

The Role of Money and Religiosity in Determining Consumers' Ethical Beliefs

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ABSTRACT. This article presents the results of a study that investigated the roles that religiosity and ones money ethic play in determining consumer attitudes/beliefs in various situations regarding questionable consumer practices. One dimension of religiosity – intrinsic religiousness – was studied. Four separate dimensions of a money ethic scale were initially examined, but only one was used in the final analyses. Results indicated that both intrinsic religiousness and one's money ethic were significant determinants of most types of consumer ethical beliefs.

Introduction

The 21st Century has already experienced a number of scandals involving money. Whether we include Enron, World Com, and Invesco or Ebberts, Stewart, and Grasso, the question of how important the role of money is in determining ethical/unethical decisions is a critical one. Tang et al. (2002) has concluded that indeed the love of money *is* the root of all evil. Nevertheless, understanding what money means to different people and how it influences their behavior has been only minimally researched, or has been, at best, part of a broader perspective, such as in motivation theories or pay research (Mitchell and Mickel, 1999). As a result, a greater understanding of the role of money and money ethics in ethical decision making is needed. This study investigates the role of money within the context of consumer ethical decision making. More specifically, it examines money ethics as a determinant of consumers' ethical beliefs in the U.S.

Additionally, religiosity, more specifically intrinsic religiousness, is examined as a co-determinant of consumer ethics based on the findings of a study by Vitell et al. (2005). Using a student sample, they found that intrinsic religiousness is a significant determinant of consumer ethical attitudes/beliefs in various situations regarding questionable consumer practices. However, this has not been examined using a more heterogeneous, adult population. Thus, the present study will investigate the role of religiosity or intrinsic religiousness as a determinant or antecedent to consumer ethics using an adult sample to validate previous findings using student samples. Concurrently, the role of money or money ethics as a determinant or

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antecedent of consumers' ethical beliefs will be examined, as this has not been previously reported in the literature.

Role of Money

There are many different perspectives in the literature on money, including those that include individual, social and cultural points of view (Mitchell and Mickel, 1999). Krueger (1986) states that money at the individual level is the most meaningful object in modern – contemporary life and only food and sex are close competitors for conjuring strong, diverse and significant feelings. Generally, the management literature concludes that at the individual level money appears to be related to important biographical, personality and attitudinal variables (Mitchell and Mickel, 1999, pp. 573–574). Consequently, Tang (1992, 1993, 1995) has developed a scale to measure the ethical meanings that people ascribe to money and has called it the money ethics scale (MES). Tang (2002) further reports that one's money ethic has a significant and direct impact on unethical behavior. Furthermore, he labeled the money ethic as the "love of money" and unethical behavior as "evil" stating that "the love of money is the root of all evil." Thus, one's money ethic is hypothesized to have a negative relationship with consumer ethical beliefs/attitudes and should significantly explain unethical beliefs.

Religiosity

McDaniel and Burnett (1990) have defined religiosity as a belief in God accompanied by a commitment to follow principles believed to be set by God. Magill (1992) stated that personal religiosity affords a background, against which the ethical nature of behavior is interpreted. Light et al. (1989) view religiosity as exercising control over beliefs and behaviors while Huffman (1988) states that a major theme in functionalist theory is that religiosity is a stronger determinant of our values than any other predictor. In addition, Weaver and Agle (2002) report that religiosity is known to have an influence both on human attitudes and behavior.

They further argue that behavior is influenced by religious self-identity which is formed by the internalization of role expectations offered by religion.

Allport (1950) perceived religious motivation as differentiated by intrinsic religiousness and extrinsic religiousness. The "extrinsically motivated person uses his religion whereas the intrinsically motivated lives his religion" (Allport and Ross, 1967: p.434). Donahue (1985) pointed out that intrinsic religiousness correlated more highly than extrinsic religiousness with religious commitment. More recently, Vitell et al. (2005) found that intrinsic religiousness was a determinant of consumer ethical beliefs, but extrinsic religiousness was not. Thus, intrinsic religiousness is hypothesized to yield a positive relationship with consumer ethical beliefs and should significantly explain them.

