

THE ETHICAL CHOICES OF GRADUATE MANAGEMENT STUDENTS

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ABSTRACT

This paper analyzed the ethical choices of two sets of graduate management students – one took an ethics course while the other did not – to determine whether formal training on ethics affected a person's ethical choice. This was done by subjecting the two sets of students to a test on ethical choices. The study revealed that students who have undergone formal training on ethics exhibited better ethical choices than those who had no such training. Their mean score in the ethics test was lower and the difference in the mean scores between the two groups of students was significant. Also, there was a greater proportion of better than average ethical scorers among students who were enrolled in the ethics course than those who were not enrolled in the said course. As in their mean scores, the difference in proportions was significant. This researcher also observed that there was no relationship between ethical scores and age, income or work experience. Likewise, when compared as to gender, religion, position, and undergraduate education the differences in the mean scores of the students were not significant. Based on the results of this study, the researcher recommended the broadening of the ethics program of the participating schools and to enhance this by adopting the case method as the primary teaching methodology and the development of local management cases. The conduct of further studies, including “before-after” researches, using a larger size of respondents and on respondents coming from the same degree programs, is also recommended.

Keywords: business ethics, management, management education

INTRODUCTION

A common thread among companies that have been able to sustain long-term growth and profitability is their adherence to corporate values. Indeed, managers who display a lack of commitment to ethical behavior can also be perceived to lack a sense of commitment to a firm's success (Collins and Porras in Jennings, 1999).

Management schools, being the institution charged with transforming today's management students into tomorrow's captains of industry, play an important role in promoting ethical conduct as an ingredient for corporate success. A management school in Southern Philippines has responded to this challenge by incorporating a course on business ethics into the curriculum of one of its graduate management programs. This paper attempted to objectively assess the impact of this curricular change based on an analysis of empirical evidence to supplement what heretofore was a largely anecdotal evaluation.

Rationale and Significance of the Study

This study adopted the framework that ethics education affects ethical choice. This researcher hypothesized that, when subjected to a test on ethical choices, students who took an ethics course will exhibit a significantly higher proportion of better-than-average scorers than those who did not. The results of the study were used to evaluate the ethics program of the participating school and provided the basis for the various proposals to strengthen it.

The Etymology and Evolution of Business Ethics

Ethics is derived from the Greek word "ethos." It deals with the study of the ideal human character, moral duty, and what is good, right or proper (Kidder, 1995). It is concerned with questions of right and wrong, duty and obligation as well as responsibility (Barry, 1986), and attempts to distinguish

between moral and immoral behavior in order to make well-founded judgments (Pratley, 1995).

Ethics has a long history, a very rich repertoire and a most interesting evolution. Its development is commonly traced to Plato's idealism and Aristotle's realism. Later, in the 4th century B.C., the doctrine of stoicism and its historical "enemy," epicureanism, also appeared. Christian ethical concepts together with platonic, aristotelian and stoic elements were the most prevalent in the philosophical world up to well into the 18th century. Then, Spinoza attempted to adopt stoicism to an evolving pantheism while Hume and, in a way, Kant, rejected this rational grounding for ethics. Adam Smith, the creator of political economy and acknowledged father of liberalism, initiated psychologism, a new form of Hume's doctrine. On the other hand, John Stuart Mill updated epicureanism and united it with the ethical doctrine of Jeremy Bencham, giving rise to utilitarianism, which resolve the ethical dilemma by looking for the greater good for the greater number. Utilitarianism is the ethical thought that now seems to be the most widespread in the business world (Gomez, 1992).

Business ethics is the study of what constitutes good and bad human conduct, including related actions and values, in a business context. It seeks to provide businessmen with principles and guidelines to assist them in making choices that will balance economic interests and social responsibilities (Weiss, 1998) and to establish guidelines on how to do well and good in business (Dosick, 1993).

Interest in business ethics is a relatively recent phenomenon. It had its beginnings in the United States as a response to the alarming rise in the incidence of insider trading in Wall Street and other corporate practices of questionable moral acceptability. It gained popularity when later research showed a marked relationship between a firm's viability and its adherence to ethical practices (Collins and Porras in Jennings, 1999).

Business has an inner logic of its own primarily motivated by the avowed aim to maximize the owners' wealth. At times,

the demands of this inner logic conflicts with that of the moral community. Consequently, the businessman must face up to the challenging task of finding ways to reconcile strategic corporate interests with moral demands.

Ethical fitness, the capacity to recognize the nature of moral challenges and to respond with a well-tuned conscience, is needed in order to meet such challenge (Kidder, 1995). This requires a healthy respect for others by considering their interests and the effect of one's policies on those interests (Den Uyl, 1984). It also recognizes the fact that human ends must pass society's tests of fairness and justice. Hence, while, at times, business may have to adhere to the Machiavellian dictum that the ends justify the means, a complete comprehension of facts, including information about maximally efficient means to achieve ends, will be unsatisfactory, unless those ends themselves are morally acceptable (Donaldson, 1989).

