

On the role and place of business ethics in the modern business world – evidence from Estonia

NATALJA GURVITSH *, *JAAN ALVER* **, *LEHTE ALVER* ***

Abstract

During recent decades, more and more attention has been paid to business ethics. There seems to be an increasing interest in the non-financial aspects of business. Stakeholders all over the world express their concern about embedding the principles of professional and business ethics into companies' everyday activities. The main subject of this research is business ethics and the purpose is to find out the importance of professional and business ethics and determine its place in the modern business world as seen by Estonian business students and practitioners. To achieve the goals, the authors conducted a survey among Estonian graduate and undergraduate accounting and business students at Tallinn University of Technology and Estonian business practitioners. 587 responses were collected in the process. This information was compiled and analyzed based on status, gender, age, and specialization. The survey revealed that in Estonia people are familiar with business ethics; however, it is not of great interest to them. The results also indicate that professional and business ethics merit more attention and should be included as a required course in the curriculum of Higher Education Institutions (HEIs). In general, business ethics in Estonia was not ranked as “high”, which was also the case for both professional ethics at the workplace/university and also the importance and necessity of ethics in the modern business world.

Keywords: business ethics, professional ethics, education, higher education institution.

Streszczenie

Rola i miejsce etyki biznesu w nowoczesnej gospodarce na przykładzie Estonii

W ostatnich kilku dekadach coraz większe znaczenie zaczęto przypisywać etyce biznesu. Interesariusze na całym świecie zastanawiają się, jak wdrożyć zasady etyki zawodowej i biznesu w praktyce gospodarczej. Celem podjętych badań jest ustalenie ważności etyki biznesu i etyki zawodowej i określenie ich miejsca w nowoczesnej praktyce gospodarczej według punktu widzenia studentów i praktyków w Estonii. Dla osiągnięcia tego celu przeprowadzono badanie ankietowe wśród absolwentów i studentów kierunków rachunkowości i zarządzania na uniwersytecie Tallinn University of Technology oraz wśród praktyków. Otrzymano 587 ankiet. Informacje były analizowane pod kątem wieku, statusu, płci i specjalizacji. Badanie wykazało, że respondenci znają pojęcie etyki biznesu, ale nie jest ona dla nich istotna. Badanie to wskazuje także na konieczność uwzględnienia zagadnień dotyczących etyki biznesu i etyki zawodowej w programach nauczania na uczelniach wyższych. Ogólnie ujmując, etyka biznesu w Estonii nie została oceniona na wysokim poziomie, co także pokazuje, że temu zagadnieniu powinna zostać poświęcona większa uwaga świata biznesu i nauki.

Słowa kluczowe: etyka biznesu, etyka zawodowa, edukacja, uczelnie wyższe.

* Natalja Gurvitsh, associate professor, School of Business and Governance, Department of Business Administration, Tallinn University of Technology, natalja.gurvits@ttu.ee

** Jaan Alver, professor, School of Business and Governance, Department of Business Administration, Tallinn University of Technology, jaan.alver@ttu.ee

*** Lehte Alver, professor, School of Business and Governance, Department of Business Administration, Tallinn University of Technology, lehte.alver@ttu.ee

Introduction

There has been an assumption that the purpose of business is only to make money. However, in recent decades, more and more attention has turned to professional and business ethics. There seems to be an increasing interest in the non-financial aspect of business. Stakeholders all over the world express their concern about embedding the principles of professional and business ethics in the everyday activities of companies. From this perspective, the role of accountants is very important to the business community. The information they provide is of great value to managers, investors, and others in making business decisions. At the same time, the nature of the work carried out by accountants and auditors requires a high level of ethics.

The economic crisis of 2008 and recent financial scandals are often associated with the unethical behavior of certain groups of stakeholders, which is also confirmed by the studies of Beverungen et al. (2013). These developments have raised the question: What is the place and the role of professional and business ethics in the modern business world? The practice of large companies to keep close control on ethics at the workplace via the implementation of their own code of conduct has been accepted and widely used by many organizations across the world. For many professions, the ethical aspect has become a matter of great importance and the fulfilment of principles formulated in the ethical code is compulsory, however, in several cases there often happens to be a gap between the theory and the practice (Bartlett, 2003).

The main objective of the research is to find out how important business ethics is for Estonian business students and practitioners. To achieve the goal, the authors conducted a survey among graduate and undergraduate business and accounting students at Tallinn University of Technology and Estonian business practitioners. The authors believe that the results of the survey would be interesting and useful to both academics and business practitioners.

