

# Business Ethics Perceptions of Working Adults: A Study in Thailand

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## ABSTRACT

*Businesses nowadays face urgent demands to act ethically and socially responsibly. Some believe that ethically responsible companies design and use corporate governance that serves all stakeholders' interests to achieve competitive advantage and maintaining ethical behavior is very important through corporate governance. Thus, an ethical business environment is critical and ethical behavior is expected of everyone in the modern workplace. Companies devote many resources and training programs to make sure their employees live according to the high ethical standards. This study used Clark and Clark's (1966) Personal Business Ethics Scores (PBES) measure to examine the relationship between gender, age, management experience, ethics course taken, and ethics training to ethical maturity of Thai working adults. This research surveyed 236 Thai working adults to measure their Personal Business Ethics Scores (PBES). Statistically significant differences were found in the variables of ethics course taken and ethics training. Gender, age, and management experience, however, did not lead to any significant differences. Consequently, Kohlberg's Cognitive Moral Development theory regarding ethical maturity is partly supported since respondents with more ethics education and training have higher business ethics scores than those without ethics education and training. In this study, Thai background and cultural dimension, as well as literature on moral development and ethics, are presented along with practical applications, suggestions and implications for educators, managers, and employees.*

*Keywords: Business Ethics, Corporate Governance, Ethical Maturity, Moral Development, Thailand, Working Adults*

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## INTRODUCTION

In a world business environment that is becoming more integrated and interdependent than ever, the job and nature of decision making of strategic leaders and managers have changed significantly. The global financial crisis of 2008-2009, the profitability demand of shareholders, the ecological and environmental problems, the influence of business on politics, so on and so forth, have put more pressure on their day-to-day decisions. Strategic leaders need to have good corporate governance to achieve competitive advantage. Thus, an ethical business environment is critical and ethical behavior is expected of everyone in the modern workplace.

At the national level, an attractive and ethical business environment for global and local investors is what country leaders aim to create. Country leaders need to eliminate bribery and corruption, develop the economy, and sustain growth. Any real effort attempted to accomplish these goals need to be centered on morals and ethics as they are the cornerstones of sustainable growth and anti-corruption movements.

According to the UNDP Anti-Corruption Initiative Report (2012), corruption is a serious national problem in Thailand. The World Bank's Governance Indicators suggest corruption worsened between 2005 to 2008 when the indicator was falling from 54.4 (out of 100) to 43.5. It, however, improved to 51 in 2009. In 2010, Hong Kong-based Political and Economic Risk Consultancy Ltd conducted a survey and concluded that Thailand was perceived as the fifth-most corrupt of 16 Asia-Pacific economies. In June 2012, several major news media sources reported that more than half of Thai people (63.4%) still think that corruption in government is acceptable if it can also bring benefit to them (Ahuja, 2010).

Transparency International (2012) has recently published the 2012 Corruption Perception Index in which it ranks countries and territories based on the perception of how corrupt a country or territory's public sector is. The CPI uses a scale of 0-100. Lower CPI indicates higher level of perceived corruption and higher CPI

indicates a lower level of perceived corruption (Transparency International, 2012). Table 1 shows that in 2012, Thailand has a CPI score of 37 and is ranked 88 out of 176 countries and territories. Among Asia-Pacific countries, Thailand is ranked 13 out of 28 countries. This result suggests that Thailand is experiencing significant corruption problems. According to the National Counter Corruption Commission's Pakdi Pothisiri, there are an increasing number of complaints lodged against low-level administrators, mainly against police officers and local administrative authorities. Military and industries such as construction have also seen many complaints and cases on corruption. This is due to a complex hierarchical system of laws, decrees and regulations and lack of stability though "the regulatory framework in Thailand is quite good" according to Kanokkan Anukansai, Thai program manager of Transparency International. The problem lies in the practices of this regulatory framework. While how much corruption undermines Thailand's competitiveness is unknown, economists believe that corruption will negatively impact the country's economic advantages and hurt the confidence (Ahuja, 2010).

## THAI BACKGROUND

Kingdom of Thailand, or Thailand in short, is a Southeast Asian country that has many years of history. Established in the mid-14<sup>th</sup> century and known as Siam until 1939, Thailand, unlike its neighbor countries, has never been conquered by a European power. Thailand has been a U.S. treaty ally since 1954. It has a population of over 67 million people, of which more than 70% are from 15 to 64 years of age. The country is governed under the constitutional monarchy, and Bangkok is the capital city (Central Intelligence Agency, 2012).

Thai people value and embrace freedom and independence. Thai culture defines itself with the expression of freedom and independence (Mujtaba et al., 2011). Unfortunately, the country has been in political turmoil since 2005

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