Consumer Ethics

Early models of marketing ethics (Ferrell and Gresham, 1985; Hunt and Vitell, 1986) focused on ethical practices within the areas of marketing research, marketing management, sales, advertising and social marketing. In the early 1990s, Vitell and Muncy noticed a lack of attention to the buyer side of the buyer/seller dyad and asserted that research on consumer ethics was almost nonexistent. They found only three significant studies that empirically examined consumer ethical judgments (Davis, 1979; De Paulo, 1987; Wilkes 1978). Furthermore, they found that these studies were limited to small samples, had a narrow scope and/or lacked emphasis on the attitudinal characteristics of the consumer. As a result they developed a scale to measure consumer ethics (Muncy and Vitell, 1992; Vitell and Muncy, 1992; Vitell et al., 1991).

They found that consumers react differently to different types of ethical issues/situations. Moreover, they discovered four distinct dimensions relating to the following issues/situations, specifically – (1) actively benefiting from illegal activities, (2) passively benefiting, (3) actively benefiting from deceptive, but legal practices, and (4) no harm activities. The first dimension (actively benefiting from illegal activities) represents those actions in which the consumer is actively involved in benefiting at the

expense of the seller. An example might be drinking a can of soda in a store without paying for it. The second dimension is comprised of situations where the consumer is the passive beneficiary of the seller's mistake such as when they receive too much change and do nothing. Many consumers are more likely to find the actions in this second dimension acceptable as compared to those in the first. The third dimension consists of actions in which the consumer actively engages in questionable practices that are not necessarily perceived as illegal. An example would be not telling the truth when negotiating the price of a new car. The final set of actions is those that are not perceived to cause direct harm to anyone. Typical examples here are installing software on your computer without having bought it or copying a CD/DVD from a friend rather than buying it. While some might certainly question the ethics of these practices, they are apparently perceived by many consumers as acceptable and as not causing any harm.

This scale has been utilized widely in subsequent research (e.g., Polonsky et al., 2001; Rawwas et al., 1994; Swaidan, 1999; Vitell et al., 1991), and is used in the present study to measure consumer ethical beliefs.

Hypotheses

Hunt and Vitell (1993) in their revised "general theory of marketing ethics" include religion as one of the personal characteristics that significantly influence ethical judgments and suggest that the strength of religious beliefs might result in differences in one's decision making processes. Utilizing a student sample, Vitell et al. (2005) found that intrinsic religiosity was a significant personal characteristic in explaining consumer ethical judgments. Therefore, it is reasonable to believe that adult consumers (non-students) with high intrinsic religiosity as defined by Allport (1950) and Donahue (1985) would also place a high degree of importance on religion, making these individuals ethically sensitive. The following hypothesis is, thus, proposed.

H1: Intrinsic religiousness (religiosity) is a positive determinant of all dimensions of consumer ethical beliefs.

H1a: Intrinsic religiousness is a positive determinant of consumer ethical beliefs regarding the active, illegal dimension.

H1b: Intrinsic religiousness is a positive determinant of consumer ethical beliefs regarding the passive dimension.

H1c: Intrinsic religiousness is a positive determinant of consumer ethical beliefs regarding the active, legal dimension.

H1d: Intrinsic religiousness is a positive determinant of consumer ethical beliefs regarding the no harm/no foul dimension.

Again, the revised "general theory of marketing ethics," by Hunt and Vitell (1993) asserts that a variety of personality characteristics, including values and attitudinal variables are determinants of ethical/unethical beliefs and might influence ethical judgments. In addition, Mitchell and Mickel (1999) state that money (the value of money and/or the love of money) appears to be related to important individual personality and attitudinal variables. More importantly, Tang et al. (2002) reported that one's money ethic has a significant and direct impact on unethical behavior. Therefore, it is reasonable to assume that people with a high money ethic (love of money) who place a high degree of importance on money would be less ethically sensitive than individuals with a low money ethic. Thus, the following hypothesis is proposed.

H2: Money ethic (love of money) is a negative determinant of all dimensions of consumer ethical beliefs.

H2a: Money ethic is a negative determinant of consumer ethical beliefs regarding the active, illegal dimension.

H2b: Money ethic is a negative determinant of consumer ethical beliefs regarding the passive dimension.

H2c: Money ethic is a negative determinant of consumer ethical beliefs regarding the active, legal dimension.

H2d: Money ethic is a negative determinant of consumer ethical beliefs regarding the no harm/no foul dimension.