The remainder of this paper is organized as follows: after the literature review, the authors provide a detailed explanation of the selected research design, the research methods chosen, and the hypotheses formulated. Then the results of the research and concluding comments are presented.

1. Literature review

It can be stated that within contemporary research about professional and business ethics, the following trends are widely discussed: the linkage between the level of professional ethics and the integration of the „professional ethics” subject into the curriculum of Higher Education Institutions (HEIs), and the dependence of professional ethics on various factors like culture (Brunton and Eweje, 2010; Yi-Hui and Chieh-Yu, 2008),

religion (Yi-Hui, 2009), age (Rest, 1983; Serwenek, 1992), gender (Borkowski and Urgan, 1992), and individual attributes (McManus and Subramaniam, 2009). Many professionals do not consider ethics to be an inevitable part of their everyday work and they often have no skills or knowledge to solve ethical problems effectively (Flanagan and Clarke, 2007). This phenomenon may be partly explained by the fact that, historically, professional ethics has been developed separately and not in line with the development of the profession itself (Barry and Ohland, 2009). There is also skepticism towards embedding ethics courses in the curriculum from both the students' and practitioners' side, which is the case for accounting ethics (Bampton and Maclagan, 2005).

Consequently, this situation requires the teaching of business ethics in general, and professional ethics in particular, in HEIs to be reinforced, to make students familiar with the principles of business ethics and professional codes of conduct (Davidson et al., 2003). Hill (2004) stated that ethics is an important standalone discipline and should be separately formulated and studied. Colby and Sullivan (2008) outlined the importance of teaching engineering ethics in undergraduate institutions. According to Goldie (2000), there has been recognition of the importance of medical ethics education, however, no consensus has yet been reached regarding where it should be taught at the undergraduate level. The teaching of ethics is becoming popular today, which is also supported by the research of Maruyama and Ueno (2010), who underlined the increasing popularity of teaching ethics in Japan over the last two decades.

The increasing opinion on the necessity to teach business ethics is caused by many factors, like the growing trend of Corporate Social Responsibility accounting and reporting, globalization, the latest developments within the European Union, and even the implementation of the Bologna process, as highlighted by the research of Jorge and Peña (2014), among universities in Spain. Potthast (2014) suggests including more positive cases into courses and showing the benefits of ethical behavior in managing the interest of stakeholders. Most recent business and accounting textbooks contain either a separate part dedicated to ethics or there are ethics cases included in each chapter, however, the content of these cases varies significantly, which is also confirmed by studies of Bracken and Urbancic (1999). However, in some cases, the „depth” of the ethical education does not guarantee any benefits for professionals in the recruiting process. Breaux et al. (2009) revealed that „ethical coverage in accounting programs is not an important factor in recruiting decisions for entry-level accounting positions.”

It is obvious that, today, business ethics is a tool of communication and interaction between business and society (Freeman et al., 2009), which should be understood and implemented by everybody. To some extent, our survey replicates some of the above-mentioned studies but it also analyses the opinion of Estonian professionals and students on the place and role of business and professional ethics in the modern business world.

2. Data and methodology

After reviewing the literature that exists on business ethics, a survey instrument was constructed and distributed to graduate and undergraduate accounting and business students at Tallinn University of Technology (Estonia) and Estonian business practitioners¹. During the spring and fall of 2015 and February 2016, in total 587 responses were obtained (Table 1). The vast majority of respondents were Estonians. The data were compiled and analyzed based on status, gender, age and specialization. Table 1 shows the result of this analysis makeup of the survey.

Table 1. Demographic data of the survey

Status	Sample
Students & Practitioners	
BA students	155 (26.4%)
MA students	270 (46.0%)
Practitioners	<u>162 (27.6%)</u>
Total	587
Degree	
Bachelor	356 (60.6%)
Master	82 (14.0%)
Other	<u>149 (25.4%)</u>
Total	587
Academic Major	
Accounting	322 (54.9%)
Business & Economics	179 (30.5%)
Others	<u>86 (14.6%)</u>
Total	587
Gender	
Male	148 (25.2%)
Female	<u>439 (74.8%)</u>
Total	587

¹ Tallinn University of Technology (TTU) is the only HEI in Estonia which has an Accounting department. In Estonia, TTU is the absolute leader in accounting and business education. The accounting curriculum (at both the graduate and undergraduate level) is the most popular among all curricula at the Tallinn School of Economics of TTU. It is a joint system, which consists of undergraduate and graduate degree programs. At the graduate level, 88 ECP out of 120 ECP (including master's thesis), or 73.3% of the whole curriculum, are related to accounting.