In an earlier paper, this researcher asserted that ethics in business and the professions is largely a matter of perspective: putting every activity and goal in its place, discerning what is worth doing and what is not, knowing what is worth wanting and what is not. It refers to the quest for and understanding of the good life and is essential for the professions if only to remind the professionals that they are, after all, in it for the good life, not just for themselves but also for the rest of society, as well (Soledad, 1996).

Ethics Education in Business Schools

Business schools have moved from teaching basic business principles to quantitative models, strategic management concepts and ethics during the last 25 years (Weiss, 1998). In 1986, a course in business ethics was first offered as an elective at the Arizona State University. Shortly after its debut, the American Association of Collegiate Schools of Business (AACSB) changed the curriculum for graduate and undergraduate degree programs and required the coverage of ethics (Jennings, 1999).

This thrust towards ethics education arose from the perceived need for responsible business leadership. Stephen Covey, in profiling the leader of the future, opined that he is one who creates an organizational culture centered upon values and steers the corporate ship through turbulent waters, equipped with principles that can act like moral compasses (Covey in Hesselbeim, Goldsmith and Beckhard, 1996).

Weber echoed Covey. According to Weber, the leader of the future must be a role model. He is followed by his people voluntarily because of the very principles he lives by and adheres to dearly, not because he is the boss (Weber in Hesselbeim, Goldsmith and Beckhard, 1996).

The ethics courses among American business schools were mainly offshoots of research initiatives on business and society (Donaldson, 1989). One of the common reactions to business ethics as a course in the business curriculum was that it was a contradiction in terms. Presumably, it was offered to provide students with a way of studying the ethical questions that arise in a pluralistic and technologically sophisticated social environment. However, if one reviewed the textbooks, there was either an anti-business bias or the market system was seen as an untamed beast (Den Uyl, 1984).

Aware of these tendencies, business academics reoriented the teaching of business ethics towards equipping the future manager with tools rather than making him undergo the “canonization rites of saints.” Solomon (1992) emphasized that the aim of the ethics course is not to teach the difference between right and wrong but to make people more comfortable in facing the moral complexities of management. It does not provide new knowledge but a renewed sense of purpose and vision. Weiss (1998), on the other hand, opined that while business ethics does not necessarily provide superior or universally correct solutions to morally complex dilemmas, ethics education and training could be useful for developing a broader awareness of the motivations and consequences of one’s decisions.

In the Philippines, business ethics courses were directed towards values orientation as developmental tools and the cultivation of a more matured, humanistic management style deemed appropriate for the socially responsible executive (Estanislao, 1995). This executive subscribed to the notions that people behave like people when they are treated like people and that corporations should approach their publics with the sincerity, honesty and humanism of partners and equals in the developmental process (Morato, 1995).

The introduction of business ethics to schools and the manner it was taught had its share of critics. Levin (1989), one such critic, pointed out that good upbringing, not a late-in-life college or corporate course, best teaches the difference between right and wrong. Arlow (in Parsa and Lankford, 2000) seem to bear Levin out when he concluded that ethical attitudes are influenced by exposure to socio-cultural norms. Also, a survey of AACSB schools revealed that the teaching of business ethics was indiscriminate, unorganized and undisciplined in most business schools (Parsa and Lankford, 2000).

There are two ways of viewing these comments. One is to say that they negate the need to include formal courses in ethics in the business curriculum. Another is to say that these should not be taken to mean that the ethics course is useless, as Levin seems to insist. Rather, they simply mean that the ethics programs need further fine-tuning and strengthening.

This researcher is more inclined to agree with the latter than the former.

METHODS

This study was a comparative analysis of the test results on the ethical choices of two sets of graduate management students. The first set (Program A) were students who took a formal 3-unit course in Business Ethics while the second set (Program B) were students who did not take such a course.

It adopted an essentially Post-Test experimental design with Program A students as the experimental group and Program B students as the control group.

Program A students were in their first semester of the second year of a doctoral program while Program B students were in their terminal semester of a masters program. Both are programs in business administration. Thus, approximately one year of academic work separated the former from the latter. A total of 49 respondents participated in the study: 19 (95 percent of the class) from Program A, and 30 (80 percent of the class) from Program B. Those who did not participate were those who were absent from their respective classes when the research instrument, a questionnaire, was administered.

The study used the Ethical Choice Survey Questionnaire (see Appendix 1) as research instrument. This was administered to the respondents during a break in their classes. To obviate the possibility of interaction among the respondents, the questionnaires were administered at about the same time and collected as soon as these were accomplished. The respondents were instructed not to indicate their names if they were not comfortable doing so.

