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A Study on Moral Reasoning among Managers of the State-owned Companies in Algeria

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Abstract
The purpose of this study was to assess the general level of moral reasoning of a sample of the state-owned companies’ managers in Algeria. The study used descriptive analysis methods to interpret the data. The researcher applied convenience sampling technique to collect the relevant data. This study was conducted in the South-eastern province of Wargla. There were 66 participants; 64 males and two females (33% response rate). In collecting research data, the short form of the DIT-2, the defining issues test questionnaire was used. The short form of the DIT-2 in this study contains three scenarios: “Famine,” “Reporter,” and “Cancer.” DIT-2 questionnaires have been scored by the center for ethical development, University of Alabama. The findings showed that the respondents operated predominantly at Maintaining Norms stage of moral reasoning. These results implied that Maintaining Norms is the most common and dominant pattern of moral thinking among managers of the Algerian state-owned companies. The results of this study also showed that managers do not have a high score of moral reasoning as indicated by the poor N2 scores.

Keywords: Managers, Moral Reasoning, DIT-2, Algeria, State-owned Companies.

Introduction
In the light of the world political, environmental, and socio-economic challenges, public sector leaders need to equip their institutions for positive moral transitions and solid ethical reasoning in order to eliminate moral lapses and dilemmas (Felix, Ahmad, & Arshad, 2016). For decades, ethicists and philosophers (Day, 2005; Kidder, 1995; J. R. Rest, 1994) constructed several theories, morality paradigms, and critical thinking models to illustrate moral reasoning, values, and decision-making that may simplify moral reasoning processes. Among these paradigms and theories: Kantian ethics, Utilitarian ethics, the Golden Rule, the Ten Commandments, legal codes (Wallach, Allen, & Smit, 2008), Kohlberg’s cognitive moral development (Kohlberg, 1976) and the Neo-Kohlbergian (James Rest, Narvaez, Bebeau, & Thoma, 1999).
Morals are social norms and rules designed to guide the behavior of individuals in a society (Gyekye, 1996). In cognitive developmental psychology, there has been a long trend of studies on the manner of how people reason through moral dilemmas. Lawrence Kohlberg (1976), stated that ethical dilemmas implicate situations in which there is a conflict of interests or perspectives. Kohlberg’s research analyses the principles of fairness or justice that people hold when resolving ethical problems (Dukerich, Nichols, Elm, & Vollrath, 1990). According to developmental psychologists (e.g., Kohlberg, 1969; Piaget, 1965; Smetana & Gaines, 1999; Turiel, 1983), notions such as justice, fairness, and welfare are the elements of morality (Woods & Jagers, 2003). Moral reasoning and critical thinking indicate the ability to recognize and integrate different perspectives when identifying and analyzing moral issues (McLeod-Sordjan, 2014). Cognitive moral development theory is a framework that explains the constructs of reasoning that people use when pondering through ethical issues and solving moral dilemmas (Jordan, Brown, Treviño, & Finkelstein, 2013).

The moral reasoning construct was founded in the 1950s and 1960s by Kohlberg, firstly in the United States and then proliferated largely across many different cultures. Kohlberg explained through various empirical studies that moral or ethical reasoning could be defined as a hierarchy of reasoning patterns from the less to the more ethically developed systems of cognition (Stewart, Sprinthall, & Kem, 2002). Cognitive moral development theory holds that moral reasoning develops through three levels, the first level is the pre-conventional, the second level is the conventional, and lastly the post-conventional level. The vast majority of adult people reason at the second level. However, some adults never progress beyond the first level (Jordan et al., 2013). Moreover, Kohlberg’s theory uses autonomy as a critical feature in decision-making. A person at the pre-conventional stages reasons about action based on obedience or defiant behaviors influenced by authority, and the threat of punishment or promise of reward. Nevertheless, an individual at the conventional stages weighs morality based on the acceptance and conformity with the standards and norms of society. The post-conventional stages which are the most advanced stage of morality, the moral individual at this stages go about morality by appreciating universal principles of justice, equality, civil liberty, respect, and dignity of human life (McLeod-Sordjan, 2014).
Further extending Kohlberg’s model, Rest (1986) expanded and adapted Kohlberg’s theory of cognitive moral development. He argued that the stage construct of cognitive moral development was too simplistic. Rest (1979) proposed that people moral development may progress between stages at different points in time rather than progressing in step by step way. Like Kohlberg’s theory, Rest suggested a six stages model of moral reasoning. Nonetheless, Rest also constructed a model for determining morality which is known as The Four Component Model of Morality (1984). This model comprises moral sensitivity, moral judgment, moral motivation, and moral character. According to Rest, all these four processes need to occur in order for someone to act morally (Jose, 2013; Weber, 2016).