Methodology

Sample

A questionnaire was mailed to a nationwide (U.S.) sample of 1000 adult consumers during the late summer and early fall of 2004. One hundred twenty-seven consumers responded to the questionnaire for a response rate of 12.7%. All returned questionnaires were usable. The sample was primarily male (73%) and well educated, with 75% having at least some college experience and 17.5% having a graduate degree. Over 56% had annual incomes below \$55,000 with the rest being above that level. Finally, almost one-half the sample (43%) were 45 years of age or younger.

Measures

The questionnaire consisted of four primary sections. The first section was the Muncy–Vitell (1992) consumers' ethical beliefs scale. The second section included an intrinsic religiousness (religiosity) scale. The third section was the Tang et al. (1992) money ethics scale (MES), while the fourth and last section contained various demographic measures.

The dependent construct in the analysis was consumers' ethical beliefs as measured by the Vitell–Muncy scale (1992). In total a 19-item scale was utilized. The respondents were asked to rate each behavior on a 5-point scale from – strongly believe that this is wrong (1) to strongly believe that this is *not* wrong (5). The reliabilities of the four dimensions of the consumer ethics scale were as follows: *active, illegal* activities (alpha = 0.811), *passive activities* (alpha = .830), *active legal* activities (alpha = 0.759) and *no harm/no foul* activities (alpha = 0.754). Examples of specific items used have been given earlier.

Extrinsic religiousness was measured using the intrinsic/extrinsic religious orientation scale adopted from Allport and Ross (1967) and a 5-point Likert type scale. Slight changes were made in the wording so that the scale would not appear to be measuring any specific religion, but rather a *general* religious orientation. For example, the wording “attending church” was changed to “attending religious services” As mentioned, this scale contains two dimensions, but only the intrinsic one was measured

in this study. The intrinsic dimension has eight items and is exemplified by items such as, “I try hard to live my life according to my religious beliefs.” This dimension exhibited a reliability of 0.831.

Money ethic was measured with a 5-point Likert type scale using the Tang et al. (2002) money scale (MES). This scale has four separate dimensions. The first is a five item dimension measuring money as being “important.” Typical items are “Money is valuable” and “Money is an important factor in the lives of all of us.” The reliability of this dimension was 0.853. The second dimension is a four item dimension measuring money as “success.” A typical item is “Money reflects my accomplishments.” The reliability of this dimension was 0.823. The third dimension is also a four item dimension measuring money as a “motivator” and is exemplified by items such as “Money reinforces me to work harder.” This dimension had a reliability of 0.893. Finally, the fourth dimension has four items such as “I want to be rich” and measures the extent to which the individual aspires to being “rich.” This dimension had a reliability of 0.880. According to Peterson (1994) and Nunnally (1978), the reliabilities for all of the dependent and independent constructs are more than adequate (alpha > 0.70).

The fourth dimension (“rich”) of the money ethics scale seems to best capture conceptually the essence of what we want to measure in the present study as it measures the desire for money for its own sake (i.e., love of money) rather than as a surrogate measure of success or motivation. In a sense it is a measure of the “greed” factor of money. Because of this, and because the correlations among the four dimensions of the money scale were all extremely high (0.448 and above) creating a significant multicollinearity problem, it was decided that only the “rich” dimension would be used in subsequent analyses.

Results

Multiple regression analysis was used to analyze the data and test the hypotheses with intrinsic religiosity and money ethic (rich) as independent variables and the four dimensions of the consumer ethics scale as dependent variables. Table I shows the correlation matrix for the independent and dependent variables. In order to examine the relationships between the

TABLE I
Correlation matrix: correlation table: 1-tailed significance

Construct	1	2	3	4	5	6
1. ACTIVE	0.811					
2. PASSIVE	0.540**	0.830				
3. LEGAL	0.604**	0.722**	0.759			
4. NO HARM	0.374**	0.518**	0.497**	0.754		
5. INTRINSIC	-0.232*	-0.446**	-0.488**	-0.187*	0.831	
6. RICH	0.218*	0.352**	0.358**	0.338**	-0.315**	0.880

* $p < 0.01$; ** $p < 0.05$.

Coefficient alphas appear on the diagonal ACTIVE = Active/Illegal, PASSIVE = Passive, LEGAL = Active/Legal, NO HARM = No Harm/No Foul, INTRINSIC = Intrinsic Religious Orientation, RICH = Money Means Being Rich.

independent variables and each of the four dependent variables, four separate multiple regressions analyses were run. Table II reports the results of these regression analyses.

