experience are said to be able to influence the level of accuracy for data provided. Second, this study limits the examination on academicians of a single nation. Future researchers should consider multinational or regional study which comprises of academicians from various countries in order to enable a cross-cultural study to be examined and comparison of cultural value to be made.

CONCLUSION

In conclusion, the research findings presented here contributed to knowledge of marketing ethics both theoretically and practically. The result demonstrates that the importance of professional value and uncertainty avoidance in cultivating a good marketing ethics. This suggests that higher education institution should focus on both the variables in order to cultivate good marketing ethics. We hope that this research would stimulate more research attention on how personal cultural value and professional value could enhance marketing ethics by examining and identifying both the moderating and mediating that can affect the relationship of the mentioned variables.

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