Table 1. Demographic data of the survey (*cont.*)

Status	Sample
Age	
< 26	233 (39.7%)
26–35	174 (29.7%)
36–45	110 (18.7%)
> 45	<u>70 (11.9%)</u>
Total	587

Source: authors' own compilation

The sample characteristics suggest that the largest group comprised graduate students (46% of all respondents and 63.5% of all students). Gender differentiation shows the domination of females (74.8%). The area of specialization (the dominant major) has been divided into the following: accounting 54.9%, business & economics 30.5%, and all others 14.6%.

The survey consisted of 15 statements related to business ethics and was broken down as follows: 10 main statements and 5 additional statements. Each argument represents an opinion about business ethics. The main survey instrument was a five-point Likert scale. The respondents were asked to rank each opinion from 1 to 5 in order to express their agreement or disagreement with each statement. Such a method of ascribing a quantitative value to qualitative data made it amenable to statistical analysis. In the first part of the survey (10 main statements) a score of 1 represented strong agreement and 5 – strong disagreement. Statements 1–7 in the first part of the survey represent a general understanding of business ethics, and statements 8–10 represent a cognitive attitude. In the second part (statements 11–15) a score of 1 represented strong disagreement and 5 – strong agreement with the statement.

The following hypotheses were formulated:

H1: Practitioners value ethics more than students do.

H2: For the oldest respondents, ethics is of the highest importance.

H3: Accounting majors value ethics more than respondents with business/economics majors do.

3. Findings

3.1. General findings

Tables 2 and 3 list all 15 statements of both parts of the survey, as well as the mean score for each statement.

The average score of 1.99 for the first 7 arguments partially demonstrated that, in general, the respondents seem to agree with the idea that business ethics is not just

a moral code of conduct, but also an important tool for making managerial decisions, as all respondents seem to be familiar with and aware of the definition and meaning of business ethics (1.57), and that ethics merits more attention (1.77). The respondents also demonstrated their independence in ethical behavior (4.28) claiming that if their colleagues were to demonstrate unethical behavior, they would not support it.

Table 2. Total sample mean scores by statement for the first part of the survey (1 = strongly agree, 5 = strongly disagree)

Statement	Score
1. I am familiar with the term business/professional ethics.	1.57
2. There should be more focus on business ethics in Estonia, especially in the mass media.	1.77
3. Competition must always be honest and ethical.	1.79
4. So-called „industrial espionage” (gathering data on our competitors) requires me to be ethical.	1.85
5. The subject of business/professional ethics should certainly be a required course in a college/university curriculum.	2.16
6. Business ethics interests me.	2.31
7. Business ethics is definitely affected by the industry.	2.52
Average score	1.99
8. If I notice that most of my colleagues are behaving unethically, I do the same.	4.28
9. Persistent financial problems justify unethical behavior.	4.34
10. I behave unethically regardless of the financial situation, because I cannot get very far with ethics in modern business.	4.37
Average score	4.33

Source: authors' own compilation

The results (Table 3) clearly indicate that there is an equal opinion regarding the current high importance of business/professional ethics in a modern business world and the importance of the good reputation of the workplace (4.16 and 3.97, respectively).

Table 3. Total sample mean scores by statement for the second part of the survey (1 = very low, 5 = very high)

Statement	Score
1. Professional ethics at my workplace/university.	3.97
2. The importance/necessity of business ethics in the modern business world.	4.16

Table 3. Total sample mean scores by statement for the second part of the survey (1 = very low, 5 = very high) (*cont.*)

Statement	Score
3. Which of the following is the most important: a) short-term benefit from unethical behavior (1) b) good reputation of my workplace/university (5)? Options 2–4 are also accepted.	4.47
4. My opinion of business ethics in Estonia.	2.81
Average score	3.85
5. How often do you behave (are forced to behave) unethically at your workplace/university? (Very often – 5, never – 1).	1.78

Source: authors' own compilation

The weakest arguments turned out to be the ones related to the implementation of business ethics as a compulsory course in a college/university curriculum. The fact that many respondents ranked business ethics in Estonia as „low” is also worth mentioning.

3.2. Comparison of students' and practitioners' scores

The survey sample consisted of graduate and undergraduate students and business practitioners. It should be noted that as most bachelor students are not working yet, they had to rate statements regarding professional ethics and the cases of their personal unethical behavior concerning the situation in the university. Tables 4 and 5 show the mean scores for each group for all 15 statements. Overall, these results demonstrated that the practitioners are more concerned about ethics than the students and they demonstrated fewer cases of unethical behavior, while the undergraduate students seem to be more skeptical and less interested in business ethics and expressed less agreement with the statement that the subject of business/professional ethics should certainly be a required course in a college/university curriculum.

