

ABSTRACT

THE ETHICAL STANDARDS OF BUSINESS STUDENTS, PROFESSORS AND BUSINESS PEOPLE

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INTRODUCTION

In recent months ethics and changing ethical standards have become front page news. Many people feel that the moral values and ethical standards in this country are deteriorating in correlation with the decay of cultural and social institutions.

The purpose of this study was to examine the changing moral and ethical standards of business people. The paper draws on an earlier study such that we can make comparisons of businessmen of today with a very similar group of businessmen who were tested 25 years ago. In addition we have data on MBA students - the business people of the future. In a sense we are making comparisons of past businessmen, present businessmen and potentially future business persons. Also, we have tested a group of professors in business schools for one further analysis.

The question we ask is whether or not ethical values have changed over the last generation among American businessmen and are they different from the breed of future business persons (MBA students) or their teachers (management professors).

METHODOLOGY

A quarter century ago, Father John Clark developed a measuring instrument that purported to capture the ethical standards or ideals of business people (1965, 1966) - standards or values rather than conduct.

The Personal Ethics Sub-Scale (PES) represents the ideal that ethical responsibilities are co-extensive with the "rules of the game" of competition. A person scoring high has a firm commitment to personal integrity and honesty within the law at the cost of personal gain. Beyond that the business of business is to be profitable.

The Social Responsibility Scale (SRS) measures the degree to which an individual considers himself ethically responsible for the social effects of business decisions: the effect of decisions on the welfare of others - beyond the interest of the stockholder.

The final Clark sample consisted for 103 business executives in the UCLA executive training program in 1964. Our business person sample consisted of 76 executives in the same classroom in the same program at UCLA 25 years later. All conditions were duplicated as closely as possible. The student sample consisted of 51 first year MBA students and the faculty sample was 44 members of the UCLA business school.

RESULTS

Based on the prevalent folklore, we had expected that the business persons of today would score lower on the scales than their counterparts from a generation ago. In the belief that the college years are the most idealistic we expected that our student sample would show a much higher level of ideals than business people of the present or the past. From the protected elite of society - university professors - we expected the highest ideals.

The PES Scale fits the Henry Ford maxim that, "The worst sin I can commit as a business man is to fail to seek maximum long-term profitability by all decent and lawful means." The results for the four groups are:

	Mean PES Score
1964 Executives	43.3
1987 Executives	46.4
MBA Students	46.1
Management Faculty	45.9

The groups did not significantly differ from each other (Chi Square = 12.03, 6df, $p=.06$). The lack of a significant difference is indeed interesting. So-called idealistic students were no different than 1987 businessmen or faculty. In fact university faculty scored lower (in the "less ethical" direction) than 1987 business persons.

The SRS Scale is a measure of one's ethical responsibility for the social order, the sacrifice of personal gain for social goals. Once again the four groups were not significantly different from each other ($p > .05$). The results are as follows.

	Mean SRS Score
1964 Executives	21.1
1987 Executives	19.5
MBA Students	19.7
Management Faculty	19.0

In general, our subjects seem noticeably less willing to accept the values of social responsibility scale than those of the (personal) business ethics scale. These, among other results, are presented in the complete paper. We were amazed by the stability of the findings across years and across groups. Ethical standards and norms are indeed stable values that do not seem to change much over time or over groups, at least not in this study.