A considerable number of studies investigated individuals’ moral reasoning targeting different populations such as chief executive officers (Weber, 2010), managers (Forte, 2004; Sosik, Juzbasich, & Chun, 2011; Weber & Wasieleski, 2001), accounting professionals (Abdolmohammadi & Baker, 2006; Conroy, Emerson, & Pons, 2010), entrepreneurs (Teal & Carroll, 1999), and cross-cultural managerial groups, such as individuals in India (Monga, 2007), and China (Ford, LaTour, Vitell, & French, 1997), Canada (Ge & Thomas, 2008). Also, business school students were subjects in research investigations of moral reasoning focusing on marketing (Herington & Weaven, 2007), information technology (Roberts & Wasieleski, 2012), and accounting (Fleming, Lightner, & Romanus, 2009). In most instances, results of these studies indicated that individuals mostly using a conventional level of moral reasoning (Forte, 2004; Sosik et al., 2011), and this moral reasoning is often moderately correlated to moral behavior (Abdolmohammadi & Baker, 2006; Ashkanasy, Windsor, & Treviño, 2006; Blasi, 1980). In general, moral reasoning is perceived as an essential part in the cognitive process which may affect ethical behavior and decisions (Lan, Gowing, McMahon, Rieger, & King, 2008; Valentine & Bateman, 2011) (Weber, 2016).

In addition, moral reasoning is believed to be the analytical ability of someone to model socio-moral problems utilizing his own values and standards in order to decide the suitable course of action (James Rest et al., 1999). In recent years, moral reasoning has accumulated

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**Figure 1. Kohlberg’s Cognitive Moral Development Theory**

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interest among researchers and scholars due to the renewed focus on ethical leadership (Sivanathan & Cynthia Fekken, 2002). Moreover, there is a well-established acceptance among scholars that moral reasoning is related to ethical behavior (Lan et al., 2008; Valentine & Bateman, 2011). Years of research has shed lights on the etiology of moral reasoning and has offered convincing proofs of its predictive power and real-world relevance (Mudrack & Mason, 2016). Additionally, defects in moral reasoning can lead to serious consequences on the moral behavior of government sector (Rizzo & Swisher, 2004). Furthermore, many studies claim that context affects moral reasoning and ethical judgment within individuals (Weber & Wasielieski, 2001). This is due to the fact that the moral conduct arises in a societal context, it is identified by the situation and affected by others (Eisenbeiß & Giessner, 2012; Thoms, 2008). Also, ethics differ from organizational context to another based on the particular ethical values and issues within the organization (Askew, Beisler, & Keel, 2015). Generally speaking, in understanding moral reasoning, it is the rationale behind the decision that is relevant rather than the decision itself. In other words, why the decision was made is more relevant than what decision was made (Mudrack & Mason, 2016). Hence, understanding and examining the general level of moral reasoning of managers or leaders in the context of Algerian will be important for future empirical research. The focus of this study is to provide empirical evidence on the level of moral reasoning of managers within the Algerian state-owned companies. The main reason why we feel the need to explore this issue is the dearth of empirical investigation about moral reasoning and managers’ moral development in this particular context. A thorough search in the previous literature on the subject matter almost did not show any empirical or contextual studies on moral reasoning of managers of the Algerian state-owned companies. This study is an important endeavor as it promises a deeper understanding of managers’ moral reasoning which could encourage efforts to promote management and leadership moral growth when addressing workplace ethical problems. The guiding question of this study was: What is the general level of moral reasoning among managers of the Algerian state-owned companies?