Table 4. Comparison of students' and practitioners' scores for the first part of the survey (1 = strongly agree, 5 = strongly disagree)

Statement	BA	MA	Practitioners
1. I am familiar with the term business/professional ethics.	1.65	1.61	1.43
2. There should be more focus on business ethics in Estonia, especially in the mass media.	1.85	1.82	1.60
3. Competition must always be honest and ethical.	2.01	1.82	1.49
4. So-called „industrial espionage” (gathering data on our competitors) requires me to be ethical.	2.08	1.86	1.62

Table 4. Comparison of students' and practitioners' scores for the first part of the survey (1 = strongly agree, 5 = strongly disagree) (*cont.*)

Statement	BA	MA	Practitioners
5. The subject of business/professional ethics should certainly be a required course in a college/university curriculum.	2.35	2.31	1.72
6. Business ethics interests me.	2.48	2.35	2.09
7. Business ethics is definitely affected by the industry.	2.32	2.53	2.68
Average score	2.11	2.04	1.80
8. If I notice that most of my colleagues are behaving unethically, I do the same.	4.15	4.18	4.57
9. Persistent financial problems justify unethical behavior.	4.22	4.36	4.43
10. I behave unethically regardless of the financial situation, because I cannot get very far with ethics in modern business.	4.17	4.40	4.52
Average score	4.18	4.31	4.51

Source: authors' own compilation

It is also worth mentioning that significant differences in responses were demonstrated for the argument stating that competition must always be honest and ethical (2.01 compared to 1.82 and 1.49) and that industrial espionage requires a person to be ethical (2.08 compared to 1.86 and 1.62).

Hypothesis H1 was tested and fully accepted. The average score for statements 1–7 for practitioners (1.80) is much lower than for the BA (2.11) and MA (2.04) students, respectively. Practitioners also had the lowest means for all statements 1–6. This indicates that practitioners are more ethical than students. For statements 8–10, the average score for practitioners (4.51) is also higher than for BA (4.18) and MA (4.31) students. It should be noted that the graduate students had a lower average score (2.04) than the undergraduates (2.11). They also had lower means for all statements 1–6. This leads to the conclusion that graduate students are more ethical than undergraduates.

Table 5 shows the mean scores for each group for the second part of the survey.

Table 5. Comparison of students' and practitioners' scores for the second part of the survey (1 = very low, 5 = very high)

Statement	BA	MA	Practitioners
1. The standard of professional ethics at my workplace/university.	3.77	4.01	4.09
2. The importance/necessity of business ethics in the modern business world.	4.03	4.17	4.26

Table 5. Comparison of students' and practitioners' scores for the second part of the survey (1 = very low, 5 = very high) (*cont.*)

Statement	BA	MA	Practitioners
3. Which of the following is the most important: a) short-term benefit from unethical behavior (1) b) good reputation of my workplace/university (5)? Options 2–4 are also accepted.	4.24	4.51	4.63
4. My opinion of business ethics in Estonia.	2.86	2.80	2.77
Average score	3.73	3.87	3.94
5. How often do you behave (are forced to behave) unethically at your workplace/university? (Very often – 5, never – 1).	1.90	1.68	1.83

Source: authors' own compilation

It is worth mentioning that significant differences in responses were demonstrated for the argument asking the participants to rank professional ethics at their workplace/university, where the practitioners expressed the highest score (score 4.09). In addition, they showed the highest rating for the preference of the good reputation of their workplace over the short-term benefit from unethical behavior.

3.3. Comparisons based on age

A number of studies have examined age in conjunction with views on various ethical issues. Numerous studies suggested that people seem to become more ethical as they get older (Ruegger and King, 1992; Rest, 1983; Serwenek, 1992). Presumably, with age, people seem to be more cautious and they are unwilling to either take additional risks or contravene valid laws and legislations. Younger people seem to be more risk-prone and are ready for new challenges, which often means that the end justifies the means, and earning money justifies unethical behavior.

Tables 6 and 7 show the statistical data for four age groups. The sample sizes for each age category were sufficiently large to do some score comparisons. The findings of the survey clearly indicate that, with age, people seem to be more familiar with professional and business ethics, they think ethics deserves more attention, and they are more interested in business ethics. It is also worth mentioning that the group of respondents older than 45 seemed to be most familiar with the term business/professional ethics (1.30), think that more attention should be paid to business ethics in Estonia today, and that this subject should be included in a college/university curriculum. It is obvious that people under the age of 26 expressed the least agreement with the statement that business ethics should be a compulsory course in colleges and universities (2.43), while people older than 45 strongly agreed with this statement (1.61), which in the authors' opinion may be explained by the fact that, due to their age, young people had not been

involved much in ethical conflicts and had not faced the need to obtain knowledge and skills in business ethics.

