ETHICAL BEHAVIOR – A STUDY ON ATTITUDE AND CULTURE OF MBA STUDENTS IN CURRENT SCENARIO

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Abstract

Ethics are incredibly important. They define moral principles and rule of conduct (Chris bart, 2006). The authors reviewed the empirical literature in order to assess which variables are postulated in influencing ethical behavior among MBA students. The present survey was anonymously completed by 516 students enrolled in business courses from various colleges under the control of University of Madras. The intent of the survey was to analyze the present status and future ethical behavior of MBA students using Multiple Linear Regression (MLR) analysis. The findings suggest that attitude followed by culture is the strongest predictor. The review identified the variables that have been empirically tested in an effort to uncover what is known at present and what we need to know in future about the variables that are hypothesized as factors of ethical behavior among MBA students.

*Keywords: Ethical behavior, Attitude, Age, Gender and Culture.*

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Introduction

"Ethics consists of the standards of behavior which our society accepts" by Claire Andre and Manuel Velasquez. Ethics arise from the conscience or a sense of right or wrong. They define moral principles and rule of conduct (Chris bart, 2006). Meaning and the definition of ethics is the discipline dealing with what is right or wrong or with moral duty and obligation with a group of moral principles or set of values, a particular theory or system of moral values and the principles of conduct governing an individual or a profession, standards of behavior.

Ethical behavior transcends values and it is generally accepted by society of what can be considered good in nature. Ethics is a set of moral values that govern a person behavior or how an activity is conducted. Ethics is characterized as the moral standards of society. Different societies have different standards, the essential principles of what is morally correct prevail in most of them.
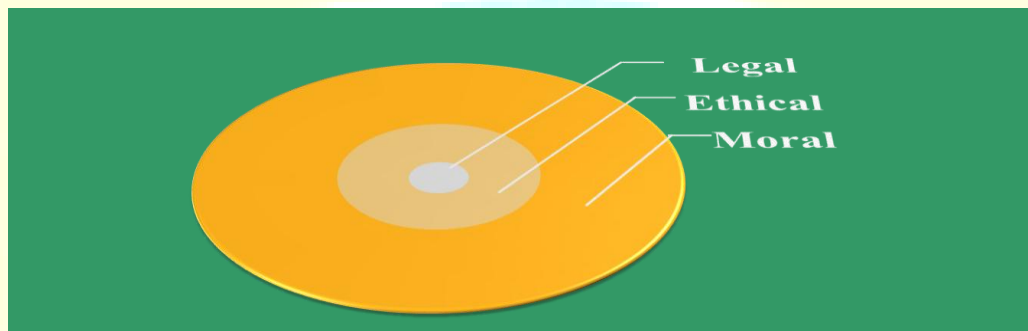
Ethics seeks the principles that will tell us the right thing to do, or what is worth doing, no matter what the group approve or disapprove (Jones, Sontag, Beckner and Fogelin, 1977) (Jansen and Von Glinow, 1985). Ethics consist of two things. First, ethics refers to well based standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Ethics, for example, refers to those standards that impose the reasonable obligations to refrain from stealing, murder, assault, slander, and fraud. Ethical standards also include those that enjoin virtues of honesty, compassion, and loyalty. And, ethical standards include standards relating to rights, such as the right to life, the right to freedom from injury, and the right to privacy. Such standards are adequate standards of ethics because they are supported by consistent and well founded reasons.

Secondly, ethics refers to the study and development of one's ethical standards. As mentioned above feelings, laws, and social norms can deviate from what is ethical. So it is necessary to constantly examine one's standards to ensure that they are reasonable and well-founded. Ethics also means the continuous effort of studying our own moral beliefs and our moral conduct, and striving to ensure that the institutions help to shape, live up to standards that are reasonable and solidly-based.

Hallock (1996) in his study "Encouraging Ethical Behavior in the Class," The Teaching Professor, Vol. 10, No. 1, January, 1996 set the standards for students' ethical behavior in the class. They are adapted from a set of guidelines for faculty prepared by the American Association of University Professors in 1987.

Model ethical scholarly standards:

• Avoiding plagiarizing and all other breaches of academic honesty.

• Avoiding any seeming approval, acceptance, or encouragement of fellow students' academic dishonesty and bringing any such instances to the attention of the professor and/or university officials.

• Engaging in discussions with other students and professors about ethical issues in academics.

The opinions and behavior of the students in the university will probably reflect their professional career and personal life, and therefore interest in an education which is ethical as well as technical will be of great importance. When applied to everyday business, acting ethically means adhering to law, competing with others in an honest manner, and performing daily tasks without any element of deceit. Many companies around the globe update written codes of conduct as a result of past academic scandals. Different cultures respect different ethical rules. Thus, any person who decides to move to another country may have to adapt to cultural, and workplace, ethical differences.

