

# Chapter 14

## A Study of the Effect of Age and Gender upon Student Business Ethics

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Many empirical surveys have been given to business students for the purpose of obtaining their views on acceptable ethical behavior. However, survey results are rarely conclusive and ethical beliefs change as the nation's view of morality changes. During the past decade, women have continued to gain prominence in corporate management. Also, the nation's population has continued to gray. It is estimated that the number of workers age 35 and older will increase by approximately 70 million by the year 2000 (Schachter and Dellaverson 1985). These expected gender and age changes in the nation's workforce will probably influence future empirical decision making. The present survey polled 2,196 students for the purpose of obtaining their ethical beliefs. 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.

It is never easy to define the term "ethics" or the term "business ethics." The first draft of John Locke's *Essay Concerning Human Understanding* grew out of a meeting in 1690 between friends who had gathered to discuss philosophical questions (Locke 1947). John Locke asked the group the following question: "Why must a man keep his word?" In answering the question, he proposed three different answers. "If a Christian be asked, he will give as his reason: because God who has the power of eternal life and death, requires it of us. But if a Hobbyist is asked why? He will answer: because the public requires it, and the Leviathan will punish you if you do not, and if one of the old philosophers had been asked, he would have answered: because it is dishonest, below the dignity of a man, and opposed to virtue, the highest perfection of human nature to do otherwise" (Locke 1963).

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The “depends upon who you ask” theory of John Locke has not changed. Nations differ, cultures differ, and certainly individuals differ in their perception of acceptable moral or ethical behavior.

Business students have been exposed to ethical teachings through family, religion, vocation, education and other experiences. This early development of moral or ethical training will carry over to their business occupations. Self-interest, profits, and other motives, however, may eventually cloud their best ethical judgment. The crucial question in boardroom meetings where social responsibility is discussed is not, “Are we morally obligated to do it?” but, rather, “What will happen if we don’t do it?” (Carr 1989).

Corporate senior executives are placed under extreme pressure to balance shareholder earnings against corporate social responsibility. A poll of corporate executives revealed that 76% of those surveyed believed that social responsibility is basically a question of ethics (Carrol 1975). Another study by Edmonds and Hand (1976) indicated that senior corporate executives were confident that they could maximize shareholder wealth and also achieve social responsibility. Price fixing, the savings and loan scandal, and numerous insider trading prosecutions have harmed the public’s perception of business ethics. As the public’s concern over business ethics continues, schools of business will be expected to do a better job of teaching ethics in their undergraduate and graduate courses. “Good ethics is good business because of readily understandable quid pro quo concepts; a business that behaves ethically induces others to behave ethically toward it” (Learned et al. 1989).

## Prior Research

Some of the prior research in this area found females to be more ethical than males (Betz et al. 1989) and older students to be more ethical than younger students. The surveys used small samples of 200 students or less. On the other hand, McNichols and Zimmer (1985) surveyed a larger sample of 1,178 students and found that there was no significant difference in the ethical beliefs of males and females.

## Research Design

This survey, consisting of ten questions, was prepared to measure reader response in six areas of ethical conduct: performing work or engaging in practices that may be unethical or harmful (Questions 1, 2 and 3); the employer’s responsibility for the safety and welfare of its workers (Question 4); using company time for personal business (Question 5 and 6); informing on your employer (Question 7); informing on fellow employees (Questions 8 and 9); and the company’s duty to restrain itself when there is a lack of competition (Question 10).

Students were asked to evaluate the ethical acceptability of each hypothetical question. They were encouraged to base their answers upon how they would react if faced with that particular problem. Each question was rated as being either

[A] acceptable, [SA] somewhat acceptable, [SU] somewhat unacceptable or [U] unacceptable. The survey questions are as follows:

