

ATTITUDES TOWARDS BUSINESS ETHICS: A CROSS-CULTURAL COMPARISON OF STUDENTS FROM OMAN AND INDIA

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Abstract

Although cross-cultural business ethics studies are considerable, few have involved Middle-eastern and Asian subcontinent countries. Among such countries, Oman has been heavily dependent on expatriate workers to supplant its citizen workforce since the discovery, commercial development and export of oil in the 1960s, and in which Indian expatriates are predominant. Recognizing the eventual decline of oil resources, the Omani government initiated a long-term economic privatization and diversification plan in 1996 that will continue to depend on expatriates in the workforce, including an increased presence of female managers.

Extant literature suggests business students to be future business executives and managers, e.g. Peterson, Rhoads and Vaught (2001), Stevenson and Bodkin (1998), Preble and Reichel (1988), among them those who will be of the marketing profession. Given this belief and Oman's dependence on Indian expatriates, this non-probability gender-based cross-cultural study is the first to investigate ethical decision-making attitudes of business students from Oman and India. While gender-based studies dominate business ethics research, often characterized by conflicting findings, most are based on ethical issue scenarios and behaviors, which respondents agree or disagree to be ethical. This study employs the Attitudes Toward Business Ethics Questionnaire (ATBEQ) involving 378 students of which 173 from India and 205 from Oman, and 153 female and 225 male. Although the study found significant differences in attitudes of students from India and Oman toward business ethics, they were not found based on gender.

Introduction

The subject of business ethics, and marketing ethics, has gained increasing importance as managers and employees have faced numerous ethical dilemmas in their jobs in an increasingly complex and globalized business world, wherein cultural values, economic background and ethnicity can vary significantly across national boundaries (Roxas and Stoneback, 2004).

Hofstede (2001) defines culture as "The collective programming of the mind that distinguishes

the members of one group or category of people from another....a system of collectively held values.,” and which Christie, Kwan, Stoerberl, and Baumhart (2003) found a strong influence on individuals’ ethical attitudes. Singhapakdi, Vitell, and Leelakulhanit (1994) and Singhapakdi and Vitell (1999) consider culture “one of the most important factors affecting ethical decision-making.” Mosley, Peitri and Megginson (1996) define ethics as “standards used to judge the rightness or wrongness of a person’s relations to others in terms of truth and justice.” In a business context, ethics deal with values that shape decisions, including issues of social responsibility.

Management attitudes about ethics, including marketing, and resultant behaviors can have critical consequences for both companies and society as a whole (Amine, Chakor, and Alaoui, 2012; Boddy, 2012; Lin, 1999). Studies have shown business executives rank lowest among professional groups in their attitudes about ethical behavior (Stevens, Harris, and Williamson, 1994), illustrated by recurrent scandals involving Enron, Xerox and WorldCom, and among global finance industry firms that have impacted the ongoing global recession.

Notwithstanding such highly publicized business ethical lapses and scandals, many of which were marketing focused, research has indicated that practicing managers consider ethics related behaviors important to their jobs (Herndon, 1996). Considerable attention has been focused on managerial and employee ethical beliefs and behavior, including gender-based ethical attitudes studies, e.g., Ford and Richardson (1994), Ruegger and King (1992), and Serwinek (1992). Some have theorized that “men and women make moral judgments in distinct ways,” e.g. Conroy and Emerson (2004) supporting anecdotal reports that “whistle blowers” at Enron and WorldCom were women; others have similarly hypothesized female managers to be less likely to engage in unethical business practices than men (Kidwell, Stevens, and Bethke, 1987; Ekin and Tezölmez, 1999). Such research has extended to business students of both genders, based on the belief that they may serve as a precursor to future ethical business decision-making (Christie et al, 2003). However conflicting results of studies of students have also perpetuated the debate about future decision-making impact of women occupying senior or managerial positions.