Based on the mean scores in Table 6, it can be assumed that older people have stronger moral principles influenced by their experience and different situations at work. The authors would also suggest that the oldest group of respondents have a strong belief that people should treat others the way they want to be treated themselves, and they consider this postulate natural for people.

Table 6. Comparison of scores by age for the first part of the survey (1 = strongly agree, 5 = strongly disagree)

Statement	< 26	26-35	36-45	> 45
1. I am familiar with the term business/professional ethics.	1.68	1.58	1.52	1.30
2. There should be more focus on business ethics in Estonia, especially in the mass media.	1.95	1.73	1.61	1.51
3. Competition must always be honest and ethical.	2.03	1.70	1.55	1.50
4. So-called „industrial espionage” (gathering data on our competitors) requires me to be ethical.	2.02	1.80	1.76	1.56
5. The subject of business/professional ethics should certainly be a required course in a college/university curriculum.	2.43	2.17	1.89	1.61
6. Business ethics interests me.	2.54	2.36	2.05	1.84
7. Business ethics is definitely affected by the industry.	2.24	2.68	2.68	2.81
Average score	2.13	2.00	1.87	1.75
8. If I notice that most of my colleagues are behaving unethically, I do the same.	4.12	4.26	4.49	4.50
9. Persistent financial problems justify unethical behavior.	4.26	4.37	4.37	4.49
10. I behave unethically regardless of the financial situation, because I cannot get very far with ethics in modern business.	4.21	4.45	4.47	4.54
Average score	4.20	4.36	4.45	4.51

Source: authors' own compilation

Hypothesis H2 was tested and fully accepted. The average score for statements 1–7 by age > 45 years (1.75) was the lowest, and the means of statements 1–6 were the third lowest as well. Furthermore, the average score for statements 1–7 by age 36–45 (1.87) was the second lowest, as were the means of statements 1–6. Finally, yet importantly, the average score for statements 1–7 by age 26–35 (1.87) was the third lowest, and the

means of statements 1–6 were also the third lowest. This clearly indicates that the older respondents are more concerned about general ethical problems. The scores of statements 8–10 support this conclusion. The average scores for age > 45 (4.51) and for age 36–45 (4.45), respectively, confirm that people in these age groups are somewhat more ethical than the younger ones are.

The young generation, under the age of 26, expressed the least disagreement with statements 8–10 regarding possible cases of unethical behavior, although their average score (4.20) was quite high. For statements 8–10, the average scores for age > 45 (4.51) and for age 36–45 (4.45), respectively, confirm that they are somewhat more ethical.

Table 7. Comparison of scores by age for the second part of the survey (1 = very low, 5 = very high)

Statement	< 26	26-35	36-45	> 45
1. Professional ethics at my workplace/university.	3.85	4.10	4.01	3.99
2. The importance/necessity of business ethics in the modern business world.	4.07	4.17	4.30	4.21
3. Which of the following is the most important: a) short-term benefit from unethical behavior (1) b) good reputation of my workplace/university (5)? Options 2–4 are also accepted.	4.30	4.60	4.60	4.56
4. My opinion of business ethics in Estonia.	2.90	2.76	2.77	2.69
Average score	3.78	3.91	3.92	3.86
5. How often do you behave (are forced to behave) unethically at your workplace/university? (Very often – 5, never – 1).	1.75	1.74	1.82	1.93

Source: authors' own compilation

The second part (statements 11–14 in Table 7) shows that the average score is almost the same, the variation is only 0.14. It should also be noted that the oldest group of respondents showed the lowest score for their opinion on business ethics in Estonia (2.69). In the authors' opinion, that can be explained by the fact that they are forced to behave unethically at their workplace more often than the other groups of respondents (1.93 compared to 1.75, 1.74, and 1.82, respectively).

3.4. Comparisons by academic major

A large number of professional studies have been performed in order to find the reasons for one professional group being more or less ethical than another. Jeffrey (1993) and Arlow (1992) stated that the ethical development of accounting students is higher than that of students with a different specialization. The findings of Lane (1988), Mayer (1988), and Gray et al. (1994) revealed that an accounting and business education has

a negative influence on the ethical development of students. The authors of this paper investigated the effect of academic major on professional ethics. The results of the comparison by the academic majors are presented in Tables 8 and 9.