Review of Literature

Katrien Struyven, Filip Dochy and Steven Janssens (2003) conducted a research in the students' perceptions about evaluation and assessment in higher education. The study states that students' study behavior is not only determined by the examination or assessment modes that are used. This review aims to examine evaluation and assessment from the student's point of view. Research findings reveal that students' perceptions about assessment significantly influence their approaches to learning and studying. Conversely, students' approaches to study influence the ways in which they perceive evaluation and assessment. Findings suggest that students hold strong views about different assessment and evaluation formats. In this respect student favors multiple-choice format exams than essay type questions. However, when compared with more innovative assessment methods, students call the 'fairness' of these well-known evaluation modes into question.

Susan C. Borkowski and Yusuf J. Ugras (1992) studied the ethical attitudes of students as a function of age, sex and experience. This paper explores the ethical positions of students and firmly entrenched when they enter college, or do they change due to maturity, experience to ethical discussions in coursework, work experience, or a combination of factors. This study compared the ethical attitudes of freshmen and junior accounting majors, and post-graduate MBA students when confronted with two ethical dilemmas. Undergraduates were found to be more justice oriented than MBA, who were more utilitarian in their ethical approach. While males tended to be more utilitarian, they were also more tentative and neutral in their responses. Females expressed more definite ethical positions than males when assessing specific ethical behaviors. Prior exposure to ethics via coursework or employment did not significantly affect ethical attitudes.

Robert C. Ford and Woodrow D. Richardson (1994) reviewed empirical literature on Ethical decision making. The Study variables were divided into those unique to the individual decision maker and those considered situational in nature. Variables related to an individual decision maker examined in this review are nationality, religion, sex, age, education, employment, and personality. Situation specific variables examined in this review are referent groups, rewards and sanctions, codes of conduct, type of ethical conflict, organization effects, industry, and business competitiveness. The review identifies the variables that have been empirically tested in an effort

to uncover what is known and what we need to know about the variables that are hypothesized as determinants of ethical decision behavior.

Durwood Ruegger and Ernest W. King (2004) conducted a study on the effect of age and gender upon student business ethical. The study consists of 2,196 students enrolled in business courses at the University of Southern Mississippi. The intent of the survey was to determine whether or not age or gender played a role in a person's perception of proper ethical conduct. The finding suggests that gender is a significant factor in the determination of ethical conduct and that females are more ethical than males in their perception of business ethical situations. Students were divided into groups according to age as follows: under 21 years, 22–30 years, 31–40 years, and 40 plus years. The results of this survey also suggest that age is a determining factor in making ethical decisions. The statistics suggest that those students falling in the 40 plus years age group were the most ethical, followed in order by the 31–40 group, the 22–30 group and those of 21 years of age and under

Tami L. Knotts , Tara Burnthorne Lopez , Hani I. Mesak (2000), Empirically analyzed ethical Judgments of College Students. Findings from the study suggest that gender, academic major, and one dimension of religiosity, religious commitment, significantly influence the ethical judgments of college students. On the other hand, age and a second dimension of religiosity, religious affiliation, produced insignificant results.

Factors imparting on ethical behaviour in organization by Ingrid Naude (2005) The findings of the study stated that there exist a biggest impact on ethical behaviour among the individual values. Values are beliefs a person has and which that person acts on by preference. The entire population of respondents was 66 (n=66)

Purpose of the Study

The main purpose of this study is to understand and analyze the present status and future ethical behavior of MBA students

Scope

The study is restricted to MBA students. Arts and science and engineering college management students situated in the geographical regions of Chennai. Due to the constraint of time and financial resources it was decided to measure few factors determining the present status and future ethical behavior of MBA students. The scope of the present study was limited only to one segment. The aspect of looking into different post graduate course from different places is beyond the scope of the study.

Objectives of the Study

To examine the predictability of the ethical behavior of MBA students

Method of Data Analysis

After data collection, this study employed following statistic techniques, like multiple-regression analysis to analyze data.

Limitations

The present study has few limitations

1.   This research has included 516 observations the findings should be confirmed through a larger sample for generalization.

2.   This study is solely concerned with a particular professional group, i.e. MBA students. So the results cannot be generalized to all students.

3.   Although this analysis identified that attitude and culture as strong predictors of MBA students, this does not imply that the results are generalisable to other research contexts.