The inexorable growth of globalization and presence of foreign worker/managers resulting from cross-border business activities (Phau and Kae, 2007) render essential an understanding of acceptable ethical business practices generally and as practiced across national/cultural boundaries (Ahmed, Chung, and Eichenseher, 2003). The challenge to understanding ethical

Table 1: Indian Expatriate Employment in Oman

Age Group	Male	Female	Total
0-14	19,782	18,403	38,185
15 to 19	2,936	2,390	5,326
20 to 29	124,056	14,115	138,171
30 to 39	129,861	27,199	157,060
40 to 49	71,545	14,476	86,021
50 to 59	29,755	4,962	34,717
60 to 69	3,722	1,271	4,993
70 to 79	468	398	866
80 to 89	149	116	265
90+	41	15	56
Total	382,315	83,345	465,660

Source: Oman Ministry of Economy, 2010 census

business behavior in an international context is the presence of varying cultural influences of such expatriate executives and managers, with potentially differing attitudes about ethics and what constitutes ethical behavior. The dramatic late-20th century emergence of female business executives and managers globally in both developed and developing countries has also significantly altered the business norm of senior executive and managerial positions being the domain of men. These issues provide further impetus for international gender-based ethical attitudes studies.

The relationship between India and Oman represents a meaningful case study due to the presence of more than 400,000 Indian expatriates in Oman (Table I), that provides the foundation for this cross-cultural gender-focused Attitudes Toward Business Ethics Questionnaire (ATBEQ) study to examine business-ethics decision-making attitudes among student groups. The study further contributes to the business ethics body of literature, as student perceptions of ethical standards and behavior in the Middle East and Indian subcontinent have heretofore received scant attention in extant literature. The central research question to be addressed: Do cultural differences in Oman and India suggest future ethical decision-making challenges to Omani businesses?

Relevant Business Ethics Literature

Gender and Ethical Attitudes: Do Differences Exist?

There are conflicting viewpoints about ethical decision-making differences between men and women. Amongst fourteen studies, Ford and Richardson (1994) found seven professing no

differences (Hegarty and Sims, 1979; Browning and Zabriskie, 1983; Callan, 1992; Dubinsky and Levy, 1985; McNichols and Zimmerer, 1985; Serwinek, 1992). However an equal number (Beltramini, Peterson, Kozmetsky, 1984; Chonko and Hunt, 1985; Kidwell et al, 1987; Ferrell and Skinner, 1988; Jones and Gauschi, 1988; Ruegeer and King, 1992; Whipple and Swords, 1992) concluded otherwise, indicating female respondents as likely to act more ethically than male respondents.

Other studies of students and business practitioners also concluded women less likely to make unethical decisions than men (Roxas and Stoneback, 2004; Beu, Buckley, and Harvey, 2003; Deshpande, Joseph and Maximov, 2000; Luthar, DiBattista and Gauschi, 1997; Lane, 1995; Betz, O'Connell, and Shepard, (1989); Glover, Bumpus, Sharp and Munchus, (2002)) concluded women to make more ethical decisions. By contrast, Lund (2007) found few, if any, empirical studies concluding that men evidenced higher standards of ethical behavior than women, although Robertson, McNeill, Green and Roberts (2012) found that most student respondents in a study of illegal music downloading were women (74.5%).

A meta-analysis of 66 research studies involving more than 20,000 respondents indicated women to be more likely than men to perceive business practices as unethical (Franke, Crown and Spake, 1997), although cautioning against concluding women more ethical than men. Beu et al (2003), Mason and Mudrack (1996) and Smith and Oakley (1997) found women significantly more likely than men to view certain acts as unethical, while McDaniel, Schoeps and Lincourt (2001), Arlow (1991), Peterson, Albaum, Merunka, Munuera and Smith (2001), and Poorsoltan Amin and Tootoonchi (1991) also asserted that women have higher expectations about ethics than men.

Culture and Business Ethics

Aside the debate about potential for gender-based differences, business ethical decision-making is inherently complex, and cross-cultural studies exceptionally challenging, as attitudes toward business ethics can vary greatly within one culture (Sims and Gegez, 2004), and are found to vary widely between cultures and countries (Doerr and Sheaffer, 2012). Many differences in moral practices from culture to culture are believed to result from differing circumstances, not differing moral principles (Preble and Reichel, 1988). Ethical standards may be situational in terms of the ethical dilemma, alternative ethical actions. Kahn's research (1990) offered support for this viewpoint, observing that the dynamics of ethical dilemmas should also be considered in the context of social systems in which they arise. Lin (1999) also

suggested the importance of taking cultural factors into account when selecting study methodologies.