1. Working for a company during the Vietnam War that manufactured Agent Orange. The sometimes lethal chemical was used to defoliate jungle foliage. Many people, including U.S. soldiers, were contaminated by the aerial applications.
2. A mechanic intentionally adds charges to a customer's bill because the customer continuously calls to check on the car.
3. A pharmacist gives pills to a regular customer even though the customer's prescription has expired.
4. A sports owner ordering a player to take prescription drugs and to play, even though playing while injured could end the player's career.
5. Looking for a better job while you are on company time.
6. Paying your bills and performing various personal services on company time.
7. An auto plant employee knows that a defective part is being installed in new cars. After failing to convince the company to correct the problem, the employee elects to remain silent in order to protect his/her job. Evaluate the conduct of the employee.
8. You have a personal knowledge that a fellow employee is padding his/her company expense account (a few dollars per week). You notify your supervisor and the employee is fired.
9. You have observed a fellow employee taking drugs in the restroom. Also, you have noticed a deterioration in the employee's work. You elect to remain silent.
10. Action by an industry (i.e., sugar, oil, etc.) to intentionally and falsely create conditions that indicate that there is a severe shortage of the commodity. The action is taken in order to inflate the product's selling price.

## Survey Respondents

The survey was voluntarily and anonymously completed by 2,196 students taking business courses at the University of Southern Mississippi. The University has an enrollment of approximately 13,000 students. The survey was conducted during the fall and spring semesters for the years 1989 and 1990. Participants provided a blend of urban and rural backgrounds. The rural group was comprised of students primarily from the southern part of Mississippi, the eastern part of Louisiana, the western part of Alabama and northwestern Florida. Students from the metropolitan areas of Mississippi, New Orleans, Louisiana, and Mobile, Alabama made up the urban group. Table 14.1 depicts the statistical breakdown of the survey sample.

## Research Problem

The null hypotheses that we chose to test are as follows:

### *Hypothesis statement #1*

There will be no significant difference at the 0.05 level in the attitude of males and females when determining acceptable ethical behavior in the six areas of study.

**Table 14.1** Survey sample statistics

Females	1,042	Business majors	1,862
Males	1,154	Nonbusiness majors	334
21 years or less	1,286	Freshmen	70
22–30 years	765	Sophomores	440
31–40 years	105	Juniors	778
40 plus years	40	Seniors	886
		MBA	22
International	111		
United States	2,085		

**Table 14.2** Chi square calculations for hypothesis # 1 (males-females)

Question #	df	Chi sq.	Chi sq. (0.05)	Hypothesis status
1,2,3	3	93.6911	7.815	Rejected
4	3	58.4599	7.815	Rejected
5,6	3	7.6704	7.815	Accepted
7	3	153.4731	7.815	Rejected
8,9	3	7.3165	7.815	Accepted
10	3	46.6198	7.815	Rejected

*Hypothesis statement #2*

There will be no significant difference at the 0.05 level in the attitude of students of different ages when determining acceptable ethical behavior in the six areas of study.

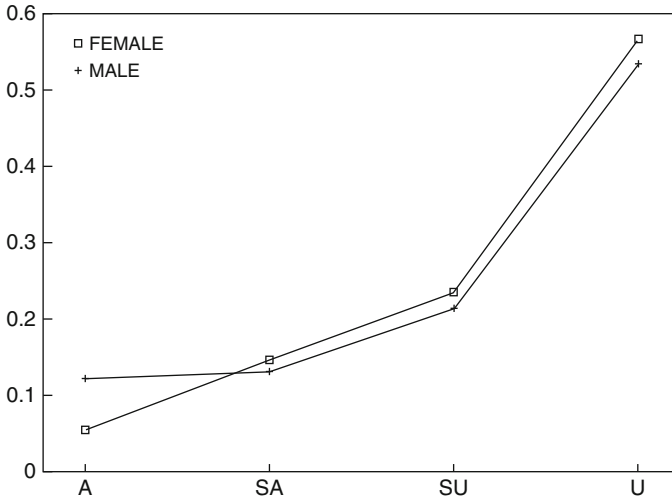
## Survey Results

Since the survey information is categorical, the Chi Square method was chosen as the best method to analyze the data. The data for the questions that showed a significant difference were then plotted and are shown in graph form to visually aid the reader’s interpretation of the respondents’ answers. The survey result is also shown for each individual question.