The questionnaire was made up of two parts: Part A asked for personal information while Part B was a set of 15 statements pertaining to common workplace ethical dilemmas. Part B, a self-assessment tool adapted from the article “Is Your Ethical Slippage Showing” by Lowell Rein published in the *Personnel Journal* in 1980, was downloaded from the website of the Business Ethics Center (www.ja.org). The respondents were asked to react to each statement by making a check mark (✓) on the space provided corresponding to their reaction to each of the statements. There were four reaction choices: strongly disagree, disagree, agree and strongly agree.

The instrument was pre-tested with the participants of another management program of the participating school, whose profile approximated that of the respondents. A post-test debriefing was conducted on the pre-test participants to

determine if the instrument indeed efficiently captured the data needed. The debriefing results became the basis for the modification of the original instrument.

Profiles of the two sets of respondents were established using descriptive statistics and proportions calculated from the raw data extracted from the data-capture instrument. The following data were used to establish the profiles of the respondents, as agreed with the participating school: age, gender, religion, work experience, position classification, income, and undergraduate education. A comparative analysis of the profiles of the respondents was then conducted to establish similarities and differences.

The answers given by the respondents to the ethical test statements were scored using the scoring mechanism adopted by the Business Ethics Center. Specifically, Strongly Disagree was assigned a “0” score, Disagree a score of “1”, Agree a score of “2”, and Strongly Agree a score of “3”. The total score for all 15 items garnered by each respondent was then evaluated using the following rating scale: 10 and below, High; 11 to 15, Above-Average; 16 to 25, Average; and, 26 and above, Poor.

As in the profiles of the respondents, descriptive statistics and proportions were likewise employed to analyze the respondents’ answers to the ethical choice questions.

Statistical tests of differences in means and proportions were employed to provide a basis for testing the hypothesis formulated, based on an assumption of normality in the distribution of the results.¹ Since the number of respondents was relatively small (Program A had only 19 respondents while Program B had 30 respondents), the t-test, generally considered robust (Black, 1997), was employed to test the significance of the difference in means while the z-test was employed to test the significance of the difference in proportions. Both tests were conducted at the 10% level of significance.² Hence, given the 47 degrees of freedom, the critical regions were defined

by the tabular values of ± 1.68 for the t-test and ± 1.65 for the z-test.

Finally, simple correlation analysis was conducted to determine if ethical scores were influenced by the variables of age, work experience or monthly income. Analyses of the differences in means and proportions were used to test the variability of ethical scores as to gender, religious affiliation, position classification and undergraduate education.

RESULTS

The mean age of the respondents differed by 9.2 years. While Program A exhibited a higher mean age than Program B, it had lower dispersion as indicated by a lower standard deviation. The age range of Program A students had a narrower swing (27 to 54 years old) than that of Program B (22 to 64 years old).

Table 1. Ages of Respondents (in years)

	Program A	Program B	Difference
Mean	41.4	32.2	9.2
Standard Deviation	8.7	9.5	-0.8
Range	27.0	42.0	-15.0

The mean work experience of Program A students was more than twice that of Program B students (19.6 versus 9.2 years, respectively). However, the standard deviation of the work experience of Program A students was higher than that of the other group, indicating greater dispersion about the mean. There was only a slight difference in the range of the work experience of the two groups.

Table 2. Work Experiences of Respondents (in years)

	Program A	Program B	Difference
Mean	19.6	9.2	10.4
Standard Deviation	10.7	8.3	2.4
Range	34.0	33.0	1.0

Program A students displayed a higher mean monthly income than Program B students. They also displayed a higher dispersion about the mean as indicated by a higher standard deviation. Program B students had a wider range of monthly income than Program A students because of a lower minimum even as both groups had the same maximum.

Table 3. Monthly Income of Respondents (in Pesos)

	Program A	Program B	Difference
Mean	20,642.86	17,434.80	3208.06
Standard Deviation	12,905.62	12,598.91	306.71
Range	44,000.00	44,300.00	300.00

Program A students were predominantly male while Program B students were predominantly female. Specifically, while 63 percent of the respondents of Program A were males, 60 percent of the respondents of Program B were females.

Table 4. Gender Distribution of Respondents

	Program A		Program B		Difference	
	Students	Percent	Students	Percent	Students	Percent
Male	12	63	12	40	-	23
Female	7	37	18	60	-11	-23
Total	19	100	30	100	-11	-

Program B students exhibited a more varied religious persuasion than Program A students. Specifically, while only two religions were represented in Program A (Roman Catholics and Christians), five religions were represented in Program B. Roman Catholics were more predominant in Program A (95 percent of the students) than Program B (78 percent of the students).