Cross-Cultural Studies of Ethical Attitudes

Lin (1999) identified few extant cross-cultural studies of business ethics attitudes and Ahmed et al (2003) also considered integrated comparative studies lacking to explore how respondents of different cultures compare in their ethical perceptions and reactions to rules and expectations. However, the authors of this study discovered 29 studies cross-cultural studies employing scenario and ATBEQ methodologies since 1988, e.g. United States and Israel (Preble and Reichel, 1988), United States, Israel, Australia and South Africa (Sims and Gegez, 2004), China and Canada (Dunn and Shome, 2009), Australia, U. S., Israel, Taiwan (Lin, 1999), United States, Denmark, New Zealand (Lysonski and Gaidis, 1991), China and United States (Tata 2005), United States and United Kingdom (Whipple and Swords, 1992), India and the United States (Kracher, Chatterjee, Lundquist 2002), Australia, Singapore and Hong Kong (Phau and Kea, 2007). Nonetheless only twelve of the inclusive studies addressed possible gender differences in perceptions of business ethical decision-making, and only eight employed the ATBEQ methodology upon which this study is based: Preble and Reichel (1988), Small (1992), Moore and Radloff (1996), Phau and Kea (2007), Sims and Gegez (2004), Sims (2006), Phau and Kea (2007), and Bageac, Furrer, and Reynaud (2011).

Studies of Student and Business Practitioner Ethical Perceptions/Attitudes

University business students have been portrayed as “prospective managers” (Preble and Reichel, 1988), “tomorrow’s business professionals” (Stevenson and Bodkin, 1998), or “future business executives” (Peterson et al 2010), on which basis many student-based studies have been developed. Christie et al (2003), Abdolmohammadi, Gabhart and Francis (1997) and Beltramini et al (1984) criticized a lack of research focused on ethical perceptions and attitudes of business students, however the authors discovered more than 53 of 87 single country or cross-cultural (international) gender-difference related empirical studies (1989-2011) to have involved business students. Among such studies, Sierles, Nelson, and Gibbon (1980) concluded college cheating to be a predictor of unethical behavior in subsequent professional settings, deducing that a majority of students are prepared to act unethically to gain competitive or personal advantage (Ameen, Guffey, and McMillan, 1996). Grimes (2004) also found cheating commonplace in the United States as well as transitional economies, which students predominantly viewed as socially acceptable and not unethical (Callahon, 2004), while Kohut

and Corriher (1994), Jones and Gautschi (1988) found female MBA students less tolerant of questionable business practices than male students. Although those students viewed business dishonesty more severely than academic dishonesty, Wood et al (1998) also found students to be significantly more willing to act dishonestly in eight of seventeen scenarios than professional counterparts. Lysonski and Gaidis (1991) had concluded students to be more ethically sensitive than managers, while McCabe, Dukerich and Dutton (1993) found that MBA students in the United States and Asia made large numbers of unethical decisions, and Hollon and Ulrich (1979) perceived students to have lower personal ethics than executives.

Methodology/Research Design

This cross-cultural study is the first to employ the Attitudes Toward Business Ethics Questionnaire (ATBEQ) (appendix 1) to investigate ethical decision-making attitudes of business students, based on extant research suggesting business students to be precursors of future executive/manager ethical attitudes and behaviors (Peterson et al, 2010; Stevenson and Bodkin, 1998; Preble and Reichel, 1988) and the significance of Indian expatriates to the Omani business sector.

The study addressed attitude differences between (1) students from Oman and India, (2) male and female students from the two countries, and (3) gender (male/male, female/female). Students were asked to respond to each of the thirty ATBEQ statements, one indicating “strongly agree,” two “agree,” three “neutral,” four “disagree,” and five “strongly disagree.”

Based on the foregoing, the following hypotheses were proposed and tested:

Hypothesis 1: there are significant differences in ethical decision-making attitudes of business students from India and Oman.

Hypothesis 2a: there are significant differences in ethical decision-making attitudes between male and female business students from India.

Hypothesis 2b: there are significant differences in ethical decision-making attitudes between male and female business students from Oman.

Hypothesis 3a: there are significant differences in ethical decision-making attitudes between male business students from India and Oman.

Hypothesis 3b: there are significant differences in ethical decision-making attitudes between female business students from India and Oman

A convenience sample was generated by the questionnaire distributed during Spring 2010 to students in the final year of the undergraduate business curriculum at Sultan Qaboos University, who were assured of anonymity and without providing monetary or non-monetary incentives. Completed surveys were collected from 378 student respondents, 231 male and 147 female. One hundred seventy-three respondents were from India (132 male and 41 female), while 205 were from Oman (106 female and 99 male).

Analysis and Findings

The basis for failing to reject included hypotheses was the presence of fifteen or more statistically significant differences among the thirty ATBEQ statements, consistent with Sims (2006).

