

UNDERGRADUATE ATTITUDES TOWARD BUSINESS ETHICS, CHANGES BETWEEN 2007 AND 2011: REPLICATION AND IMPLICATIONS FOR EDUCATING FUTURE MANAGERS

Charles Comegys, Merrimack College

Robert A. Lupton, Hideki Takei, and Robert C. Shields, Central Washington University

Abstract

Purpose of the Study: This study replicates prior work (Comegys, Pariseau, Väisänen, Lupton & Rawlinson, 2008) examining the effect of demographic variables on undergraduate attitudes towards business ethics and extends the work by examining differences between students sampled in 2007 and 2011. Students in the 2011 sample have been exposed to ethics education in required classes.

Method/Design and Sample: US undergraduate students (780 in 2007, and 89 in 2011) were sampled from high student traffic areas and in classrooms. Respondents completed Preble & Reichel's (1988) Attitude Towards Business Ethics Questionnaire (ATBEQ) and responded to demographic questions. Exhibit 1 lists all 30 Attitude Towards Business Ethics Questionnaire statements. Data was analyzed with SPSS ANOVA to highlight potentially significant differences in mean responses. We then used post-hoc independent samples t-tests for unequal variance samples to determine the significance of mean differences.

Results: Significant ($p < 0.05$) differences were found between the 2007 and 2011 samples on over 50 percent of ATBEQ statements. The 2007 students expressed stronger agreement with six Machiavellian statements whereas the 2011 students expressed stronger agreement with only two Machiavellian statements. These results suggest that infusing ethics into curriculum increases students' affinity for ethical statements.

Value to Marketing Educators: The 2011 students not only agree less with Machiavellian attitudes, than students in 2007, .but have also lived through the economic meltdown of 2008, the Madoff conviction, and other events linked to business ethics. The infusion of ethics into required classes can effect student attitudes. Implications for marketing education and research are discussed.

Introduction

Calls to increase ethical behavior in business practice and in teaching students ethical business practices abound, (DeGeorge 1987; Windsor 2002; Sims & Gregory 2004; Ip 2009; Swanson 2009). Swanson (2009) posited that without at least one stand-alone course used to meet the Ethical Understanding requirement of the Association Advancement of Collegiate Schools of Business (AACSB) that infusion of ethics topics in other courses is “doomed to fail”. Beyond academia, staggering improprieties such as the 2008 financial meltdown and the Bernard Madoff conviction have created public awareness of the need for ethical education. Central Washington University infused ethics into several required classes. We present evidence that this infusion has had a positive effect on student attitudes.

To uncover any shift in undergraduate attitudes toward business ethics, the present study replicates research conducted in 2007 (Comegys, Pariseau, Väisänen, Lupton & Rawlinson, 2008). It compares undergraduate attitudes measured in 2007 and 2011 to discern differences based on demographic factors such as gender. As one would hope, it also identifies significantly less agreement with Machiavellian attitudes among 2011 students than among 2007 students. This suggests that educators and students are in a “teachable moment.” As students formulate their personal and professional identities, educators are assisted by attitudinal shifts away from sheer opportunism. With the substantial growth in personally identifiable information and other data collected about customers and the attendant risk associated with the loss or misuse of such data, we have an even greater incentive to help our students achieve increasing levels of ethical understanding and behavior.

Business Ethics And Attitudes Literature Review

There is substantial work that investigates these issues within the United States and internationally. Lu (2009), looking beyond domestic needs echoes Ferrell (1999) in arguing that educators can draw on ethical traditions to spur both legal and behavioral consistency in professional standards. He presents such consistency as prudent and essential to reduce ethical conflict between diverse cultures. Lopez et al. (2005) and Luthar & Karri (2005) found that infusing ethical education into classes had positive effects on student ethical attitudes and on reducing the gap between male and (generally more ethically sensitive) female students.

Bageac et. al. (2011) used the ATBEQ to compare attitudes of management students from France and Romania (n=220). They found Romanian student showed more favorable attitudes toward the Machiavellian items and French students toward Social Darwinism and Moral Objectivism. They categorized each ATBEQ statement into these philosophies based on Stevens 1979 book and their own interpretation of the first ten ATBEQ statements.

Past work comparing international attitude data has adopted unique criteria for determining meaningful differences in attitudes. Both Preble and Reichel (1988) and Small (1992) declared that some differences found between US and Israeli or Australian students using the Attitudes Towards Business Ethics Questionnaire (ATBEQ) were, albeit statistically significant, not particularly meaningful. Moore (1996) used the ATBEQ to measure student attitudes in South Africa. They claimed that the criteria for significance or meaningfulness must use the cumulative effect of the differences rather than merely using one question at a time. They held that at least 50 percent of the ATBEQ attitude statements must show statistically significant differences to ascertain significant or meaningful differences in ethical business attitudes between national samples (Moore and Radloff, 1996, p. 868).