**Method**

**Procedure and Instrument**

The study was designed to collect data in two phases. From May 2017 through September 2017 and from January 2018 through March 2018 at different areas in the South-eastern province of Wargla, Algeria. Two versions (Arabic and French) of the short form of the DIT-2, the defining issues test which contains three dilemmas: “Famine,” “Reporter,” and “Cancer,” was distributed to the informants of this research. According to the Center for the Study of Ethical Development, the Defining Issues Test-2 takes about 40-45 minutes. However, researchers can use the short form of the DIT2, either version 1 or 2, these short forms use only three of the five scenarios, and thus minimizes the time for completing the questionnaire to about 35-40 minutes. In order to reduce the effect on the reliability and validity of the questionnaire; the Center for the Study of Ethical Development suggests a combination of stories. The recommended combination for the DIT-2 short form is to use stories One, Two and Four as was mentioned previously (Development, 2017). Hence, this study applied the recommended combination of the short form of the DIT-2 for the purpose of accurately answering the research question and generating the required data. In each of the selected dilemmas, participants responded to three groups of questions. In the first epitome the participants were required to decide if the protagonist in the dilemma 1)
should take action or 2) can’t decide and 3) should not take action. The second group of questions includes 12 issues related to the dilemma and are required to rate it in terms of importance from great importance to no importance in the scale of five. Finally, participants are asked to rank what they believe as the four most important issues in the previous set of question.

The research process involved voluntary participation of managers of the state-owned company Sonatrach. The permission to distribute research materials to those who fit in the study was obtained from each branch or division of the company where permission was required. Most of the questionnaires were distributed in the South-eastern province of Wargla, especially in the area of Hassi Messoud where Sonatrach has different branches and divisions operating in various types of business and oil industry.

During the period of data collection, a total number of 200 questionnaires were distributed in different sites. Each manager received a letter of consent which contained the purpose of the study and that the survey was exclusively for research purposes, instructions booklet, the questionnaire (DIT-2) and a pencil with eraser and sharpener. The researcher was responsible for distributing and dispatching the questionnaires to each participant. Moreover, the researcher gave proper time to participants to complete and return the questionnaires per convenience. Also, subjects were informed that all information provided would be confidential. Out of the 200 distributed questionnaires, 74 responses were received. However, only 66 questionnaires were valid (33% response rate) for scoring by the Center for the Study of Ethical Development, University of Alabama.

Participants
The targeted population in this research was the managers of the state-owned companies in Algeria. However, this study chose the state-owned company Sonatrach as a case study due to its critical role in the Algerian economy. Consequently, the top and middle managers presently employed in the state-owned company Sonatrach were the targeted population. The participants were selected using convenience sampling technique from the top and middle management of the state-owned company. By the end of the data collection phase, a total number of 74 Algerian managers filled out the short form of the DIT-2. However, eight forms were disapproved due to excessive contradictions and/or a large number of worthless answers. This caused a loss of 10% which is within the accepted average norms (J Rest, 1993). 66 subjects were used in the final analysis; 64 males and two females.

Results and Discussion
In this study, the primary demographic features that coincided with the research question of this research included: Age, Gender, and educational level. The location of the study took place in the province of Wargla. Of the 66 returned and completed DIT-2 questionnaires, 96.9% were males, and 3.1% females and the age of respondents ranged from 25 years old to 53 years old. Seventy-five percent of the respondents held a bachelor degree or higher. As illustrated in Table 1, the mean age for respondents is 33.5 years old, and the mean for the educational level was 8.5 which represents bachelor degree.
Table 1. Demographics and Descriptive Statistics of Respondents

<table>
<thead>
<tr>
<th>ID</th>
<th>Age</th>
<th>Sex</th>
<th>Educational Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>33.5</td>
<td>1.0</td>
<td>8.5</td>
</tr>
<tr>
<td>Std Deviation</td>
<td>6.4</td>
<td>.2</td>
<td>2.9</td>
</tr>
</tbody>
</table>