Hypothesis 1: there are significant differences in ethical decision-making attitudes of business students from India and Oman.

Significant differences ($p < .001$) were found in responses of Indian and Omani students for sixteen ATBEQ statements, meaning that the hypothesis could not be rejected. The response means were higher for Indian respondents than Omani except in the case of statement 15, suggesting this group of Indian students to have had somewhat higher attitudes toward business ethics than their Omani counterparts. However the results cannot be extended to the entire population of (soon-to-be) business graduates, as the data collection was not probability based.

Cultural practice in Arabic countries such as Oman has generally excluded women from the workplace, however this practice is giving-way to growing inclusion in the workplace, due in part to government policy, cultural change and demographic factors. Thereby subsequent hypotheses addressed whether gender-based differences exist within the respective respondent cohorts, and within the two countries.

Hypothesis 2a: there are significant differences in ethical decision-making attitudes between male and female business students from India.

While there were nominal response differences between Indian male and female Indian students in the thirty ATBEQ statements, none of those gender-based differences were significant ($p < .001$), based on which the hypothesis was rejected.

Hypothesis 2b: there are significant differences in ethical decision-making attitudes between male and female business students from Oman.

Among Omani student respondents, significant gender-based differences were identified for fifteen of thirty ATBEQ survey statements ($p < .001$), on which basis the hypothesis could not be rejected (Sims, 2006). Omani female respondents collectively exhibited higher mean values for all except one statement (26) suggesting support for those who have earlier suggested women to have higher ethical standards, expectations or attitudes about business ethics (Franke et al 1997; McDaniel et al, 2001, Arlow, 1991; Peterson et al, 2001; Poorsoltan et al 1991, Eagly, 1987). As the findings of this study could not be extended to the population, the results for this hypothesis (H2b) suggest the need for probability-based Omani-Indian student research to explore the degree to which such gender-based differences may impact future business practice in Oman.

Hypothesis 3a: there are significant differences in ethical decision-making attitudes between male business students from India and Oman.

Half of the 2010 work-age population in Oman (15-69 as defined by the Oman Ministry of Economy) was 1.2 million, of which Omani men were estimated at 614,870; male expatriates from other countries totaled 571, 025, notably 361,875 (63.4%) from India, providing the focus for this hypothesis. Significant differences were identified in only eight of thirty ATBEQ statements ($p < .001$), in which the mean values for Indian respondents were higher than their Omani counterparts. However, there being insufficient significant differences (less than 15 of the 30 ATBEQ statements) between male respondents from the two countries, the hypothesis was rejected.

Hypothesis 3b: there are significant differences in ethical decision-making attitudes between female business students from India and Oman.

Female expatriates in the same work age groups, as defined by the Oman Ministry of Economy, totaled 732, 425, of which 62, 023 were from India. Only six of thirty statements in the ATBEQ survey evidenced significant differences between Indian and Omani female students, on which basis the hypothesis was rejected. However, Omani female students collectively had higher means than Indian students in those few cases wherein differences were found, also suggesting the need for future probability-based research.

Conclusions, Limitations and Future Research

Every culture transmits a set of traditional values, rules, and standards that define acceptable behavior between generations, and by which individuals channel their conduct in socially approved directions. Eventually these become personal standards of ethics, which can influence future corporate ethical standards and behaviors. It is especially important that companies set clear ethical standards for employees, whereby ambiguities can be limited or eliminated, enabling executives and employees to confidently follow clear and uniform ethical standards. The study also highlights the need for employers with diverse cultural workforces to continuously promote and enforce ethical attitudes and perceptions that influence consistent business behaviors in a globalized business environment. Significant challenges are also posed to prepare business students entering an increasingly multi-cultural workplace, wherein different ethical attitudes and standards can be anticipated. Such challenges suggest the need for creativity and attention to marketing ethics pedagogy, as well as business ethics in general.

Considerable literature supports the relationship between culture and business ethical attitudes and behavior, university business students as managerial and executive precursors, as well as the impact of cultural differences on ethical decision-making in a globalized business environment. This empirical non-probability study focused firstly on whether significant differences between business students from India and Oman might foretell ethical business decision-making challenges based on the existing presence of Indian expatriate managers and executives in the Omani business sector, as well as expected increases in the number of expatriate women joining the Omani business sector.