### *Males and Females*

Table 14.2 details the results of Chi Square calculations for male and female students.

The Chi square level of significance (with 3 degrees of freedom) at the 0.05 level is computed to be 7.815 (Borg 1981). In questions 5, 6, 8 and 9, there was no significant difference in the ethical beliefs of males and females. Males and females did differ significantly in their answers to the remaining questions. The greatest significant differences obtained from the Chi square test cells are listed for the purpose of aiding the reader’s interpretation of the graphs.



**Fig. 14.1** Performing work or engaging in unethical or harmful practices

1. Performing work or engaging in practices that may be unethical or harmful, (Questions 1, 2, 3). *Greatest significant difference:* Acceptable [A] category. 12.1% of the males and 5.3% of the females thought the conduct of the parties was acceptable. (Result: Females are more ethical than males.) Figure 14.1 shows the pattern of response by gender for category 1.
2. Employers responsibility for the safety and welfare of its workers. (Question 4.) *Greatest significant difference:* Unacceptable [U] category. 72.4% of the males and 85% of the females thought the conduct of the parties was unacceptable. (Result: females are more ethical than males.) Figure 14.2 shows the pattern of response by gender for category 2.
3. Using company time for personal business. (Questions 5, 6.) No significant difference was found between males and females in this category.
4. Informing on your employer. (Question 7.) *Greatest significant difference:* Unacceptable [U] category. 23.2% of the males and 42.3% of the females thought the conduct of the parties was unacceptable. (Result: females are more ethical than males). Figure 14.3 shows the pattern of response by gender for category 3.
5. Informing on fellow employees. (Questions 8, 9.) No significant difference was found between males and females in this category.
6. The company’s duty to restrain itself when there is a lack of competition. (Question 10.) *Greatest significant difference:* Unacceptable [U] category. 56.6% of the males and 64.7% of the females thought the conduct of the parties was unacceptable. (Result: females are more ethical than males.) Figure 14.4 shows the pattern of response by gender for category 4.

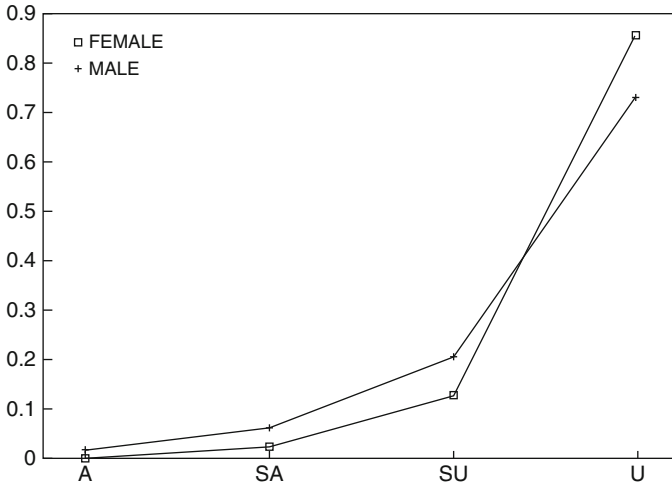


Fig. 14.2 The employer's responsibility for the safety and welfare of its workers

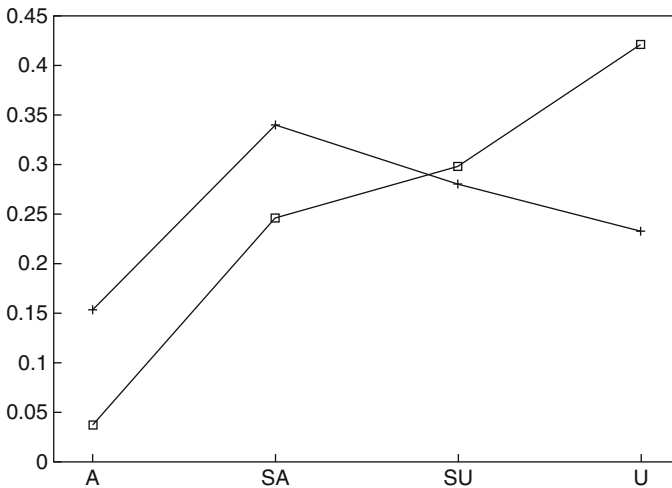


Fig. 14.3 Informing on your employer

### Age

Table 14.3 details the results of Chi square calculations for students by age groups.