Table 5. Religious Affiliation of Respondents

	Program A		Program B		Difference	
	Students	Percent	Students	Percent	Students	Percent
Roman Catholics	18	95	23	78	-5	17
Protestant	-	-	3	10	-3	-10
Christian	1	5	1	3	-	2
Baptist	-	-	1	3	-1	-3
PIC*	-	-	1	3	-1	-3
None	-	-	1	3	-1	-3
Total	19	100	30	100	-11	-

*Philippine Independent Church

Program A had a greater proportion of students occupying managerial and supervisory positions than did Program B. Specifically, 74 percent of the students in Program A were either managers or supervisors while only 63 percent of the students in Program B were occupying such positions.

Table 6. Position Classification of Respondents

	Program A		Program B		Difference	
	Students	Percent	Students	Percent	Students	Percent
Managerial	7	37	10	33	-3	4
Supervisory	7	37	9	30	-2	7
Rank & File	5	26	11	37	-6	-11
Total	19	100	30	100	-11	-

Program A students were all graduate degree holders while only two students in Program B had graduate degrees and Program A had a lower number of undergraduate courses represented compared to Program B. Specifically, while Program A had only six undergraduate degrees represented, 10 such degree courses were in Program B indicating that students in this Program came from a more varied range of educational disciplines than did those in Program A.

Table 7. Undergraduate Degrees of Respondents

	Program A		Program B		Difference	
	Students	Percent	Students	Percent	Students	Percent
Business & RC*	12	64	19	63	-7	1
AB Economics	3	16	1	3	2	13
AB English	1	5			1	5
AB Philosophy			1	3	-1	-3
BS Mgt Engineering	1	5			1	5
BSCivilEngineering	1	5	2	8	-1	-3
BS Elec Engineering	1	5	1	3	-	2
BS Biology			1	3	-1	-3
BS Zoology			1	3	-1	-3
BS Agri Economics			2	8	-2	-8
BS Pharmacy			1	3	-1	-3
BSComputer Science			1	3	-1	-3
Total	19	100	30	100	-11	-

* Business and Related Courses, including BSC Accounting, Marketing, Management and Management Accounting

The computed t-values on the observed differences of the means in age and work experience were both above the tabular t-value of 1.68, an indication that the differences in the means on these variables were significant. However, the t-value of the observed difference in the mean monthly income was deemed not significant as it was within the acceptance region.

Table 8. t-values of Differences of Means of Age, Work Experience, and Monthly Income Among Respondents

	Mean				
	Program A	Program B	Difference	t-Value	Significance
Age (years)	41.4	32.2	9.2	3.40704	Significant
Work Experience (years)	19.6	9.2	10.4	3.84161	Significant
Monthly Income (Pesos)	20,642.86	17,434.80	3,208.60	.86038	Not Significant

The computed z-values for the difference in proportions in gender and position were both within the acceptance region indicating that the differences in the proportions were not significant. However, the z-value of the difference in proportion in religion fell outside of the acceptance region; hence, the difference was deemed significant. There was no difference in proportion in undergraduate education.

Table 9. z-Values of Differences of Proportions in Gender, Religious Affiliation, Position Classification and Undergraduate Education Among Respondents

	Proportion				
	Program A	Program B	Difference	z-Value	Significance
Gender (Male % Total)	63	40	23	1.57	Not Significant
Religion (R. Catholic % Total)	95	78	17	1.67	Significant
Position (Mg'l/Sup % Total)	74	60	14	.80	Not Significant
Undergraduate Education (Bus & RC %Total)	63	63	Nil	NA	NA

The results of the ethical test showed that Program A students had a mean ethical score of 15.8, lower by 2.9 compared to the mean ethical score of 18.7 garnered by Program B students. The difference of 2.9 in the mean ethical scores of the two sets of respondents resulted to a computed t-value of 1.886. This

falls outside the acceptance region of $t = \pm 1.68$ indicating that the difference is significant.

The scores of Program A students displayed a lower standard deviation than that of the scores of Program B students. This indicated a greater tendency of the scores of Program A students to converge about the mean implying greater similarity in the way these students responded to the ethical questions posed to them.

Table 10. Ethical Test Results

	Program A	Program B	Difference
Mean	15.8	18.7	2.9
Standard Deviation	4.3	5.8	1.5
Range	16	26	10

The mean and the standard deviation of the results of the ethical test by item are shown in detail in Appendix 3.

Program A students exhibited a higher proportion of high ethical scorers than Program B (11 percent for Program A against 7 percent for Program B). This difference was displayed even more clearly among those with Above-Average ethical scores as 42 percent of Program A students scored at this level against only 13 percent among Program B students. Combining both High and Above-Average ethical scorers together, the comparison becomes 53 percent of Program A students with ethical scores better than average as against only 20 percent of Program B students scoring at the same level.

