

A Cross Cultural Comparison of Ethical Perspectives and Decision Approaches of Business Students: United States of America Versus New Zealand

Marilyn Okleshen
Richard Hoyt

ABSTRACT. While differences do exist, there are many ethical issues which transcend national barriers. In order to contribute to the development of understanding of global ethics, this study documents the existing ethical perspectives of collegiate business students from two countries and identifies the determinants of their ethical orientations.

A survey instrument was administered to USA and New Zealand (NZ) students enrolled in undergraduate business programs. The research instrument measured students' ethical perspectives across multi-layered ethical domains and their self-professed decision method used in evaluating ethical scenarios.

The results indicate that USA students were less tolerant than the NZ students of situations involving the ethical constructs of fraud, coercion and self-interest. Additionally, females are less tolerant than males in all ethical domains in both countries. Within the group of students who reported experience in an ethics course there was no significant difference in the ethical values of the USA and NZ students. The implication is that educational experience in an ethics course produces homogeneity and is beneficial towards obtaining cross cultural understanding and agreement in ethical values.

Introduction

The increasing globalization of business exemplifies that many ethical issues transcend national barriers. Fairness and honesty are examples of ethical concepts valued cross culturally. Corporate character as well as national values are reflected in written rules of behavior and codes of ethics (Fagiano, 1993). In international business, rules of behavior must be framed in the context of world citizenry with the prioritized emphasis providing rank in country specific issues, politics, and employee relations (Langlois and Schlegelmilch, 1990). On the other hand, many norms of ethical business behavior continue to vary widely in different capitalist nations. No other nation approaches the U.S. in the persistence and intensity of public concern with the morality to business conduct. The public, business and academic interest in issues of business ethics far exceeds that in any other capitalist country (Vogel, 1992). Because Americans have higher expectations of business conduct, unethical behavior is more likely to be exposed by aggressive journalism, punished, and become a scandal than in other capitalist countries. Though sharing a common Judeo Christian heritage with the U.S., other capitalist nations consider the current level of American interest in business ethics to be excessive. In fact the U.S. remains the only country that has sought to legislate moral business conduct overseas with the Foreign Corrupt Practices Act of 1977 (Singer, 1991).

Working with a diversity of cultures, moral and ethical values, current and future business

Marilyn Okleshen is an Associate Professor in the Accounting Department, College of Business Administration, Mankato State University.

Richard Hoyt is an Associate Professor in the Finance Department, College of Business and Economics, University of Nevada, Las Vegas. He spent one year on sabbatical leave with the Property Group, Department of Accounting and Finance, Lincoln University, Canterbury, New Zealand. His dissertation topic was on the social responsibility of business. He has published in academic and professional journals.

practitioners face the challenge of global ethics. This challenge highlights the need to obtain understanding and agreement across cultures regarding what is ethically correct. In order to contribute to the development of understanding of global ethics, this exploratory study responds to Buller *et al.* (1991) who stated that there is a need to document existing ethical perspectives of individuals from around the world and to identify the determinants of ethical orientations.

McClelland (1961) reported that cultures socialize their young differently, according to what is acceptable behavior. Students develop different ethical frameworks due to differences in their cultural background. This study analyzes the differences and similarities in the ethical perceptions and the decision methods for evaluating ethical dilemmas of undergraduate collegiate business students in the U.S. and New Zealand.¹ Since these student groups are from capitalist countries with a shared Judeo-Christian heritage, the differences in ethical values that occur are reflections of their respective national and cultural environments.

Literature review

Prior research in cross cultural ethical values involved country by country comparisons of managers or of collegiate business students. In support of the view that national culture has little impact on ethical beliefs, Lee (1982) found no cross cultural differences in ethical standards of British and Chinese managers in Hong Kong. Abratt *et al.* (1992) found no significant differences in the cultural values of South African and Australian managers. Lysonski and Gaidis (1991) found that business students' ethics were similar in the U.S.A., Denmark and New Zealand, and that the students' ethics were not different from the managers of their respective countries. A study of the U.K. and U.S. reported that cross cultural differences were less important than gender differences in explaining dissimilarities in the ethical judgments of students (Whipple and Swords, 1992).

In contrast, significant cross-cultural dif-

ferences were found in the ethical beliefs of American, French and German managers. U.S. managers were more concerned with ethical and legal questions than the other managers (Becker and Fritzsche, 1987 a & b). A study of U.S., Japan, Korea, India, and Australia found that age of managers positively correlated with the values of trust and honor (England, 1978).