Lin used the ATBEQ to compare attitudes of Taiwanese students to those of students from the U.S. and other countries. He attributed more moderate attitude ranges to cultural differences (Lin, 1999, p. 644). To correct for this cultural difference, Lin ranked the mean response to each statement for each nation. He then used the differences in ranks to assess the degree of agreement or disagreement as a tool to interpret the data. For the data we analyzed, the Lin (1999) criterion that the rank differences must equal or exceed 5 to be deemed meaningful turns out to be more stringent than the Moore & Radloff (1996) criterion.

The studies described above not only help us to understand how cultural differences could affect attitudes towards business ethics in our current global economy, they set criteria for assessing the meaningfulness of measured differences in attitudes.

The current study used data from Comegys, et al. (2008) to compare the attitudes towards business ethics of undergraduate students in two regions in the United States and from two different times (2007 and 2011) and determine whether ethical attitudes differed by the student's class year, GPA, gender, age and the number of ethics and religious studies courses completed.

Methodology

Questionnaire

Preble & Reichel (1988) published the ATBEQ statements that were based on Stevens' (1979) "Values Clarification Exercises". The questionnaire consists of thirty statements with a five point Likert scale for each item ranging from 1 "disagree strongly to 5 "agree strongly." The statements are "related to various business philosophies: Social Darwinism, Machiavellianism, Objectivism, and Ethical Relativism" (Preble & Reichel, 1988).

The survey instrument for the both the prior current study included the ATBEQ (see Exhibit 1) from (Preble and Reichel 1988), and questions to gather demographic information such as gender, age, overall GPA, year in school, etc. Student area of focus (such as marketing) was not collected in either 2007 or 2011. To reduce the effect of social desirability response (SDR) bias we provided assurance of anonymity for respondents. We did not include any additional SDR scale items in the 2011 study in order to replicate the participant workload from the 2007 study as closely as possible.

Unites States 2007- Sample and Data Collection

A quasi-random convenience sample of undergraduate students in North East United States provided demographic data and completed the ATBEQ questionnaire at six different colleges and universities located in the northeast region of the United States. Intercepts at high student traffic areas such as in student cafeterias and student campus centers were used to solicit respondents. A free candy bar was offered as an incentive to complete the survey. To reduce interviewer evaluation apprehension (Hill 1995) and ensure respondent anonymity students self-administered the survey and deposited it directly into a survey response box.

This sample of 780 undergraduate students included 417 women (53.9 percent) and 363 men (46.1 percent). 209 freshmen comprised 27 percent of the sample, 226 sophomores 29.2 percent, 212 juniors 27.4 percent and seniors were 16.5 percent. The average age was 19.58 and the age range was 17 to 50 years old.

Unites States 2011 - Sample and Data Collection

The 2011 data was gathered from classes at a university in the Northwest region of the United States. The questionnaires were distributed in classes to produce a convenience sample. This convenience sample of 89 undergraduate students included 35.2 percent women

(31) and 64.8 percent male (58). Freshmen comprised 0 percent of the sample (0), sophomores 1.1 percent (1), juniors 36.4 percent (32), and seniors were 59.1 percent. The average age of the 2011 respondents was 22.74 years and the age range was 19 to 35 years old.

Research Hypotheses and Evaluation Criteria

The following research hypotheses about student attitudes were investigated:

1. Attitudes toward business ethics different by collection year 2007 & 2011.
2. Attitudes toward business ethics different by class year (Senior, Junior, etc.).
3. Attitudes toward business ethics different by gender.
4. Attitudes toward business ethics different by Grade Point Average (GPA).
5. Attitudes toward business ethics different by age.
6. Attitudes toward business ethics different by number of ethics classes taken.
7. Attitudes toward business ethics different by number of religion classes taken.

These research questions were examined using SPSS ANOVA and t-test mean comparison methods to analyze the ATBEQ and demographic data. Since Levene's test for equality of variances was not met on some of the 30 statements, we used the more conservative t-test with equal variances not assumed for all our assessments. Following the international standards described above, meaningful significant differences were determined using the cumulative impact criterion set by Moore & Radloff (1996, p. 868). According to that criterion, analysis must find statistically significant mean response differences on 50 percent or more of the statements to be considered meaningful.

The Journal for Advancement of Marketing Education Special Issue: *Reaching Millennials in the Collegiate Classroom* call for papers listed clear differences in thinking, beliefs and communication between students of different generations. Since we collected data in the same country but from 2 distinct time periods and geographic regions, we also used the Lin methodology to examine results. This methodology assesses "the difference between the highest and lowest item mean" (Lin, 1999).

To Conclude Meaningful Significant Differences all these Conditions Must Be Met:

1. the analysis of variance must provide a significant result at $p < 0.05$
2. on these results, the t-test significances between two items must be $p < 0.05$
3. significant differences must be found on at least 50 percent of the ATBEQ statements to be deemed meaningful
4. To meet the Lin criterion, a difference between two item ranks (2007 versus 2011) must be ≥ 5

Results and Analysis

Differences By Data Collection Year: 2007 and 2011

Using the conditions stated above, there were differences in the mean levels of agreement with ATBEQ statements on over 50 percent of the statements. ANOVA and Pairwise t-testing revealed 17 statements with significant differences between the two sets of students (1, 2, 3, 6, 7, 9, 13, 14, 15, 16, 20, 22, 23, 25, 26, 29, and 30).