The Chi square level of significance (with 9 degrees of freedom) at the 0.05 level is computed to be 16.919 (Borg 1981). In questions 8 and 9, there is no significant difference. Age is a significant determining factor when expressing ethical beliefs in all of the remaining questions.

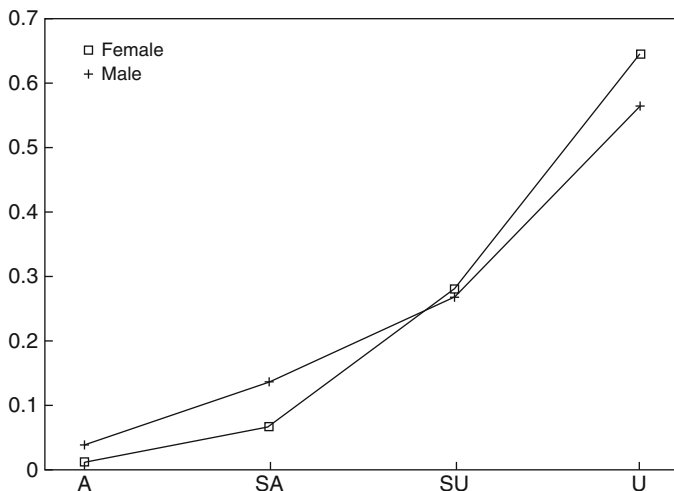


Fig. 14.4 Company’s duty to restrain itself when competition is lacking

Table 14.3 Chi square calculations for hypothesis # 2 (age)

Question #	df	Chi sq.	Chi sq. (0.05)	Hypothesis status
1,2,3	9	30.3807	16.919	Rejected
4	9	21.9727	16.919	Rejected
5,6	9	51.2022	16.919	Rejected
7	9	32.8738	16.919	Rejected
8,9	9	14.2796	16.919	Accepted
10	9	40.8676	16.919	Rejected

1. Performing work or engaging in practices that may be unethical or harmful. (Questions 1, 2, 3.)  
*Greatest significant difference:* Somewhat acceptable [SA] category. 18.3% of the –21 age group and 9.2% of the age 40 and over group found the conduct of the parties to be somewhat acceptable. (Result: most ethical, in order, 40+ years; 31–40 years; 22–30 years; –21 years.) Figure 14.5 shows the pattern of response by age for category 1.
2. Employer’s responsibility for the safety and welfare of its workers. (Question 4.)  
*Greatest significant difference:* Somewhat unacceptable [SU] category. 5.7% of the age 31–40 group and 18.7% of the –21 age group found the conduct of the parties to be somewhat unacceptable. (Result: most ethical, in order, 40+ years; 31–40 years; 22–30 years; –21 years.) Figure 14.6 shows the pattern of response by age for category 2.
3. Using company time for personal business. (Questions 5, 6.)  
*Greatest significant difference:* Unacceptable [U] category. 27.7% of the –21 age group and 62.5% of the age 40 and above group thought the conduct of the parties was unacceptable. (Result: most ethical, in order, 40+ years; 31–40 years; 22–30 years; –21 years.) Figure 14.7 shows the pattern of response by age for category 3.