Table 8. Comparison of scores by major for the first part of the survey (1 = strongly agree, 5 = strongly disagree)

Statement	Accounting	Business & Economics	Other
1. I am familiar with the term business/professional ethics.	1.55	1.51	1.80
2. There should be more focus on business ethics in Estonia, especially in the mass media.	1.74	1.80	1.80
3. Competition must always be honest and ethical.	1.70	1.96	1.70
4. So-called „industrial espionage” (gathering data on our competitors) requires me to be ethical.	1.82	1.94	1.81
5. The subject of business/professional ethics should certainly be a required course in a college/university curriculum.	2.03	2.23	2.49
6. Business ethics interests me.	2.18	2.44	2.52
7. Business ethics is definitely affected by the industry.	2.49	2.61	2.43
Average score	1.93	2.07	2.08
8. If I notice that most of my colleagues are behaving unethically, I do the same.	4.33	4.24	4.16
9. Persistent financial problems justify unethical behavior.	4.27	4.45	4.36
10. I behave unethically regardless of the financial situation, because I cannot get very far with ethics in modern business.	4.44	4.24	4.38
Average score	4.35	4.31	4.30

Source: authors' own compilation

The results show that, in most cases, the accounting majors demonstrated the highest scores except for the arguments stating that persistent financial problems justify unethical behavior (4.27 compared to 4.45 and 4.36). They also seemed to be somewhat less familiar with professional and business ethics than business/economics majors were (1.55 compared to 1.51).

Hypothesis H3 was tested and accepted. The average score for statements 1–7 for accounting majors (1.93) is lower than for business/economics majors (2.07), indicating

that accounting majors are more concerned about general ethical problems. However, for statements 8–10, the average score for accounting majors (4.35) is almost the same as for other groups (the variation is only 0.05), indicating that all groups' behavior is equally ethical.

Table 9 shows the breakdown of scores by academic major; no significant differences in responses were observed.

Table 9. Comparison of scores by major for the second part of the survey (1 = very low, 5 = very high)

Statement	Accounting	Business & Economics	Other
1. Professional ethics at my workplace/university.	3.98	3.90	4.06
2. The importance/necessity of business ethics in the modern business world.	4.16	4.18	4.10
3. Which of the following is the most important: a) short-term benefit from unethical behavior (1) b) good reputation of my workplace/university (5)? Options 2–4 are also accepted.	4.54	4.46	4.27
4. My opinion of business ethics in Estonia.	2.75	2.88	2.87
Average score	3.86	3.86	3.83
5. How often do you behave (are forced to behave) unethically at your workplace/university? (Very often – 5, never – 1).	1.73	1.88	1.76

Source: authors' own compilation

The second part (Table 9) shows that the average score is almost the same (the variation is only 0.03). It can be stated that accounting majors seem to show relatively fewer cases of unethical behavior at their workplace/university (1.73 compared to 1.76 and 1.88). Accounting majors have shown the weakest score for the argument asking for their opinion of business ethics in Estonia (2.75), while students specializing in business and economics demonstrated the highest score for the argument stating that, today, business ethics is a matter of high importance. In general, it should be noted that all scores were quite close.

3.5. Gender differences

Numerous studies in business and accounting ethics are dedicated to the question of the dependence of ethical behavior on gender. Tables 10 and 11 show the scores for each statement divided by gender category.

These scores indicate that women seem to be more familiar with business ethics (1.44 compared to 1.84) and are more interested in business ethics as an object of study

(2.21 compared to 2.61). They also think that business ethics should be taught in colleges and universities on a compulsory basis, while men tend to disagree with this statement. Men also seem to care less than women about ethics in the case of getting important business information (2.18 and 1.74 respectively) or entering into a business competition (1.99 and 1.71 respectively).

Table 10. Comparison of male and female scores for the first part of the survey (1 = strongly agree, 5 = strongly disagree)

Statement	Male	Female	Score larger by	
			Male	Female
1. I am familiar with the term business/professional ethics.	1.84	1.44	0.40	
2. There should be more focus on business ethics in Estonia, especially in the mass media.	1.85	1.74	0.11	
3. Competition must always be honest and ethical.	1.99	1.71	0.28	
4. So-called „industrial espionage” (gathering data on our competitors) requires me to be ethical.	2.18	1.74	0.44	
5. The subject of business/professional ethics should certainly be a required course in a college/university curriculum.	2.51	2.04	0.47	
6. Business ethics interests me.	2.61	2.21	0.40	
7. Business ethics is definitely affected by the industry.	2.43	2.55		0.12
Average score	2.20	1.93	0.27	
8. If I notice that most of my colleagues are behaving unethically, I do the same.	4.07	4.35		0.28
9. Persistent financial problems justify unethical behavior.	4.38	4.33		0.05
10. I behave unethically regardless of the financial situation, because I cannot get very far with ethics in modern business.	4.21	4.43		0.22
Average score	4.22	4.37		0.15

Source: authors' own compilation

The results of the second part of the survey indicate that in Estonia women care more about the good reputation of the workplace than men (4.54 and 4.28 respectively) and they also rank the requirements of business ethics in the modern world higher than men (4.20 and 4.04 respectively).