Table 11. Frequency Distribution of Ethical Scores

	Program A		Program B		Both Programs	
	Students	%	Students	%	Students	%
High	2	11	2	7	4	8
Above-Average	8	42	4	13	12	25
Average	9	47	20	67	29	59
Poor	0	0	4	13	4	8
Total	19	100	30	100	49	100

Discussion

The comparison of the profiles of the two sets of respondents showed that they were generally equivalent in such variables as monthly income, gender, position and undergraduate education as the observed differences were deemed not significant. However, their observed differences in age, work experience and religion were significant.

Program A students exhibited better ethical choices as they had lower mean scores than Program B students in all the items, except item 14 where Program A was observed to have a marginally higher mean than Program B. The overall mean score for all the items was 15.8 for Program A and 18.7 for Program B. Program A respondents exhibited a lower range of scores of 16 (low of 7 to high of 23) versus a range of 26 for Program B respondents (low of 3 to high of 29) indicating a narrower spread. The standard deviation of Program A (4.26) was lower than that of Program B (5.75) suggesting greater bunching about the mean of the scores of Program A students versus the scores of those in Program B. The t-test of the significance of the difference in the mean scores of the two groups indicated that the difference was significant.

The assessment that Program A students exhibited better ethical choices than Program B students was further supported by the fact that the proportion of Program A students who had a better than average ethical score (10 out of 19, or 53 percent) was higher than that of Program B (6 out of 30, or 20 percent). The computed z-value of this difference in proportion was 2.47. This falls outside the acceptance region of $z = \pm 1.65$ indicating that this observed difference in proportions is significant.

The correlation coefficients computed to test the relationship between ethical scores and the variables of age, work experience and monthly income were positive for Program A but negative for Program B. The combined results of the two sets of respondents were likewise negative, perhaps

reflecting the influence of the numerically superior Program B respondents on the overall average score. The degree of relationship indicated, however, was rather low. The correlation coefficients were close to zero for all the variables and for both sets of respondents, whether taken singly or as a group, indicating that the degree of relationship was negligible.

Table 12. Simple Correlation Analysis of Ethical Scores versus Age, Work Experience and Monthly Income

	Correlation Coefficient
Program A	
Ethical Score versus Age	.293164
Ethical Score versus Work Experience	.185774
Ethical Score versus Monthly Income	.42634
Program B	
Ethical Score versus Age	-.33799
Ethical Score versus Work Experience	-.32074
Ethical Score versus Monthly Income	-.26965
All Respondents	
Ethical Score versus Age	-.24038
Ethical Score versus Work Experience	-.22633
Ethical Score versus Monthly Income	-.0924

The male respondents of Program A had a higher mean score (16.7) than their female counterparts (14.4). However, the opposite was observed in the case of Program B respondents where the males had a lower mean score (16.3) than the females (20.2). When taken collectively, the male respondents in both programs exhibited a lower mean score (16.5) compared to their female counterparts (18.6). This suggests that, overall; the male respondents tended to choose the more acceptable ethical choice than did the female respondents. However, this was true only in Program B as the results of Program A indicated the opposite. The observed differences in the average ethical scores by gender were not significant.

Table 13. Ethical Scores by Gender

	Ethical Score			Number of Respondents			Average Ethical Score		
	Program	Program	Respondents	Program	Program	Respondents	Program	Program	Respondents
Male	200	179	379	12	11	23	16.7	16.3	16.5
Female	101	383	484	7	19	26	14.4	20.2	18.6
Total	301	562	863	19	30	49	15.8	18.7	17.6

Roman Catholics had a higher mean score than those belonging to other religious persuasions. Roman Catholics, which accounted for 83.6 percent of the respondents, had a mean score of 17.9. In comparison, the mean score of non-Catholics was 16.4. Program B respondents mirror this result as the Roman Catholics among Program B respondents had a mean score of 19.5 versus a mean score of 16.1 among non-Catholics. However, the same was not true in Program A where the mean score of the Roman Catholic respondents was 15.7 against 18.0 for the non-Catholics. The computed t-values of the observed differences in the means fell within the acceptance region and, therefore, the differences were not significant.

Table 14. Ethical Scores by Religious Affiliation

	Ethical Score			Number of Respondents			Average Ethical Score		
	Program	Program	Respondents	Program	Program	Respondents	Program	Program	Respondents
Roman Catholic	283	449	732	18	23	41	15.7	19.5	17.9
Non-R.C.	18	113	131	1	7	8	18.0	16.1	16.4
Total	301	562	863	19	30	49	15.8	18.7	17.6

Program A respondents who occupied managerial positions had a higher average ethical score (17.3) compared to the score of those who occupied similar positions among Program B respondents (16.5). However, Program A respondents who hold supervisory and rank and file positions had a lower average ethical score than their counterparts in Program B. Taken collectively, managers belonging to both programs had a lower average ethical score (16.8) compared to those with

supervisory rank (18.7) and rank-and-file employees (17.3). This implies that, in the overall, respondents who held managerial positions seemed to exhibit better ethical choices.