Using SPSS independent samples test, we found that significantly different mean statement agreement values collected from students in 2007 were higher than those collected from students in 2011 on 12 items (1, 2, 6, 7, 9, 13, 14, 15, 16, 20, 22 and 28). The mean statement agreement was significantly greater for 2011 students on only 6 items (3, 23, 25, 26, 29 and 30).

Using the Lin mean difference rank method, we found five items (3, 6, 13, 15, and 16) with rank differences of 6 or greater, four items (1, 4, 8, and 26) with rank differences of 4, seven items (11, 20, 21, 24, 25, 27 and 30) with rank differences of 3, 3 items (10, and 28) with rank differences of 3.

Differences By other variables in 2011 data

None of the other null hypotheses could be rejected because none showed differences in mean agreement on at least half of the statements. ANOVA using the class year variable uncovered differences on 2 items (20 and 28). ANOVA using the Grade Point Average variable uncovered differences on 4 items (7, 10, 23, and 24). ANOVA using the gender variable uncovered differences on 4 items (5, 7, 9 and 26). ANOVA using the age variable uncovered differences on 1 items (8). ANOVA using the number of ethics classes taken variable uncovered

differences on 2 items (7 and 21). ANOVA using the number of religion classes taken variable uncovered differences on 2 items (5 and 25).

Differences By Gender in 2011 data

The 2007 study found significant differences between men and women on 18 items. By contrast, in the 2011 data, ANOVA revealed significant differences on only five items (5, 6, 9, 19, and 26). As in the 2007 data, the mean level of agreement for men on all these items was stronger than for women.

Conclusions

The impact of data collection year (2007 versus 2011) on student attitudes toward business ethics was supported on 17 of the 30 statements. Exhibit 1 lists all 30 Attitude Towards Business Ethics Questionnaire statements.

The 2007 data for United States students showed significant attitude differences by class year (23 of 30 items), gender (18 of 30 items) and number of ethics courses (16 of 30 items). The 2011 data did not reveal any significant differences on these categories. This may suggest that student attitudes towards business ethics have grown more homogeneous, at least, when viewed along these lines. The lack of significant gender difference suggests that in 2011, male students present less extreme beliefs. This may reflect more homogeneity in beliefs or a desire to appear less extreme on the part of male students that have witnessed the effects of avarice on Wall Street and our financial systems.

The data collected from students in 2007 showed stronger agreement than that of students in 2011 on the following 12 attitude items: (1, 2, 6, 7, 9, 13, 14, 15, 16, 20, 22 and 28). According to the categorization presented in Bageac (2011), six of these (1, 2, 6, 7, 9, and 22) indicate preferences for Machiavellian philosophy. Four items indicate a preference for Social Darwinism (13, 14, 15, and 16). Only one (28. Self-sacrifice is immoral.) indicates a preference for Moral Objectivism.

The data collected from students in 2011 showed stronger agreement than from students in 2007 on the following six attitude statements: 3, 23, 25, 26, 29, and 30. (See EXHIBIT 1 for the wording.)

According to the categorization presented in Bageac (2011), only two of these six (23 and 25) indicate a preference for Machiavellian philosophy while the other four items indicate a

preference for Moral Objectivism. One might argue that statement 25 is not Machiavellian. This reduced propensity of the 2011 students for Machiavellian and Darwinian philosophies is encouraging.

Given the massive collection of customer data and use of such data in marketing, ethical training is an essential part of marketing curricula. The results of this research suggest that the attitudes toward business ethics of the students in the US 2007 and 2011 differ significantly. Based on the correspondence between ABETQ items and philosophies, it appears that 2011 students' expressed attitude towards ethics is less self serving. These attitude changes could have resulted from exposure to ethical principles infused in classes; to ascertain and enhance that will require further work.

Students of 2011 live within an economic and social climate that is very different than that of students in 2007. Student awareness of economic precariousness provides marketing educators with a "teachable moment" wherein case studies of ethical marketing successes may have positive impact. Future research could examine student perceptions of events such as the economic crisis of 2008, the Madoff conviction, the impact of global economic uncertainty on students' own lives and futures and whether students' perceptions correlate with actual practice as well as with endorsement of various philosophical categories of business behaviors.

Acknowledgments

We appreciate the helpful suggestions from our anonymous reviewers and plan to add facets such as student major/focus area and social desirability bias assessment to future studies.

EXHIBIT 1: Attitude Towards Business Ethics Questionnaire (ATBEQ) – 30 statements

Reflect on the following statements about business attitudes. Indicate your position regarding each statement by circling the number which is closest to your view.

1. Strongly disagree
2. Disagree
3. Not sure
4. Agree
5. Strongly 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 a 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 extent 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 according; 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 ideals.
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 belongings.
27. True morality is first and foremost *self*-interested.
28. Self-sacrifice is immoral.
29. You can judge a person according to his work and his dedication.
30. You should *not* consume more than you produce.