Methodology
Sources of Data
For the present study primary and secondary data have been collected. Primary data was collected through a questionnaire and secondary data from Journals, Published reports, Books and Professional magazines.

Sample Design
Convenient sampling technique was adapted to select sample students. Chennai MBA students were selected for the purpose of the study. The total no of questionnaires distributed to different colleges were 750 of which 600 were received and only 516 questionnaires fulfilled the condition of the study.

Measures
All the constructs were measured using multi-item scales. Four factors were taken namely Age, gender, attitude and culture, and the students were requested to indicate their agreement to the statements on a seven point Likert scale that ranged from "strongly disagree" to " strongly agree" which assessed the ethical behavior of the MBA students. Since the review of literature supported these variables Eg., The perception of ethical behaviour among business studies students (Suzana Sedmak and Bojan Nastav, 2010), Ethical frameworks and ethical behavior: A survey of business students by Larry R. Watts and Joseph G. Ormsby (1994). Factors imparting on ethical behaviour in organization by Ingrid Naude (2005). Questionnaire consist of 28 items divided into 3 groups they were namely External factors, Organizational Factors and Individual factors, due to time constrain of this article I had taken only individual factors and the questionnaires is used for further research with path analysis is on process.
Individual Factors consist of:
IF1: Attitude
IF2: Intention
IF3: Peer Influence
IF4: Ego strength
IF5: Culture
IF6: Locus of Control
IF7 Self Control
IF8: Parental Influence
IF9: Level of Moral
IF10: Values
IF11: Beliefs

Multiple Regression Analysis
The multiple regression procedure is conducted to understand the relationship between several predictors or independent variables and a dependent or criterion variable. The general purpose of

multiple regressions (the term was first used by Pearson, 1908) is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. Kerlingo and Lee (2000) define that multiple regression is a statistical method that is related to dependent variable in a linear combination of one or more independent variables. They further explained that this procedure can help researchers determine how much each independent variable explains or relates to the dependent variable.

An important output of multiple regressions in the multiple correlation coefficient, R^2 which is the proportion of the variance in the dependent explained uniquely or jointly by the independent variables. The significant if the R^2 is determined by the F-test, which is the same as testing the significance of the regression model as a whole. If the probability of obtaining a large value is (F) < 0.00, then the model would be considered to be significantly better than expected by chance and it can be concluded that there is a linear relationship between the dependent variable and the independent variable. Durbin-Watson should not be less than 1 or greater than 3 respectively.

Stepwise are the most sophisticated methods. Each variable is entered in sequence and its value assessed. If adding the variable contributes to the model then it is retained, but all other variables in the model are then re-tested to see if they are still contributing to the success of the model. If they no longer contribute significantly they are removed. The beta value is a measure of how strongly each predictor variable influences the criterion variable. The beta regression coefficient is computed to allow and make comparisons and to assess the strength of the relationship between each predictor variable to the criterion variable. The Standardized Beta Coefficients give a measure of the contribution of each variable to the model.

Multiple regressions are therefore used to predict the variance in a dependent variable by various independent variables. The presence of multi-collinearity statistics can be measured by VIF (variance inflation factor) and the tolerance score is just the inverse of VIF, the value of VIF higher than 5 (or tolerance less than 0.2) respectively.

Hypothesis

H. 0: There is no significant difference in the factors which serves as a predictor and explains the variance of the ethical behavior of MBA students.

H. 1: There is significant difference in the factors which serves as a predictor and explains the variance of the ethical behavior of MBA students

Table.1 - Descriptive Statistics

ITEMS	Mean	Std. Deviation	N
ETHICAL BEHAVIOR	5.25	0.65	516
AGE	4.63	1.21	516
GENDER	4.99	0.79	516
ATTITUDE	5.17	0.99	516
CULTURE	5.28	0.92	516

The total number of students taken for the study is 516 and the mean value for the culture scores the highest as 5.28 followed by the ethical behavior 5.25 and attitude 5.17.

Table.2 - Correlation

ITEMS	ETHICAL BEHAVIOR	AGE	GENDER	ATTITUDE	CULTURE
ETHICAL BEHAVIOR	1.00				
AGE	0.43	1.00			
GENDER	0.36	0.23	1.00		
ATTITUDE	0.48	0.31	0.49	1.00	
CULTURE	0.40	0.32	0.17	0.21	1.00

*All Correlations are level of significant 0.01 (one-tailed)

To explore the relationship between the factors of the ethical behavior of the MBA students Pearson correlation coefficient was computed. The results indicated that all the variables were level of significantly correlated at 0.01. Further the strength of the relationship between attitude with gender is relatively higher ($r = 0.49$, $P < 0.05$) than the attitude with ethical behavior ($r = 0.48$, $P < 0.05$), age with ethical behavior ($r = 0.43$, $P < 0.05$) and culture with ethical behavior ($r = 0.40$, $P < 0.05$). This implies that the attitude of the students plays a significant role in the ethical behavior of the MBA students.

