

An Investigation into the Attitudes of Business and Non-business University Students toward Business Ethics in South Africa

Jason Lumsden¹ and Olawale Fatoki^{2*}

¹*Department of Business Management, University of Johannesburg, South Africa
Fax: 00927115594058; E-mail: lummy07@msn.com*

²*Department of Business Management, University of Limpopo, South Africa
E-mail: olawalefatoki@gmail.com*

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ABSTRACT The main objective of this study was to investigate the attitudes of business and non-business students toward business ethics. The methodology used in this research was of a quantitative nature. The empirically tested attitudes towards business ethics questionnaire (ATBEQ) was used to collect data in a survey of 100 respondents. The data analysis included descriptive statistics as well as the T-test. The research findings show that there is no significant difference in the attitudes of business and non-business students toward business ethics. Recommendations are made to help improve the ethical behaviour of students and to create awareness about the importance of business ethics.

INTRODUCTION

Smit et al. (2007) define ethics as the code of moral principles and values that direct the behaviour of an individual or a group in terms of what is right or wrong. Ethics is a set of values and rules that define right and wrong behaviour. Hellriegel et al. (2008) describe business ethics as the standards used to judge the rightness or wrongness of a business' relations to others. Hellriegel et al. (2008) furthermore note that business ethics involves how a company or institution integrates core values such as honesty, trust, respect and fairness into its policies, practices and decision making. Business ethics therefore involves people participating in economic transactions and at the same time serving their own as well as others' interests.

According to Polder (2011), the importance of business ethics is discussed from different viewpoints. Organisations that are viewed by their stakeholders, customers, employees and the public as well as their suppliers as being ethical, seem to enjoy competitive advantages which include commitment and loyalty as well as a definite higher level of efficiency in operations and certainly financial upswings. Business ethics in the world is superlative and global. New trends and issues arise on a daily basis which may create an important burden to organizations and end consumers. Nowadays, the need for proper ethical behaviour within organizations

has become crucial to avoid possible lawsuits. The public scandals of corporate malfeasance and misleading practices, have affected the public perception of many organizations (for example, Enron, Arthur Andersen, WorldCom etc.) (Mahdavi 2005). Enron's board of directors ignored questionable practices, which lead to the company's collapse by letting the company's management engage in high-risk accounting, inappropriate conflict of interest transactions and extensive off-the-book activities. Enron's collapse left many of its employees without retirement funds and destroyed Enron's auditor, Arthur Anderson. Investors lost millions of dollars due to the negative impact of Enron's unethical practices (McMurrian 2006).

According to Ho et al. (2006), universities and business schools have an important role to play in solving the ethical problems that currently pervade the business environment. This study will compare the attitudes/perceptions of business and non-business students toward business ethics. Business and non-business students are the business leaders and entrepreneurs of tomorrow, thus it is significant to understand their current attitude towards business ethics in view of the importance of ethics to the survival of business organisations.

Literature Review

Amberla (2010) points out that stockholder and stakeholder theories have been put forward as the determining background to the ethical

*Address for correspondence

conduct of businesses. Friedman (1962) states that the business of business is about maximising stockholder wealth, not “promoting desirable ‘social’ ends”. Friedman (1962) furthermore states that there is one and only one social responsibility of business: to use its resources to engage in activities designed to increase its profits so long as it stays within the rules of the game. Freeman (1984) challenged the idea that the sole role of business is to maximise wealth. Freeman (1984) argues that business must work in the best interests of all those affected by the business, including customers, suppliers, employees and of course stockholders. Thus, ethics is very important to businesses.

Coutu (2006) states that it is highly likely that business students are more familiar with business ethics than non-business students. Introducing courses in business ethics or integrating ethics into the existing courses of business students at the university level has always been recommended by ethics researchers. Vogel (2005) for instance emphasise the teaching of ethics to business students in the institutions of higher learning. Vogel (2005) believes that these institutions can teach the nation’s future business leaders how to manage their companies, how to behave ethically, how to be honest in dealing with customers and how to minimise the violations of company policies or the law. Bonawitz (2002) suggests that business students who have been exposed to modules in business ethics are more likely to show significant greater growth in the use of principled moral reasoning than students who have not been exposed to such modules.