Table 11. Comparison of male and female scores for the second part of the survey (1 = very low, 5 = very high)

Statement	Male	Female	Score larger by	
			Male	Female
1. Professional ethics at my workplace/university.	3.89	4.00		0.11
2. The importance/necessity of business ethics in the modern business world.	4.04	4.20		0.16
3. Which of the following is the most important: a) short-term benefit from unethical behavior (1) b) good reputation of my workplace/university (5)? Options 2–4 are also accepted.	4.28	4.54		0.26
4. My opinion of business ethics in Estonia.	2.78	2.82		0.04
Average score	3.52	3.62		0.10
5. How often do you behave (are forced to behave) unethically at your workplace/university? (Very often – 5, never – 1).	1.88	1.75	0.13	

Source: authors' own compilation

It is also worth mentioning that both men and women were not of a very high opinion of business ethics in Estonia (2.78 and 2.82 respectively), but women ranked professional ethics at work higher than men (4.00 compared to 3.89).

Conclusions

The present study examined how important business ethics is for Estonian business students and practitioners.

The survey discovered that in Estonia people are familiar with business ethics, however, there was not much interest expressed in this issue. In general, business ethics in Estonia was not ranked as „high”, which was also the case both for professional ethics at the workplace/university and also the importance and necessity of ethics in the modern business world.

Hypothesis H1 was tested and fully accepted. It was also found that graduate students are more concerned with ethical issues than undergraduates are. Hypothesis H2 was also tested and fully accepted. Furthermore, based on four age groups, a clear tendency of rising professional ethics with increasing age was determined. Hypothesis H3 was tested and accepted, however not as clearly as hypotheses H1 and H2 were.

Other findings. At first, the standpoint that professional and business ethics are taking an important place and role in everyday business life and are implemented in most

workplaces has been expressed. Nevertheless, not enough attention is paid to this matter, especially in the mass media and at universities. Secondly, professional ethics should become a compulsory course in the curriculum in HEIs, and training sessions of personnel should include various professional/business ethics modules. Employees should clearly understand the importance of professional ethics, and the risks related to unethical behavior at the workplace and in business competitions. Thirdly, there is a clear understanding among business/accounting students and practitioners that professional ethics is important, required, and independent of financial problems and common behavior in particular situations. In the authors' opinion, this may be partly explained by the rise and rapid growth of the corporate social responsibility and social value concept, where ethics is an inevitable and vital factor. It is also worth mentioning that the growing concern of stakeholders about the ethical behavior of companies would serve as a „watchdog” for the vital role and place of professional ethics in the modern business world today.