Table 3 - Regression Analysis for the Factors Affecting Ethical Behavior of MBA Students

VARIABLE	R VALUE	R SQUARE VALUE	ADJUSTED R SQUARE VALUE	STANDARD ERROR	F VALUE	P VALUE
Age (X1)	0.48	0.23	0.23	0.57	154.35	0.00**
Gender (X2)	0.57	0.32	0.32	0.53	69.37	0.00**
Attitude (X3)	0.61	0.37	0.37	0.51	41.49	0.00**
Culture (X4)	0.62	0.38	0.39	0.51	9.43	0.00**

Significant *$p<0.05$ ** $p<0.01$

a. Predictors: (Constant), Attitude

c. Predictors: (Constant), Attitude, Culture

b. Predictors: (Constant), Attitude, Culture, Age

d. Predictors: (Constant), Attitude, Culture, Age, Gender

e. Dependent Variable: Ethical Behavior

The model indicates a strong predictor of the dependent variable with multiple determination factor R square (Goodness of fit) value of 0.38, F-value 79.87 ($p<0.01$). Factor R of multiple cross-correlation 62 percent shows high cross correlation. The table illustrates the results of the

step-wise multiple regression, with ethical behavior as the dependent variable and the factors like age, gender, attitude and culture as independent variable.

The beta score signifies the positive relationship between each of the predictor variables. Age accounted for 23 percent of the variance, gender accounted for 32 percent of the variance, attitude scores 37 percent and, culture accounted for 38 percent of the variance. The regression co-efficient of predictor variables along with t-values and analysis of variance is shown in Tables 4 and 5.

Table 4 - Regression Co-Efficient For Factors Affecting Ethical Behavior Of MBA Students

Variables	Unstandardized Co-efficient of (B)	Unstandardized Co-efficient of S.E of B	Standardized Co-efficients (β)	t values	P value
Constant	2.26	0.18	-	12.3	0.00**
Age (X1)	0.19	0.03	0.29	7.25	0.00**
Gender (X2)	0.17	0.03	0.24	6.47	0.00**
Attitude (X3)	0.23	0.02	0.24	6.21	0.00**
Culture (X4)	0.10	0.03	0.12	3.07	0.00**

Significant *p<0.05 ** p<0.01

From the Regression Analysis we derived the following regression Model equation.

Ethical Behavior = α + x_1 Age + x_2 Gender + x_3 Attitude + x_3 Culture + ε

ID =2.26 + 0.19 (x1) + 0.17 (x2) + 0.23 (x3) +0.10 (x4)

From the Model it is identified comparatively the dimension of culture and attitude is highly influenced and it predicts Ethical behavior than other dimensions such as age and, gender. 'α' is *constant* value, which is the contribution, made by all other factors for determining the factors affecting the ethical behavior of MBA students.

Table 5 - Analysis of Variance

	Sum of squares	Mean square	F value	P value
Regression	82.99	20.75		
Residual	132.74	0.26	79.87	0.00**
Total	215.73			

Significant *p<0.05 ** p<0.01

All factors that are multiplied with variables are positive. The collinearity statistics revealed the absence of multicollinearity between Independent variable. Relative importance of each variable, age (0.91), gender (0.76), and culture (0.96) made the strongest contribution in exploring the dependent variable. However, the best predictor is 'attitude'. The presence of variance inflation factor and tolerance score is $p < 5$ and $p > 0.02$ which means lack of multi-linear evasion. These factors significantly explain the variance of ethical behavior of the MBA students. Therefore the null hypothesis is rejected.
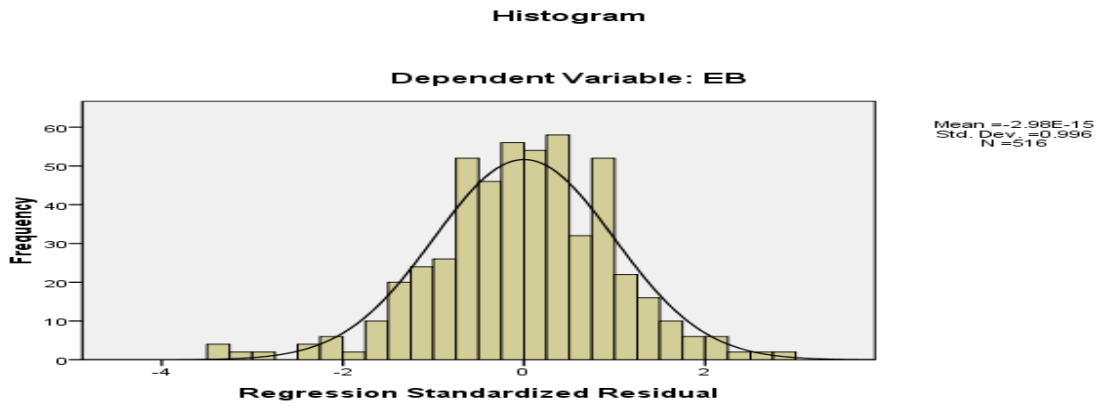
Figure:1