The findings concerning the question of this study “What is the general level of moral reasoning among managers of the state-owned companies in Algeria?” are presented below in table 2. As can be shown in the table, the mean of stage 4 “Maintaining norms” of moral reasoning (43.20) is the highest score obtained by the participants as a whole followed by the stage 2/3 “Personal Interest” which reached (27.46); for the P-score (Post-conventional stage) of the whole participants it was (19.92). These different stages of the level of moral reasoning presented in table 2 indicate that the managers of state-owned companies are primarily in stage 4 (Maintaining Norms stage) and that is the common and dominant pattern of moral thinking among managers. According to the center for the study of ethical development, “Maintaining Norms Schema Score represents the proportion of items selected that appeal to stage 4 considerations. Stage 4 considerations focus on maintaining the existing legal system, maintaining existing roles and formal organizational structure” (Bebeau & Thoma, 2003). Table 2 displays the means and standard deviations of the investigated variables.

Table 2. Various Stages of Moral Reasoning

<table>
<thead>
<tr>
<th>Score</th>
<th>Personal Interest (Stage 2/3)</th>
<th>Maintain Norms (Stage 4)</th>
<th>Post Conventional (P Score)</th>
<th>N2 Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>27.46</td>
<td>43.20</td>
<td>19.92</td>
<td>24.74</td>
</tr>
<tr>
<td>Std Deviation</td>
<td>16.61</td>
<td>15.68</td>
<td>12.49</td>
<td>12.99</td>
</tr>
<tr>
<td>N</td>
<td>66</td>
<td>66</td>
<td>66</td>
<td>66</td>
</tr>
</tbody>
</table>

In table 3, Utilizer Score, the “U score” represents the degree of match between items endorsed as most important and the action choice on that story. A high U score represents consistency between item endorsement and action choice; a low score represents poor lack of consistency (Bebeau & Thoma, 2003).

Number of “can’t decide choices,” this variable (sometimes referred as NUMCD) was created to represent the decisiveness with which an individual selects action choices on the DIT. For each of the 5 on the DIT2 stories (6 on DIT1), participants are asked to choose whether the protagonist should or should not act in a particular way (e.g., should or should not take the food in the Famine dilemma). Respondents may also select the “can’t decide” option. Computation of this variable is based on the number of times the respondent selects the “can’t decide” option. Scores range from 0-5 on the DIT2 (Thoma and Rest, 1999) (Bebeau & Thoma, 2003).

Humanitarian/Liberalism, this variable (sometimes referred to as HUMLIB) is a proxy for humanitarian liberal perspective on moral issues. A respondent’s score can range from 0 (no matches) to five (all matches). This variable measures to what extent individuals are similar to...
professionals in political science and philosophy who obtain highest P scores (Bebeau & Thoma, 2003).

Religious orthodoxy (proxy measure), this variable, (sometimes referred to as CANCER10 on the DIT2) represents the sum of the rates and ranks for item 9 in the doctor’s dilemma. This dilemma asks whether or not to provide a drug to a dying woman that will hasten her death. Item 9 evokes the notion that only God can determine whether or not someone should live or die. Researchers found that the ratings and ranking of this single item correlated very strongly with summary scores on religious orthodoxy measures like the Brown and Lowe Inventory of Religious Beliefs (Bebeau & Thoma, 2003).

<table>
<thead>
<tr>
<th>Score</th>
<th>Utilizer Score</th>
<th>Humanitarian Liberalism</th>
<th>Number of cannot Decide choices</th>
<th>Religious Orthodoxy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>.20</td>
<td>.85</td>
<td>.62</td>
<td>6.50</td>
</tr>
<tr>
<td>Std Deviation</td>
<td>.17</td>
<td>.85</td>
<td>.86</td>
<td>2.38</td>
</tr>
<tr>
<td>N</td>
<td>66</td>
<td>66</td>
<td>66</td>
<td>66</td>
</tr>
</tbody>
</table>