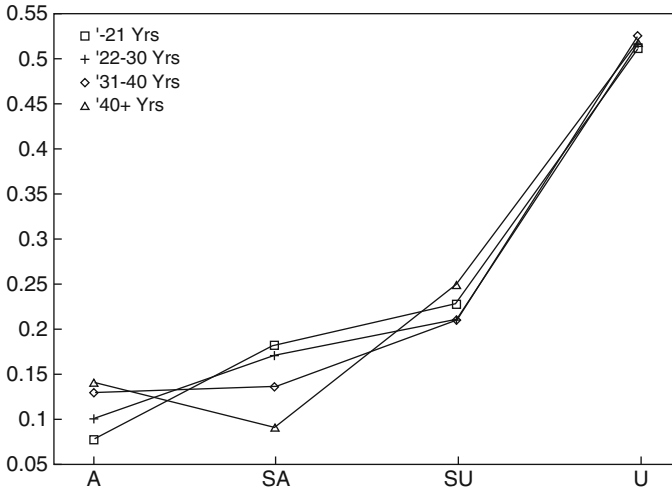


Fig. 14.5 Performing work or engaging in unethical or harmful practices

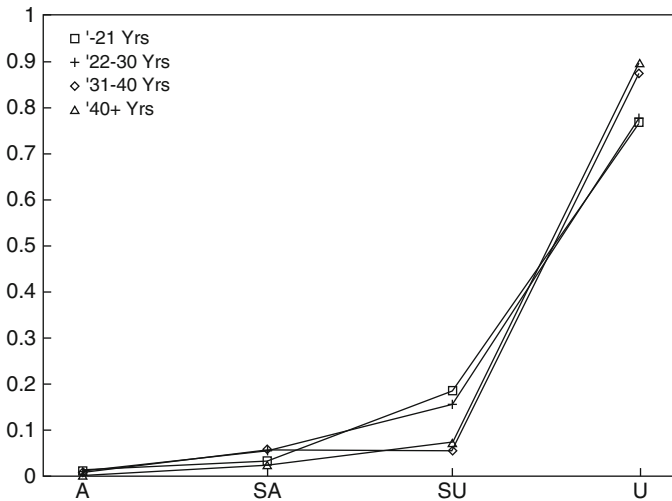


Fig. 14.6 The employer's responsibility for the safety and welfare of its workers

4. Informing on your employer. (Question 7.)

*Greatest significant difference:* Unacceptable [U] category. 42.3% of the -21 age group and 23.2% of the age 40 and over age group approved of the action of the worker. (Result: most ethical, in order, 40+ years; 31-40 years; 22-30 years; -21 years.) Figure 14.8 shows the pattern of response by age for category 4.

5. Informing on fellow employees. (Questions 8, 9.) No significant difference was found between the age groups in this category.