References

- Arlow P. (1992), *Personal characteristics in college students' evaluations of business ethics and corporate social responsibility*, „Journal of Business Ethics”, 10, pp. 63–69.
- Bampton R., Maclagan P. (2005), *Why teach ethics to accounting students? A response to the sceptics*, „Business Ethics: A European Review”, 14, pp. 290–300. DOI: 10.1111/j.14674-8608.2005.00410.x.
- Barry B.E., Ohland M.W. (2009), *Applied Ethics in the Engineering, Health, Business, and Law Professions: A Comparison*, „Journal of Engineering Education”, 98, pp. 377–388. DOI: 10.1002/j.2168-9830.2009.tb01034.x.
- Bartlett D. (2003), *Management and Business Ethics: A Critique and Integration of Ethical Decision-making Models*, „British Journal of Management”, 14, pp. 223–235. DOI: 10.1111/1467-8551.00376.
- Beverungen A., Dunne S., Hoedemaekers C. (2013), *The financialisation of business ethics*, „Business Ethics: A European Review”, 22, pp. 102–117. DOI: 10.1111/beer.12011.
- Borkowski S. C., Urgas Y.F. (1992), *The ethical attitudes of students as a function of age, sex and experience*, „Journal of Business Ethics”, 11 (12), pp. 961–979.
- Bracken R.M., Urbancic F.R. (1999), *Ethics Content in Introductory Accounting Textbooks: An Analysis and Review*, „Journal of Education for Business”, May/June, 74 (5), pp. 279–284.
- Breaux K., Chiasson M., Mauldin S., Whitney T. (2009), *Ethics Education in Accounting Curricula: Does it Influence Recruiters' Hiring Decisions of Entry-Level Accountants*, „Journal of Education for Business”, September/October, 85 (1), pp. 1–6.
- Brunton M., Eweje G. (2010), *The influence of culture on ethical perception held by business students in a New Zealand university*, „Business Ethics: A European Review”, 19, pp. 349–362. DOI: 10.1111/j.1467-8608.2010.01604.x.
- Colby A, Sullivan W.M. (2008), *Ethics Teaching in Undergraduate Engineering Education*, „Journal of Engineering Education”, 97, pp. 327–338. DOI: 10.1002/j.2168-9830.2008.tb00982.x.
- Davidson G., Garton A. F., Joyce M. (2003), *Survey of Ethics Education in Australian University Schools and Departments of Psychology*, „Australian Psychologist”, 38, pp. 216–222. DOI: 10.1080/00050060310001707237.
- Flanagan J., Clarke K. (2007), *Beyond a Code of Professional Ethics: A Holistic Model of Ethical Decision-Making for Accountants*, „Abacus”, 43, pp. 488–518. DOI: 10.1111/j.1467-6281.2007.00242.x.
- Freeman R.E., Stewart L., Moriarty B. (2009), *Teaching Business Ethics in the Age of Madoff*. „Change”, 41 (6), pp. 37–42.

- Goldie J. (2000), *Review of ethics curricula in undergraduate medical education*, „Medical Education”, 34, pp. 108–119. DOI: 10.1046/j.1365-2923.2000.00607.x.
- Gray R. H., Bebbington J., McPhail K. (1994), *Teaching ethics and the ethics of teaching. Educating for immorality and a possible case for social and environmental accounting*, „Accounting Education”, 3, pp. 51–75.
- Hill A.L. (2004), *Ethics Education: Recommendations for an Evolving Discipline*, „Counseling and Values”, 48, pp. 183–203. DOI: 10.1002/j.2161-007X.2004.tb00245.x.
- Jeffrey C. (1993), *Ethical development of accounting students, non-accounting business-students and liberal arts students*, „Issues in Accounting Education”, 8 (1), pp. 86–96.
- Jorge M.L., Peña F.J.A. (2014), *Determinants of corporate social responsibility and business ethics education in Spanish universities*, „Business Ethics: A European Review”, 23, pp. 139–153. DOI: 10.1111/beer.12041.
- Lane M. S. (1988), *Pygmalion effect: An issue for business education and ethics*, „Journal of Business Ethics”, 7, pp. 223–229.
- Maruyama Y., Ueno T. (2010), *Ethics Education for Professionals in Japan: A critical review*, „Educational Philosophy and Theory”, 42, pp. 438–447. DOI: 10.1111/j.1469-5812.2008.00484.x.
- Mayer J. (1988), *Themes of social responsibility: A survey of free professional schools*, „Journal of Business Ethics”, 7 (4), pp. 313–320.
- McManus L., Subramaniam N. (2009), *Ethical evaluations and behavioral intentions of early career accountants: the impact of mentors, peers and individual attributes*, „Accounting & Finance”, 49, pp. 619–643. DOI: 10.1111/j.1467-629X.2009.00301.x.
- Potthast A. (2014), *How to teach business Ethics*, „Teaching Philosophy”, 37 (4), pp. 499–521. DOI: 10.5840/teachphil201410826.
- Rest J. (1983), *Handbook of Child Psychology*, Wiley, New York, pp. 556–629.
- Ruegger D., King E.W. (1992), *A Study of the Effect of Age and Gender upon Student Business Ethics*. „Journal of Business Ethics”, 11 (3), pp. 179–186.
- Serwenek P.J. (1992), *Demographic and related differences in ethical views among small businesses*, „Journal of Business Ethics”, 11 (7), pp. 555–566.
- Yi-Hui H. (2009), *Associations between the Religious Beliefs and Ethical-Reasoning Abilities of Future Accounting Professionals*, „Social Behavior & Personality: An International Journal”, 37 (5), pp. 673–678.
- Yi-Hui H., Chieh-Yu L. (2008), *Cultural Values and Cognitive Moral Development of Accounting Ethics: A Cross-Cultural Study*, „Social Behavior & Personality: An International Journal”, 36 (7), pp. 883–892.