Table 4 presents Type Indicator, depending on schema preference and whether the profile is consolidated or transitional, it is possible to envision seven different types.
- Type 1 refers to profiles that are predominant in personal interests schema and consolidated;
- Type 2 refers to profiles that are predominant in personal interests schema, but are transitional;
- Type 3 refers to profiles that are predominant in maintaining norms schema, but are transitional;
- Type 4 refers to profiles that are predominant in maintaining norms schema and consolidated;
- Type 5 refers to profiles that are predominant in maintaining norms schema and transactional;
- Type 6 refers to profiles that are predominant in post-conventional schema, but transactional;
- Type 7 refers to profiles that are predominant in post-conventional schema and consolidated.

As development progresses across the life span, one might expect a person to move from consolidated profiles to transitional profiles with corresponding shifts in schema preferences (Bebeau & Thoma, 2003).

Table 4. Developmental Profile

<table>
<thead>
<tr>
<th>Type Indicator</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1</td>
<td>0</td>
</tr>
<tr>
<td>Type 2</td>
<td>18</td>
</tr>
<tr>
<td>Type 3</td>
<td>17</td>
</tr>
<tr>
<td>Type 4</td>
<td>21</td>
</tr>
<tr>
<td>Type 5</td>
<td>6</td>
</tr>
<tr>
<td>Type 6</td>
<td>2</td>
</tr>
<tr>
<td>Type 7</td>
<td>2</td>
</tr>
</tbody>
</table>
The findings of this study indicated that the moral reasoning level of the majority of state-owned companies managers is predominately in the Maintaining Norms stage (stage 4). The results of the study also show that respondents have poor N2 score which indicates that they do not obtain a high level of moral thinking like professionals in political science and philosophy. Moreover, the humanitarian liberal perspective on moral issues demonstrated by managers is also very low. This implies that the respondents do not have a universal approach in dealing with moral dilemmas. When it comes to religious orthodoxy, the respondents showed high score (6.50). Furthermore, most of the respondents fall in Type 4 (N = 21) which means that they are predominant in maintaining norms schema and consolidated; then followed by Type 2 (N = 18) which implies that they are predominant in personal interests schema, but are transitional; and lastly Type 3 (N = 17) which means that they are predominant in maintaining norms schema, but are transitional.

Conclusion

The key purpose of this empirical study was simply to assess the general level of moral reasoning scores of a sample of Algerian state-owned companies’ managers. The study reports remarkably low scores for the general level of moral reasoning in a sample (N = 66) of managers in an Algerian state-owned company in one South-eastern province. The scores of moral reasoning in this study were based on a well-founded and easily administrated questionnaire of moral development: the DIT-2. The results of this investigation show that most of the respondents reason at the second level of moral development stages. According to cognitive moral development theory, individuals at the conventional level of moral reasoning weight morality based on the acceptance and conformity with the standards and norms of society.

To the best of our knowledge, no other empirical research has been done on the moral reasoning of managers in the Algerian state-owned companies. Due to the critical role of managers in state-owned companies for the economy of the country and the prosperity of companies and all stakeholders, these findings are important for managers and policy-makers at all levels. Likewise, these findings provide vital evidence which will help in understanding the ethical accounts and moral thinking of managers within the sector of state-owned companies in Algeria. Furthermore, despite the substantial amount of empirical research which has been initiated since decades ago, we know very little on the subject matter in the context of the Algerian state-owned companies and public sector. Thus, progress need to be made toward building a body of research about moral development and ethics in governmental sectors in Algeria. One of the limitations of this study is the relatively small sample size, some might doubt the reliability of these findings and argue that it is insignificant. However, the researchers see these findings as a significant opportunity to enhance the ethical performance of managers in the Algerian context. A natural progression of this work would be to analyze a larger sample size in different public companies across various types of sectors in the country. Further research is required to fully understand the implications of managers and leaders moral thinking. Also, the current study used the short version of the DIT-2 questionnaire; future investigations should attempt to use the full version which includes five scenarios instead of three in order to achieve better data reliability.
References