Histogram

Dependent Variable: EB

Mean =-2.98E-15
Std. Dev. =0.996
N =516

Figure: 2

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: EB

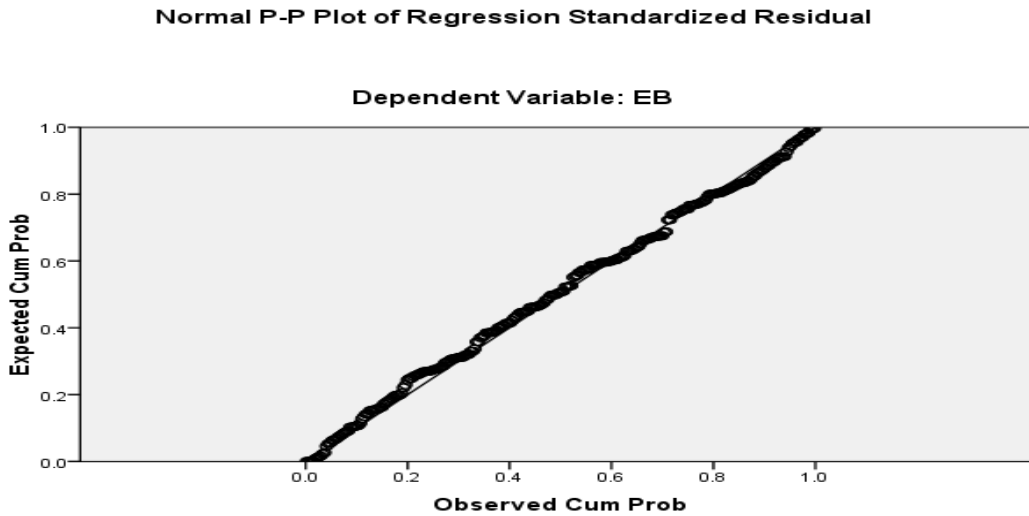**Figure: 3**

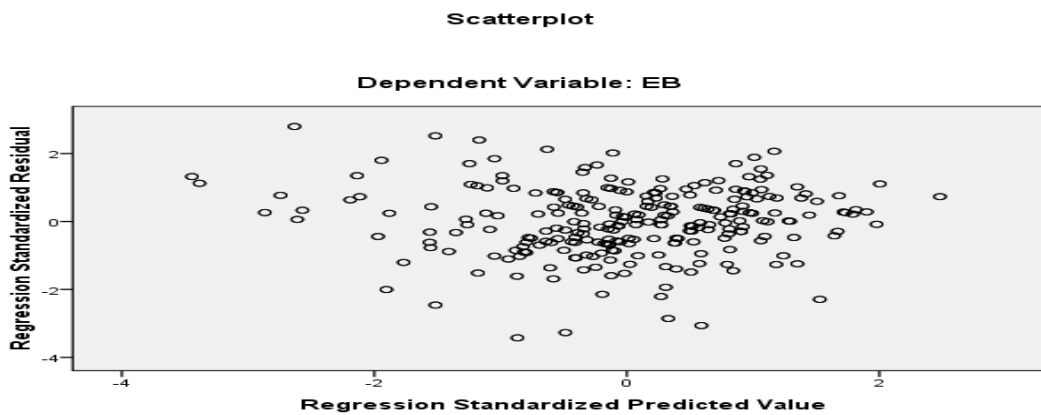

Scatterplot

Dependent Variable: EB

Conclusion

This study provides evidence that the present factors namely age, gender, attitude and culture are the predictors of the ethical behavior while culture and attitude are the strongest predictor of the student's ethical behavior followed by age and gender. The hypotheses framed for the study is strongly supported. The findings of this study help researchers and educationalist to plan strategies for colleges and develop a complete analysis to proceed with Structural model equation for ethical behaviors of the future MBA students.

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