The overall pattern of responses in this study indicated Indian student attitudes toward business ethics to be higher than for Omani business students; as analysis identified significant differences in sixteen of thirty ATBEQ statements, hypothesis (H1) could not be rejected (Sims, 2006). The study thereafter addressed whether the presence of such differences would be explained by gender, however none of the results for those hypotheses (H2a-H3b) evidenced sufficient statistical differences (15 or more differences among the 30 ATBEQ statements) to preclude rejection (Table II).

To the extent that business students' attitudes may be a predictors of later business decision making when confronted with ethical dilemmas, the study suggests that future business managers and executives from India would be relatively consistent with those of Omani men

Table 2: ATBEQ Study Findings Summary: India and Oman

Hypothesis	Rejected	Fail to be Rejected
1. There are significant differences in ethical decision-making attitudes of business students from India and Oman.		X
2a. There are significant differences in ethical decision-making attitudes between male and female business students from India	X	
2b. There are significant differences in ethical decision-making attitudes between male and female business students from Oman.	X	
3a. There are significant differences in ethical decision-making attitudes between male business students from India and Oman.	X	
3b. There are significant differences in ethical decision-making attitudes between female business students from India and Oman.	X	

and women; however that finding depends on a more broadly developed probability-based study.

This study focused primarily on potential gender-based differences in respondents from Oman and India, based on earlier studies involving other countries and regions of the world, and in part on Whipple and Swords (1992) assertion of gender being more important than cross-cultural differences to explain dissimilarities in student ethical judgments. The primary limitation is its restriction to those surveyed, i.e. business students of India and Oman; as a non-probability sample, the results cannot be generalized to the population. The study also does not address other proposed antecedents of ethical decision-making: ethnicity, age, etc. While respondents from Oman share a unified culture, those from India come from potentially different cultural/ethnicity foundations; therefore future research studies should also address intra-cultural differences as well as cross-cultural differences situations to contribute to the literature.

Future research should be focused on gender differences of the country or ethnic groups within the countries, to provide more accurate picture of gender and cultural perceptions involving business ethical decision-making, and marketing specifically. Future research should also be focused on gender differences at the country or ethnic groups within the countries, to provide more accurate picture of gender and cultural perceptions involving business ethical decision-making. The study should also serve to encourage academic efforts to engage robust studies

of respective countries, and to design and implement business ethics courses to improve students' attitudes and perceptions that contributes to ethical behavior later within the organization and personal business success.

References available upon request

Appendix 1: Attitudes Toward Business Ethics Questionnaire (ATBEQ)

Your gender	Male	Female
Your age (as of April 23, 2010)	Years	Months

Items using a 5-point Likert scale with 1=Strongly Disagree and 5=Strong Agree

1. The only moral of business is making money
2. A person who is doing well in business does not have to worry about moral problems
3. Every business person acts according to moral principles, whether he/she is aware of it or not
4. Act according to the law, and you can't go wrong morally
5. Ethics in business is basically an adjustment between expectations and the way people behave
6. Business decisions involve a realistic economic attitude and not a moral philosophy
7. Moral values are irrelevant to the business world
8. The lack of public confidence in the ethics of business people is not justified
9. "Business Ethics" is a concept for public relations only
10. The business world today is not different from what It used to be in the past. There is nothing new under the sun
11. Competitiveness and profitability are independent values (existing on their own)
12. Conditions of free economy will serve best the needs of society. Limiting competition can only hurt society and actually violates basic natural laws
13. As a consumer, when making a car insurance claim, I try to get as much as possible regardless of the damage
14. While shopping at the supermarket, it is appropriate to switch price tags or packages
15. As an employee, I take office supplies home; it doesn't hurt anyone.
16. I view sick days as vacation days that I deserve
17. Employee wages should be determined according to the laws of supply and demand
18. The main interest of shareholders is maximum return on their investment
19. George X says of himself. "I work long, hard hours and do a good job, but it seems to me that other people are progressing faster. But I know my efforts will pay off in the end" Yes, George, works hard, but he's not realistic
20. For every decision in business the only question I ask is, "Will it be profitable?" If yes-I will act accordingly; if not it is irrelevant and a waste of time
21. In my grocery store every week I raise the price of a certain product and mark it "on sale". There is nothing wrong with doing this
22. A business person can't afford to get hung up on details
23. If you want a specific goal, you have got to take the necessary means to achieve it

24. The business world has its own rules
25. A good business person is a successful business person
26. I would rather have truth and personal responsibility than unconditional love and belongingness
27. True morality is first and foremost self-interested
28. Self-sacrifice is immoral
29. You can judge a person according to his/her work and decisions
30. You should not consume more than you produce