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Moral and Ethical Conceptions of Entrepreneurs: Cross-cultural Aspects

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Abstract

With globalization and free competition, entrepreneurship requires its subjects to develop specific personality traits, providing proactive life stance in society. Ethical Psychology, applied to entrepreneurship can provide practical guidance for solving business problems. The current understanding of the phenomenon of entrepreneurship, based on humanistic views, sees it as a wide range of ways of self-realization, and not just profit. In the study we conducted cross-cultural analysis of the features of moral choice, values of entrepreneurs on Russian, Italian and Brazilian sample. The data obtained shows the similarity between the groups in the orientation of the values of growth and change, as well as the propensity to take responsibility for their choices.

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1. Introduction

Attitude to various economic aspects of human existence (wealth, consumption, accumulation, etc.) in terms of ethics and morality has been of interest even for ancient philosophers. Modern research is based on the premise that the moral dimension is the most important component of political and economic reality, especially nowadays when entrepreneurship is a key factor in the progressive development of society. At the same time, there is a

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widening gap between spiritual and material, which was formulated by E. Fromm (1998) [1] in a dilemma, "to have or to be".

According to sociologists in the second half of the 20th century the centuries-old process of forming a new species of human - homo consumens («human consuming») was replaced by the homo faber («human creating») [2], so there is the need to examine and re-examine the ethical and value aspects of the activities of the individual in the economic world.

The new understanding of the phenomenon of entrepreneurship in sociology (I.Shumpeter, P.Draker, I.Kirtsner, G.Pinshop, G.Saymon, F.von Hayek, A. Shapiro, and others) and psychology (A.Maslow, K.Rodzners, A. Meneghetti, etc.) based on the humanistic views, distances itself from the view of entrepreneurship as a simple aspiration for enrichment and consumption, and involves a wide range of ways of self-realization: taking personal responsibility, risk-taking, independent behavior in the uncertain market environment, with the aim not only to make profits, but also to form the values to increase the demand for high quality of the new products.

Ethical regulation of administrative, economic, business, activities have been actively studied since the 60's of 20th century, particularly with respect to moral judgments, factors of preference of rules and guidelines of moral choice, psychological characteristics of business practices.

"Ethical psychology is practice-oriented personality psychology"[3]. Regarding psychology of entrepreneurship, this practical approach is particularly important: and ethical psychology could give the entrepreneurs the practical guidance for their work, where they have to resolve ethical dilemmas, business problems, and as a result to contribute the development of the society. In the studies of Russian authors on the analysis of the moral and psychological determinants of economic identity of managers show that moral and psychological characteristics of the economic activity are quite closely interrelated [4], [5]. It has been shown that the "moral assessment of the business world has an impact on the choice of material self-building method and developing strategies of individual behavior in the business interaction"[6].

The modern entrepreneur operates in the global market, in the context of globalization, when the borders between the countries disappear. Despite this it is still important to take into account the specificity associated with belonging to a particular culture, which also can be expressed through the features of the moral sphere of personality.

2. Materials and methods of the study

In our research on the entrepreneurs' ideas about morality in business (Luft, 2010, Kazantsev, 2011) [7], [8], we obtained the data on the value-motivational aspects and moral precepts of modern entrepreneurs, as well as cultural (non) specific features of these characteristics.

The study involved 70 entrepreneurs from Russia, Italy, Brazil, mostly representatives of the middle and small business. The average age of the participants is 42 y.o. Studies were comparative in nature, they were based on the following hypothetical:

1) In the situations of moral choice the entrepreneurs, regardless of their cultural background, are more likely to be guided by their own "frame of reference", internal, not external criteria. Focus on "business interests" and their own vision of the situation will be more important factors in making decisions than external norms and traditions.

2) There are specific cultural features of moral values of entrepreneurs from different countries.

The following methods were also used in the studies: a test of value orientations by S. Shvarts [9], "Factors of moral choice" method. This methodology is based on a questionnaire drawn up by I.G. Dubov and A.A. Hvostov [10], and on the data of their study described in the article "Moral determination of behavior in the ordinary consciousness of large groups of the population" ("Issues of Psychology", 2000). In the study we also used an authorial questionnaire to study ethical choices of entrepreneurs. This form is intended to study characteristics of entrepreneur's ethical choice in different situations, and to study the characteristics of the moral sphere of

personality. Profile includes several sections: general information, relating to morality and to the specificity of the business: the applicability of religious rules, attitude to public opinion, the desire for material goods, the use of personal relationships in business, "psychological profile" of an entrepreneur - assessment of the moral qualities of acquainted entrepreneurs, as a projection of their own type of behavior, attitude to competition, dealing with situations, evaluation of cultural (not) specific characteristics of an entrepreneur.

3. Results and Discussion

One of the characteristics studied in the research was a system of value orientations of entrepreneurs as value orientation is directly related to the moral and ethical attitudes of a man.

In the group of Russian businessmen the most important values were "independence" (1) "hedonism" (2) "stimulation" (3), and the rejected ones were "generosity" (8) "conformity" (9) and the "tradition" (10). Italian businessmen preferred "independence" (1), "power" (2) and "achievement" (3), and the lowest score received, as well as in a group of Russian businessmen, "generosity" (8), "conformity" (9) and "tradition" (10). Brazilian respondents appreciate "power" (1), "hedonism" (2) and "achievements" (3) and reject the "conformity" (8) "security" (9) and the "tradition" (10).

Attention is drawn to the resulting similarity in value orientations set as the least significant in all three groups. The study participants put the value of "tradition" and other "values of preservation" in the last place, which means that they do not tend to focus on external controls of morality, and prefer an active role of self-selection in decision making.