Generally, the observed differences in average ethical scores by position classification were not significant. However, a significant difference in the average ethical scores was observed among rank and file respondents in Program A versus Program B. Similarly, a significant difference in the average ethical scores was also observed when managers and supervisors of Program A were taken as one group and the resulting average ethical score was compared with the average ethical score of the rank and file employees of Program A.

Table 15. Ethical Scores by Position Classification

	Ethical Score			Number of Respondents			Average Ethical Score		
	Program	Program	Respondents	Program	Program	Respondents	Program	Program	Respondents
Managerial	121	165	286	7	10	17	17.3	16.5	16.8
Supervisory	118	182	300	7	9	16	16.9	20.2	18.7
Rank & File	62	215	277	5	11	16	12.4	19.5	17.3
Total	301	562	863	19	30	49	15.8	18.7	17.6

The difference of the average ethical scores of Program A respondents whose undergraduate education were on business and related courses versus those who took other courses was marginal. A wider difference was observed among Program B respondents as well as when all respondents were taken together. Nonetheless, these observed differences in the average ethical scores were not significant.

Table 16. Ethical Scores by Undergraduate Education

	Ethical Score			Number of Respondents			Average Ethical Score		
	Program	Program	Respondents	Program	Program	Respondents	Program	Program	Respondents
Business & Related Course	189	384	573	12	19	31	15.7	20.2	18.5
All Other Courses	112	178	290	7	11	18	16	16.2	16.1
Total	301	562	863	19	30	49	15.8	18.7	17.6

A summary of the t-values of the differences of the mean ethical scores by gender, religious affiliation, position classification and undergraduate education is shown in Appendix 4.

CONCLUSIONS

1. The two sets of respondents were equivalent as to monthly income, gender, position, and undergraduate education but not as to age, work experience and religion. The observed differences in monthly income, gender, position and undergraduate education was not significant. However, their observed differences in age, work experience and religion were significant.
2. Program A students exhibited better ethical choices than their counterparts in Program B as they had generally lower scores in the ethical test and their mean score was lower. The observed difference in the mean scores of the two sets of respondents was significant.
3. The scores of Program A students had a lower standard deviation compared to that of Program B students. This implied that Program A students displayed a greater similarity in answering the questions than did Program B students.
4. The proportion of better than average scorers among Program A respondents was higher compared to Program B respondents. When subjected to the z-test, this observed difference in proportion was deemed significant. This finding seems to further support the contention that students who undertake formal formation in ethics tend to make more acceptable ethical choices than those who do not when confronted with ethical dilemmas.
5. There was a low correlation between ethical score and age, work experience and monthly income. This implies

that the age, work experience or monthly income of the respondents had minimal influence on their ethical choice.

6. There were observed differences in the mean ethical scores when compared by gender, religion, position classification, and undergraduate education. However, the differences were not significant; hence, the likelihood of these factors affecting the ethical choice of the respondents was deemed low.

RECOMMENDATIONS

The following courses of action are recommended to the participating school:

1. Broaden the ethics program. The results of this study indicate that ethics education affects ethical choice and that students who take an ethics course exhibit better ethical scores than those who do not. Given this, this researcher recommends for the participating school to broaden its ethics program by expanding its scope to cover all other programs, not just limiting it to the business programs.

To enhance the quality of the ethics program, the school may consider the possibility of changing the teaching methodology. The ethics course in Program A was largely taught using the traditional lecture method and sessions tended to spend more time on concepts than applications. A shift to the case method, which has been proven, by both anecdotal and empirical evidence, as a more effective tool in management education, is advised.

In line with this, the school may initiate moves towards the preparation of local management cases dealing with ethical dilemmas. There seems to be a dearth of locally situated cases, especially those that exhibit excellent potentials for use in an ethics class.

The quality of the class discussion in an ethics class can be greatly enhanced if local cases, to which the students can better relate, are used as the primary teaching vehicles.

2. Conduct additional research using a bigger base of respondents. While the results of this study support this researcher's contentions, admittedly, the base of respondents employed was rather small. Thus, while useful as exploratory material, the quality of its output may yet be enhanced by a similar study done on a larger base.
3. Conduct research on respondents belonging to the same degree program. This study was conducted on respondents belonging to different degree programs. It is recommended that future research be conducted on two sets of respondents that belong to the same degree program. To further enrich the study, a "before-after" design may be contemplated.