Hawkins and Cacanough (1972) was one of the earliest studies to investigate the effect of business oriented college education on students’ perception of the ethics of various marketing practices. The study finds that business students are more tolerant of questionable business practices than non-business students. The pursuit of a business education leads to relatively more tolerant attitudes toward questionable business practices and the longer the exposure to business education, the greater will be the level of tolerance. These findings are consistent with the results of St Pierre et al. (1990), Crown and Spiller (1998), Ponemon (1993) and Smyth and Davies (2004) that the inclusion of ethical contents in modules and exposure to courses on business ethics have no significant impact on principled moral reasoning of students, ethical behaviour and cheating. In addition, Khalizani (2012) finds

that the attitude toward business ethics does not appear to be greatly influenced by whether or not students have taken ethics courses. Khalizani (2012) points out that some critics of ethics education have suggested that teaching business ethics in the undergraduate and graduate curriculum is neither wise nor necessary, because of the belief that university students are unlikely to change their moral outlook, simply because they took an ethics course. The argument is that that teaching business ethics to adults whose moral frameworks have already been formed is not likely to change much.

Also, some cross cultural studies have compared the ethical dispositions of business students. These studies find significant differences in the attitudes of students in different countries (Haswell et al. 1999; O’Leary and Cotter 2000). Thus, the reason for the difference in the attitudes toward business ethics across nations may be related to differences in culture, since culture affects moral orientations such as idealism and relativism. In contrast, a study by Chatelier (2011) reveals no significant difference in perceptions of business ethics by business students across different cultures.

A longitudinal study conducted by Peppas and Diskin (2001) compared the attitudes of business students at two different points in time, 1998 and 2002. The findings indicate that attitudes toward business ethics are not significantly different in 2002 from that in 1998. While this study has made important contributions to the understanding of attitudes towards business ethics, all of its subjects were business students. No attempt was made to include non-business students to examine if there are differences between the two groups. According to Ibrahim (2012) only a few studies have compared the attitudes toward business ethics by business and non-business students and results have been inconclusive. Based on the inconclusive empirical evidence and the dearth of South African empirical studies, the objective of the research is to investigate whether there is a significant difference in the attitudes toward business ethics by business and non-business students in South Africa.

Research Objectives

The objective of the study is to investigate whether there are significant differences in the attitudes toward business ethics of business stu-

dents compared to non-business university students.

METHODOLOGY

The empirical approach consists of data collection through the use of self-administered questionnaire in a survey. The questionnaire consisted of both Likert scale questions and close-ended questions. The questionnaire on business ethics was adapted from the Attitudes Toward Business Ethics Questionnaire (ATBEQ). The scale was originally developed by Neumann and Reichel (1987) and cited by Preble and Reichel (1988). Respondents were asked to express their opinions regarding attitudes towards business ethics on a five-point Likert scale ranging from “1 strongly disagree to “5 strongly agree”. Close ended questions were used for demographic variables. The questionnaire was pretested on ten respondents in a pilot study. The pretesting led to some corrections to the questionnaire. 56 questionnaires were distributed to business students and 50 questionnaires were also distributed to non-business (chemistry) students during main data collection with the approval of the lecturers. This ensured a high response rate. Questionnaires were distributed only to the students that were in class. The study focused on undergraduate and post business and non-business (chemistry) students at the Auckland Park Kingsway campus of the University of Johannesburg. Sampling was done through the use of convenience sampling. The study employed the quantitative research method. According to Cooper and Schindler (2003), quantitative research is the systematic empirical investigation of social phenomenon via statistical, mathematical or computational techniques. Descriptive statistics and T-test were used for data analysis.