We also obtained the similarity between the groups in the type of values which was the most important to the respondents. For the participants of all groups "the value of self-aggrandizement and change" came to the fore. Russian entrepreneurs are similar to the Brazilian in the pursuit of enjoyment of life, to the Italian in the pursuit of independence of thought and control. Both the Italian and Brazilian respondents most valued power, success and social prestige. Russian entrepreneurs differed from other groups in highlighting the value of innovation and competition in life, expressed in value of "stimulation."

Let us turn to the results of the assessment of the importance of moral choice factors (the value of 14 factors were assessed in total). Tables 1 and Table 2 show the comparative distribution of factors ranks in moral choice for Russian, Italian and Brazilian businessmen.

Table 1 Distribution of the factors of moral choice of entrepreneurs from Russia, Italy and Brazil - the most significant factors

Rank	Russian entrepreneurs	Italian entrepreneurs	Brazilian entrepreneurs
1	hedonism	domestic debt	benefit of moral or conformism
2	internal commitment	external normative morality	external normative morality
3	survival of society	hedonism	internal commitment

Table 2 Distribution of the factors of moral choice of the entrepreneurs from Russia, Italy and Brazil - the least significant factors

Rank	Russian entrepreneurs	Italian entrepreneurs	Brazilian entrepreneurs
12	social homeostasis	universal justice	role behavior
13	mirror morality	eradication strategy	religiosity
14	religiosity	religiosity	hedonism

According to the data obtained in the first place in the group of Russian businessmen was put the factor "hedonism", based on the principle of pleasure, independent of the ways of achieving it. In the group of Italians there is "internal commitment" in the first place - responsibility for moral behavior to oneself, the rank of this factor is quite high in the other two groups, indicating the trend of respondents' orientation primarily on their own

frame of reference. In the group of Brazilian entrepreneurs the greatest significance was given to the factor of "benefit of morality", this factor is based on the utilitarian approach, where the benefit is the leading motive, and conformism - is the means of getting it, which means that external compliance is socially beneficial for this group of respondents.

Attention is drawn to the fact that among the three most important factors in the three groups (entrepreneurs from Russia, Italy and Brazil) appeared to be the factor of "internal commitment", which indicates the propensity of entrepreneurs to take responsibility, to focus primarily on the internal criteria of morality and ethics.

Among the least important factors in the three groups was the factor of "religion", which can be regarded as evidence that external institutions that define the canons of morality are less important for entrepreneurs. Thus, we can say that entrepreneurs develop their own system of moral regulators of behaviour.

Rules of morality - are derivatives of the social world, respectively, we can talk about human responsibility to society for their execution. The survey respondents answered a questionnaire related to their attitudes toward various aspects of moral and ethical behaviour, let us look at some of the results.

We studied what, according to the respondents, can be called "a measure of responsibility" to society: respect for the rules adopted in the society, the word (promise) or the action (Table 3).

Table 3: The answers to the question "What is the measure of responsibility to society?"

	Russian entrepreneurs (%)	Italian entrepreneurs (%)	Brazilian entrepreneurs (%)	data for the entire sample (%)
Compliance with the standards accepted in the society	35.7	57.1	50.0	47.6
The word (promise)	0.0	14.3	0.0	4.8
Action	64.3	28.6	50.0	47.0

The results showed that the Russian participants are more focused on the action, Italians - in compliance with the rules, that fact may on the whole indicate the power of social norms in the Italian society. In the Brazilian group an equal number of respondents consider the action as well as the compliance with the rules to be a measure of responsibility.

In analyzing the responses to the questionnaire related to the study of morality, we outlined the integral ratio of the attitude to the applicability of personal connections and relationships in business interaction - "renunciation of personal relationships in business" that is, focus on the interests of business, not personal sympathies, etc. According to the results, all three groups of entrepreneurs tend to separate personal and business sphere.

Content analysis of the issue of understanding morality in business, allowed us to identify the following semantic groups of answers:

1) Morality in business - is the observance of social rules and norms (25%), an example of such responses: "... adherence to established and well-known accepted rules."

2) Morality in business - is fulfilling obligations (20%), for example, "... to be honest with partners to keep the promises."

3) Morality in business - is to act without causing harm to other people, but, perhaps, benefiting (15%): "... make money without violating the rights and freedoms of others, help developing of the society (sponsorship, patronage, and etc)."

4) Morality in business - is an internal criterion (25%), for example, "... to be honest to the business", and "... to act in accordance with one's own moral principles and views"

There are two main ways of entrepreneurs' understanding morality in business: focus on external standards and their own interests, in this case, in our view, the best option would be an account of the two reference

systems, such as the fulfilling of their specific business obligations, as well as the desire to increase their own profits, combined with benefiting the environment.

4. Conclusion

The research was devoted to the study of the characteristics of business ethics in business, data was obtained on a system of values and moral precepts of modern entrepreneurs, as well as cultural (non) specific features of these characteristics.

Analysis of value orientations showed that for the three groups of respondents from Russia, Brazil and Italy positive personal interaction and following internal ideals are more important and the pressure of the stereotype and group ideas and norms is not a determining factor in their activity.

The results obtained with respect to the preferences of factors of moral choice in all three study groups suggest the similarity of the respondents in the orientation, first of all on the internal criterion in making a moral choice, based on their own active, critical positions, acting in accordance with their moral principles and views. It was shown that for all studied groups of respondents the important factor is the "internal commitment", while among the least significant in all groups was the factor of "religion." This data gives evidence of the fact that entrepreneurs tend to take responsibility for their choices, and the traditional social institutions and established rules are not essential regulators of moral behavior.

With globalization and free competition, entrepreneurship requires its subjects to develop specific personality traits, providing a proactive life stance in society as well as moral characteristics which enable them to realize this stance in the contradictory conditions of the international market, often changing depending on geography activities.

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