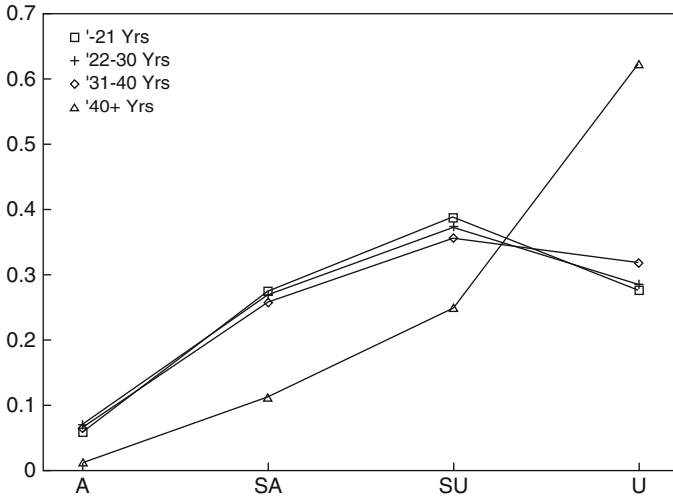


Fig. 14.7 Using company time for personal business

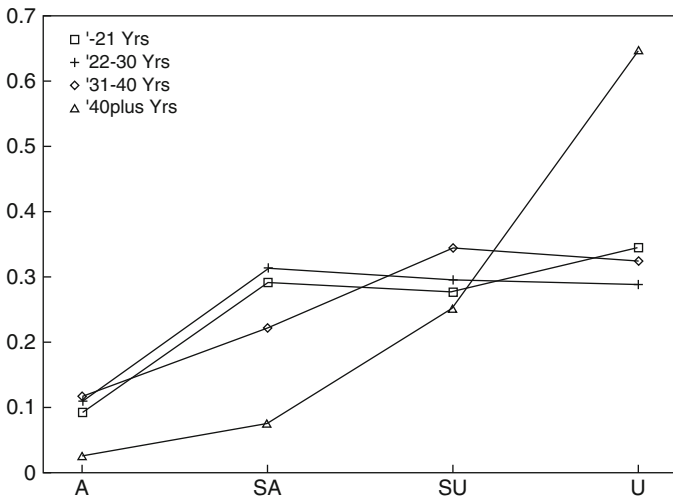


Fig. 14.8 Informing your employer

6. The company’s duty to restrain itself when there is a lack of competition. (Question 10.)

*Greatest significant difference:* Unacceptable [U] category. 25% of the -21 age group and 50% of the age 40 and over group approved of the action of the industry. (Result: most ethical, in order, 40+ years; 31–40 years; 22–30 years; -21 years.) Figure 14.9 shows the pattern of response by age for category 6.

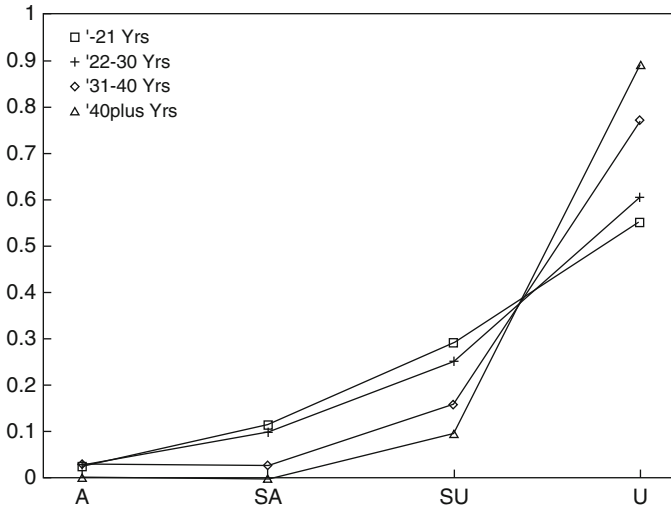


Fig. 14.9 Company's duty to restrain itself when competition is lacking

### Summary and Conclusions

The present study surveyed 1,042 females (47.4%) and 1,154 males (52.6%). The survey suggests that gender is a significant factor in the determination of four of the six categories tested. However, no significant differences were found at the 0.05 level between females and males when considering the use of company time for personal business or when asked to evaluate the acceptability of informing on a fellow employee. Answers to the four remaining questions suggest that females are more ethical in their perception of business ethical situations. The responses for the ten questions are summarized by gender in Table 14.4.

In addition, this survey suggests that age is a determining factor in five or six categories tested. The one exception in which no significant difference was found at the 0.05 level between students of different ages occurred when students were asked to evaluate the acceptability of informing on a fellow employee. Students were divided into groups according to age as follows: -21 years, 22-30 years, 31-40 years, and 40 plus years. Although the survey covered a large sample, some limitations may occur due to the small size of the 40 plus age group. We tested only 40 students in that particular group. We do not know what effect, if any, the smaller sample will have on the validity of the survey.

The study suggests 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 21 years of age and under. Thus, age does appear to have a significant affect upon how students view business ethics. The responses for the ten questions are summarized by age in Table 14.5.

The finding of this survey lends support to the surveys of Betz et al. (1989) which asserted that females are more ethical than males. However, it appears to contradict

**Table 14.4** Overall survey results in percentage form by gender

Questions	Acceptable		Somewhat acceptable		Somewhat unacceptable		Unacceptable	
	Male	Female	Male	Female	Male	Female	Male	Female
1, 2, 3 <sup>a</sup>	12.1	5.3	13.0	14.5	21.4	23.5	53.5	56.7
4 <sup>b</sup>	1.7	0.3	5.9	2.3	20.0	12.4	72.4	85.0
5, 6 <sup>c</sup>	7.7	6.5	27.3	26.1	38.4	37.2	26.6	30.1
7 <sup>d</sup>	15.1	3.6	33.9	24.4	27.8	29.7	23.2	42.3
8, 9 <sup>e</sup>	23.0	22.0	23.0	24.3	27.0	26.2	25.0	27.5
10 <sup>f</sup>	3.6	1.1	13.3	6.5	26.4	27.7	56.6	64.7