Finally, this researcher would like to encourage schools that do not yet have an ethics program to include this course in their course development plans. This study has proven that formation does have an impact on ethical choice. Since management schools are training today the captains of industry tomorrow whose future success may hinge on their adherence to a set of corporate values, then the business curriculum should include ethics so as to better ensure that these future business leaders are not only technically competent but are also morally upright, socially responsible and equipped with a sense of propriety anchored on a bedrock of values.

ENDNOTES

- ¹ This assumption of normality in the distribution of the results was later validated graphically by a histogram of the frequency distribution of the ethical scores. As shown in Appendix 2, a freehand-drawn line superimposed over the histogram of the frequency distribution closely approximated the typical bell-shape of the normal curve.
- ² In cases where the database is small (such as for this study), the level of significance may be set at 10 or even 20 percent (Matlack, 1993). Also, in business research, while traditionally a 5 percent level of significance is adopted for consumer research and 1 percent level for quality assurance, 10 percent may be adopted for such as political polling (Mason *et al.*, 1999). This researcher feels that this research on business ethics qualifies for the third classification. Finally, in an article on Stakeholder Attributes, Corporate Performance and CEO Values published in the *Academy of Management Journal*, Agle, Mitchell and Sonnenfeld noted "... relationships found to be significant at the .10 level ..."

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APPENDIX 1 **Ethical Choice Survey Questionnaire**

A. Personal Information

Name: _____ Age: ____ Sex: ____ Religion: _____

Employment History:

Company	Years Worked	Position Last Held	Position Classification (Check one) (M) Managerial (S) Supervisory (RF) Rank & File
			(M) _____ (S) _____ (RF) _____
			(M) _____ (S) _____ (RF) _____
			(M) _____ (S) _____ (RF) _____
			(M) _____ (S) _____ (RF) _____
			(M) _____ (S) _____ (RF) _____
			(M) _____ (S) _____ (RF) _____
			(M) _____ (S) _____ (RF) _____
			(M) _____ (S) _____ (RF) _____
			(M) _____ (S) _____ (RF) _____

Present Personal Income Per Month: _____

Educational Background:

	Degree Earned	Year Graduated	School
Undergraduate			
Graduate			
Post Graduate			

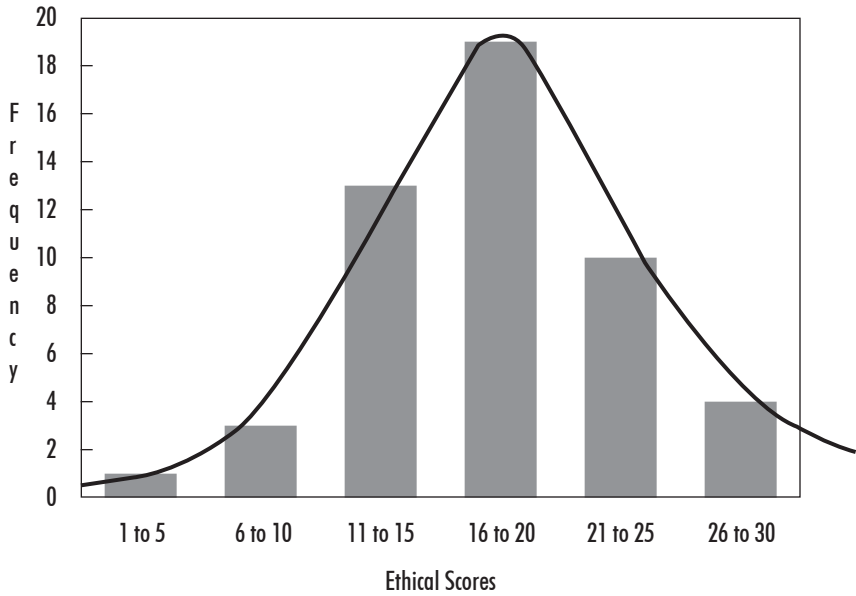
B. Ethical Choice Questionnaire

The statements below pertain to situations requiring ethical choices that are commonly encountered in the workplace. Reflect on each statement carefully. Put a check mark (√) on the space provided under the column heading which you feel best describes your reaction to each statement. Check only one space for each statement.

	StronglyDisagree	Disagree	Agree	Strongly Agree
<ol style="list-style-type: none"> 1. Employees should not inform others about wrong-doings done by their peers. 2. There are times when one must overlook contract and safety violations in order to avoid work disruptions. 3. It is not always possible to keep accurate expense account records; therefore, it is sometimes necessary to give approximate figures. 4. There are times when it is necessary to withhold embarrassing information from ones superiors. 5. We should do what our superiors tell us to do even if we doubt about its being the right thing to do. 6. It is sometimes necessary to conduct personal business on company time. 7. Sometimes it is good psychology to set goals somewhat above normal if it will help obtain greater effort from your subordinates. 8. I would quote a shipping date even if I am not sure of it if only to clinch an order. 9. It is proper to use the company's direct-dial phone line for personal calls as long as it is not in use. 10. Management must be goal-oriented; therefore, the ends usually justify the means. 11. If it takes spending for entertainment and twisting a bit of company policy to win a large contract, I would authorize it. 12. Exceptions to company policy and procedures are a way of life. 13. Inventory control systems should be designed to report "shortages" rather than "overages" in goods received. 14. The occasional use of the company's copier for personal or community activities is acceptable. 15. Taking home company property (such as pencils, pens, paper, tape, etc.) for personal use is an accepted fringe benefit. 				