Table 1: Attitudes towards business ethics

Variables	Mean					
	Business			Non-business		
	3 rd Year	Honours	Mean	3 rd Year	Honours	Mean
A person who is doing well in business does not have to worry about ethics problems	1.93	2.2	2.065	1.93	2.17	2.05
Ethical values are relevant to the business world	4.67	4.87	4.77	3.73	3.83	3.78
The only moral of business is making money	1.67	1.4	1.535	2.07	1.92	1.995
Business ethics is not a concept for public relations only	4.27	4.47	4.37	3.8	3.67	3.735
Business ethics is good for image and profitability	4.07	4.05	4.06	4.13	3.93	4.03

RESULTS

106 questionnaires were distributed by the researchers (56 to business and 50 to non-business students) and 97 questionnaires were returned (50 by business students and 47 by non-business students). All the respondents were within the 21-30 age bracket. For business students, 33% were males and 67% females. For non-business students, 51% were males and 49% females.

Five variables adapted from the ATBEQ were used to measure the attitudes of business and non-business students toward business ethics. The first question relates to “a person doing well in business does not need to worry about ethics problems.” The mean for business students is 2.065 and for non-business students is 2.05. In addition, both sets of respondents (business students; mean 4.77; non-business students; mean 3.83) agree that ethical values are relevant in the business world (Table 1). Furthermore both sets of respondents (business students; mean 1.54 and non-business students mean 1.99) disagree that the only moral of business is making money. Both sets of respondents (business stu-

Table 2: The results of the t-test

Variables	t	Sig.
A person who is doing well in business does not have to worry about ethics problems	1.114	.240
Ethical values are relevant to the business world	1.211	.951
The only moral of business is making money	1.3.41	.672
Business ethics is not a concept for public relations only	1.692	.083
Business ethics is good for image and profitability	2.220	.821

Sig<0.05

dents; mean 4.27 and non-business students; mean 3.74) agree that business ethics is not a concept for public relations only and both agree (business students; mean 4.06; non-business students; mean 4.03) that business ethics is good for firm image and profitability. The results of the t-test as indicated by Table 2 do not show any significant differences in the mean scores of business and non-business students.

DISCUSSION

The results indicate that both business and non-business students have good attitudes toward business ethics. In addition, there are no significant differences in the mean scores of both sets of respondents. The mean scores however suggest that business students tend to have higher scores than non-business students. The results are consistent with the stakeholder theory by Freeman (1984) that business must work in the best interests of all those affected by the business, including customers, suppliers, employees and of course stockholders. Thus, ethics is very important to businesses. In addition, the finding of this study are consistent with empirical literature such as St Pierre et al. (1990), Crown and Spiller (1998), Smyth and Davies (2004) and Khalizani (2012). These studies found that the inclusion of ethical contents in modules and exposure to courses on business ethics have no significant impact on principled moral reasoning of students, ethical behaviour and cheating. Attitudes toward business ethics does not appear to be greatly influenced by whether or not students have taken ethics courses. However, despite the fact that there are no significant differences as indicated by the T-test, business students seem to have a more favourable attitude towards business ethics than non-business students as indicated by the mean results. This implies that there is the need to improve attitudes toward business ethics by non-business students. Non-business students also get involved in entrepreneurship and small business development where good ethical practices are vital to success.

CONCLUSION

The objective of the study is to investigate if there are significant differences in the attitudes toward business ethics by business and non-business students. The results indicate that both business and non-business students have good

attitudes toward business ethics. The T-test does not indicate any significant differences in all the variables used to measure the attitudes toward business for business and non-business students.

RECOMMENDATIONS

It is visible from the results that both business and non-business students are highly aware of the importance of business ethics, as seen from the high means of the variables. Most students (business and non-business) will eventually work for a company or government organisation or even own their own company in the future and business ethics will play a huge role in the success of their organisation or the organisation they will be working for. All students need to understand the importance of business ethics and this can be emphasised by incorporating a module on business ethics into business and non-business courses. This will highlight the importance of business ethics and will start making students act in an ethical manner even at varsity, which will prepare them for their career in the near future.

Universities could also invite guest speakers to talk to both business and non-business students about the importance of business ethics. These guest speakers could be Managing Directors, CEO's or Managers of companies as they will have first-hand experience of business ethics in the workplace and this could help students have a better awareness of business ethics.

LIMITATIONS AND AREAS FOR FURTHER STUDIES

This study investigated the attitudes toward business ethics between business and non-business students in only one university. A bigger population frame and the inclusion of other universities will improve the generalisation of the findings. In addition, other studies could compare the attitudes towards business ethics between high school students and university students.

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