Males *n* = 1,154

Females *n* = 1,042

<sup>a</sup> Approval of unethical or harmful practices. (Agent Orange, mechanic, pharmacist)

<sup>b</sup> Approving owner’s right to order player to take drugs so that he/she may play

<sup>c</sup> Using company time for personal business

<sup>d</sup> Remaining silent in order to protect your job

<sup>e</sup> Willing to inform on a fellow employee

<sup>f</sup> Approval of a company’s practice of using false information in order to inflate the product’s price

**Table 14.5** Overall survey results in percentage form by age

Questions	Acceptable				Somewhat acceptable			
	–21	22–30	31–40	40+	–21	22–30	31–40	40+
1, 2, 3 <sup>a</sup>	7.8	10.2	13.0	14.2	18.3	17.1	13.7	9.2
4 <sup>b</sup>	1.1	0.8	1.0	0.0	3.3	5.5	5.7	2.5
5, 6 <sup>c</sup>	5.9	7.1	6.7	2.5	27.5	26.8	25.7	24.0
7 <sup>d</sup>	9.0	10.7	11.4	2.5	28.9	31.1	21.9	7.5
8, 9 <sup>e</sup>	21.9	18.8	20.5	19.0	25.9	23.9	19.5	23.5
10 <sup>f</sup>	2.5	2.9	2.9	0.0	11.5	9.9	2.9	2.5

Questions	Somewhat unacceptable				Unacceptable			
	–21	22–30	31–40	40+	–21	22–30	31–40	40+
1, 2, 3 <sup>a</sup>	22.9	21.1	21.0	25.0	51.0	51.5	52.4	51.7
4 <sup>b</sup>	18.7	15.8	5.7	7.5	76.9	77.9	87.6	90.0
5, 6 <sup>c</sup>	38.9	37.5	35.7	39.0	27.7	28.6	31.9	43.5
7 <sup>d</sup>	27.5	29.4	34.3	25.0	34.5	28.8	32.4	65.0
8, 9 <sup>e</sup>	26.4	29.3	32.0	27.5	25.8	27.9	28.0	30.0
10 <sup>f</sup>	29.7	25.5	16.2	7.5	56.3	61.7	78.1	90.0

*n* = 2,196

<sup>a</sup> Approval of unethical or harmful practices. (Agent Orange, mechanic, pharmacist)

<sup>b</sup> Approving owner’s right to order player to take drugs so that he/she may play

<sup>c</sup> Using company time for personal business

<sup>d</sup> Remaining silent in order to protect your job

<sup>e</sup> Willing to inform on a fellow employee

<sup>f</sup> Approval of a company’s practice of using false information in order to inflate the product’s price

the assertion of McNichols and Zimmer (1985) that males and females share similar ethical beliefs. Overall, the findings tend to suggest that there is a close correlation between gender and age when considering business ethical problems.

Follow-up voluntary class discussions indicate similar traits between age and gender. The female and older students (male and female) who volunteered to speak

were more comfortable with recognizing a practice as either being right or wrong. Thus, females and older students seem to be less troubled by ethical dilemmas. However, the males and younger students who spoke appeared to be more flexible in their ability to justify a less than perfect ethical performance. One reason for the differences in ethical reasoning by males and females could possibly be traced to the family. The traditional family allowed the male to be aggressive and to behave in a manner that would not be acceptable for a female. On the other hand, females were taught to be loving and caring and to be supportive of the needs of other people. Because of federal legislation to eliminate job discrimination and the fact that two salaries are needed in most households, the roles of females have changed. However, it is possible that some of the traditional role traits for females have carried forward to this date.

Finally, the study reinforces the theory that gender and age affects the way students view business ethics. Class discussions indicate that those students who have worked for long periods of time appear to be more ethical than those students with limited work experience. The differences in male and female ethical perceptions are likely to change as females become more deeply entrenched in all areas of the workplace.

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