APPENDIX 2

Histogram of the Frequency Distribution of Ethical Scores



APPENDIX 3

Mean and Standard Deviation of Ethical Scores By Item

Item	Question	Mean		Standard Deviation	
		Program A	Program B	Program A	Program B
1	Employees should not inform others about the wrongdoing of their peers.	.842	1.033	.688	.850
2	There are times when one must overlook contract and safety violations in order to avoid work disruptions.	.737	1.167	.734	.699
3	It is not always possible to keep accurate expense accounts records; therefore, it is sometimes necessary to give approximate figures	1.105	1.300	.809	.952
4	There are times when it is necessary to withhold embarrassing information from one's superiors.	1.789	1.862	.713	.789
5	We should do what our superiors tell us to do even if we doubt about its being the right thing to do.	1.000	1.167	.471	.592
6	It is sometimes necessary to conduct personal business on company time.	.789	1.033	.713	.900
7	Sometimes it is good psychology to set goals somewhat above normal if it will obtain greater effort from your subordinates	1.737	1.967	.654	.718
8	I would quote a shipping date even if I am not sure of it if only to clinch an order	.737	1.033	.562	.718
9	It is proper to use the company's direct-dial phone line for personal calls so long as it is not in use.	.789	.900	.713	.885
10	Management must be goal-oriented; therefore, the ends usually justify the means.	1.316	1.833	1.003	.874
11	If it takes spending for entertainment and twisting a bit of company policy to win a large contract, I would authorize it.	1.474	1.633	.697	.765
12	Exceptions to company policy and procedures are a way of life.	1.167	1.267	.514	.740
13	Inventory control systems should be designed to report "shortages" rather than "overages" in goods received	.947	1.067	.405	.740
14	The occasional use of the company's copier for personal or community activities is acceptable	.842	.833	.602	.648
15	Taking home company property (such as pencils, pens, paper, etc.) for personal use is an accepted fringe benefit	.632	.700	.597	.651
All items		15.842	18.733	4.259	5.753

APPENDIX 4**Summary of t-Values on Observed Differences of Average Ethical Scores By Gender, Religious Affiliation, Position and Undergraduate Education**

	t-Value	Degrees of Freedom	Critical Region(\pm)	Significance
Gender:				
Males – Program A vs. Program B	.046401	21	1.721	Not Significant
Females – Program A vs. Program B	-2.71617	24	1.711	Significant
Male vs. Female – Program A	1.112145	17	1.740	Not Significant
Male vs. Female – Program B	-1.85605	28	1.701	Significant
Male vs. Female – Both Programs	-1.4046	47	1.684	Not Significant
Religious Affiliation:				
Roman Catholics – Program A vs. Program B	-.3684	39	1.684	Not Significant
Non-Catholics – Program A vs. Program B	.264482	6	1.943	Not Significant
Roman Catholic vs. Non-Catholic – Program A	-.50972	17	1.740	Not Significant
Roman Catholic vs. Non-Catholic – Program B	1.381713	28	1.701	Not Significant
Roman Catholic vs. Non-Catholic – Both Programs	.708851	47	1.684	Not Significant
Position:				
Managers – Program A vs. Program B	.130231	15	1.753	Not Significant
Supervisors – Program A vs. Program B	-1.39578	14	1.761	Not Significant
Rank and File – Program A vs. Program B	-2.27219	14	1.761	Significant
Managers and Supervisors vs. Rank and File – Program A	2.35648	17	1.740	Significant
Managers and Supervisors vs. Rank and file – Program B	-.58154	28	1.701	Not Significant
Managers and Supervisors vs. Rank and file – Both Programs	.855433	47	1.684	Not Significant
Undergraduate Education				
Business and Related Courses – Program A vs. Program B	-.52209	29	1.699	Not Significant
All Other Courses – Program A vs. Program B	-.05966	16	1.746	Not Significant
Bus. & Related Courses vs. All Other Courses – Program A	-.11999	17	1.740	Not Significant
Bus. & Related Courses vs. All Other Courses – Program B	1.933596	28	1.701	Significant
Bus. & Related Courses vs. All Other Courses – Both Programs	.511986	47	1.684	Not Significant