Intrinsic Religious Orientation

Table II clearly illustrates that an *intrinsic* religious orientation significantly explained consumer's ethical beliefs for three of the four dimensions with the no harm/no foul dimension being the sole exception. Furthermore, the signs of the respective beta weights were all in the expected direction. The stronger a respondent's sense of intrinsic religiousness, the more likely they were to find these various "questionable" consumer activities as wrong. Thus, hypotheses 1a, 1b and 1c were supported. However, hypothesis 1d was not supported. Overall, for an adult population, an intrinsic religious orientation does appear to explain consumer ethical beliefs, as expected, with more religiously-oriented individuals being more likely to view questionable consumer behaviors as wrong.

Money Ethic – "Rich"

One's money ethic (rich) also significantly explained consumer's ethical beliefs for three of the four dimensions, but this time the exception was the active/illegal dimension of the consumer ethics scale. Again, the signs of the respective beta weights were in the expected directions. The more that a respon-

dent agreed that money meant "being rich," the more likely they were to find these "questionable" consumer activities as acceptable (or *not*wrong). Thus, hypotheses 2b, 2c and 2d were supported while hypothesis 2a was not. Overall, someone with a strong money ethic is more likely to view these questionable consumer behaviors as *not* being wrong.

Consumer Ethics Dimensions

All of the dimensions of the CES yielded significant models with the independent constructs as determinants. The four models had *R*-square values ranging from 0.071 for the active, illegal dimension to 0.251 for the passive-dimension with an *R*-square value of 0.290 for the active, legal dimension. The *R*-square value for the no harm dimension was 0.125.

Discussion

Hypothesis 1 was supported in all except one instance. That is, an intrinsic religious orientation appears to explain, in part, one's attitude toward questionable consumer practices with those having a stronger intrinsic religious orientation tending to be more likely to believe that the consumer activities presented were unethical. Only the no harm/no foul dimension failed to be significantly related to an intrinsic religious orientation. This may have been because respondents may not have perceived any of these items to be harmful to others. This would be consistent with previous research as the "no harm" label for this dimension indicates.

TABLE II
Regression analyses

Model	Standardized Beta	t-value	Significance
<i>(a) Dependent Variable: Active/Illegal Dimension</i>			
Constant		4.690	0.000
Intrinsic Religiosity	-0.186	-1.922	0.057
Rich	0.141	1.449	0.150
$R^2 = 0.071$	$F\text{-value}=4.140$		
Adjusted $R^2 = 0.054$	Significance=0.018		
<i>(b) Dependent Variable: Passive Dimension</i>			
Constant		5.773	0.000
Intrinsic Religiosity	-0.358	-4.177	0.000
Rich	0.256	2.985	0.003
$R^2 = 0.251$	$F\text{-value} = 18.982$		
Adjusted $R^2 = 0.238$	Significance = 0.000		
<i>(c) Dependent Variable: Active/Legal Dimension</i>			
Constant		6.846	0.000
Intrinsic Religiosity	-0.419	-4.952	0.000
Rich	0.231	2.728	0.007
$R^2 = 0.290$	$F\text{-value} = 22.421$		
Adjusted $R^2=0.277$	Significance = 0.000		
<i>(d) Dependent Variable: No Harm/No Foul Dimension</i>			
Constant		5.750	0.000
Intrinsic Religiosity	-0.109	-1.155	0.251
Rich	0.304	3.223	0.002
$R^2 = 0.125$	$F\text{-value} = 7.805$		
Adjusted $R^2=0.109$	Significance = 0.001		

Hypothesis 2 was also supported in all except one instance. In this case, the active/illegal dimension was not significantly determined by one's money ethic. Thus, one's money ethic (rich) does seem to impact one's views as to the ethicalness of various consumer practices. This might be explained by the fact that these activities are so extreme that they are likely to be perceived as wrong by almost everyone, regardless of one's "love of money."

As with any study, some limitations exist. First, only a small percentage of the variance was explained for each of the consumer ethics dimensions. There are clearly other variables that were not included in this study which may account for the rest of this variance. Furthermore, the sample, while national in scope, was relatively small.

In summary, the area of consumer ethics, religiosity and how one views money requires further empirical study to validate existing models that appear to capture the theoretical constructs underlying ethical/unethi-

cal behavior. For example, it might be interesting to compare males and females as to the importance of religiousness and their view of money when making consumer decisions involving an ethical component. Other demographic comparisons, based on education level or income, might also prove worthwhile.

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