Other research in ethics among student populations has compared either the values of subsets of student groups or the values of students and business managers. Many of the latter comparisons revealed significantly different, more tolerant ethical values among students (Christie and Gies, 1970; Arlow and Ulrich, 1980; Stevens, 1984; Harris, 1990; Kraft and Singhapakdi, 1991). Berenbeim (1992) found that students accorded greater weight to the interests of the individual than did executives, who were more inclined to emphasize the interests of the company and to be more concerned about exposing it to risk. Harris (1993) concluded that practitioners were less tolerant of ethical issues involving fraud, coercion or deceit, whereas students were less tolerant of ethical issue of self-interest.

In the studies which focused exclusively on student groups, because of variations in research design, there have been mixed results (Newstrom and Ruch, 1976; Goodman and Crawford, 1974; Hawkins and Cocanougher, 1972; Shuptrine, 1979; McCabe *et al.* 1991; Jones, 1990; Harris, 1991). Generally these studies found that undergraduate business students possess lower ethical values than their peers in non-business majors. Jones and Gautschi (1988) found that MBA students displayed considerable sensitivism, though to varying degrees, toward ethical issues in business. Mayer (1988) expressed concern that "ethical underdevelopment is chronic" among students in three professional programs in Canada: business, engineering and forestry. O'Clock and Okleshen (1993) reported that the ethical values of undergraduate business and engineering students differed only on the issue of whistleblowing. Peterson *et al.* (1991) concluded that college students were generally concerned about business ethics but that they appeared to be more concerned about improving

ethics rather than fingerpointing. Studies which have attempted to measure the impact of teaching ethics to students have shown improved, but short-lived improvements in the ethical values and reasoning skills of students (Fulmer and Cargile, 1987; Weber, 1990).

Many studies have illustrated the "attitude/behavior inconsistency" or the "self versus others" paradox in ethical perceptions of individuals (Newstrom and Ruch, 1976; Izraeli, 1988; Peterson *et al.* 1991; Whipple and Swords, 1992; O'Clock and Okleshen, 1993). This disparity of perception of ethical values extends cross culturally where U.S. business persons evoke a "holier than thou attitude" when dealing with their foreign counterparts (Singer, 1991). Extending this phenomenon into gender comparisons of ethical values, Kidwell *et al.* (1987) found that female and male managers were exceedingly critical of the ethical predispositions of the members of the opposite sex.

Although McCabe *et al.* (1991) found no differences between genders in ethical values of business students, other studies of gender differences found that females to be less tolerant than males of situations involving ethical dilemmas (Peterson *et al.*, 1991; Ruegger and King, 1992). The differences in ethical values of males and females may be attributable to the particular decision rule invoked by an individual when evaluating an ethical issue.

Prior research involving decision rules used four ethical maxims to describe the reasoning process of individual respondents. Two of the maxims, the Golden Rule and Kant's Imperative are expressive of a deontological approach to decision making which emphasizes the factors or rules to arrive at ethical decisions. The remaining two approaches are Egoism and Utilitarianism which are outcome or consequence based decision rules and are categorized as teleological approaches. Galbraith and Stephenson (1993) found that female business students prefer a Utilitarian decision rule and male business students prefer an Egoist approach to evaluating ethical dilemmas. These results support Harris (1991, 1993) who found that business majors profess a teleological (Egoist and Utilitarian) approach, whereas, non business majors prefer a

deontological (Golden Rule and Kant's Imperative) approach.

The purpose of the study

The purpose of this study is to analyze, compare, and contrast the ethical perceptions and the decision approaches to ethical evaluation of undergraduate collegiate business students in the countries of United States of America (US) and New Zealand (NZ) with respect to multi-layered ethical constructs. Given that these two groups of students share similarities in a predominantly Judeo-Christian environment and in academic preparation for a professional career, this study cross-culturally investigates the similarities and differences in ethical perceptions of undergraduate business students across multi-layered ethical domains or constructs labeled (1) fraud, (2) coercion power, (3) influence dealing, (4) self-interest, and (5) deceit. If differences do exist between the USA and NZ student groups, this study attempts to discern some of the factors attributable to the differences: gender; students' experience in an ethics course; or the decision method used by students to evaluate an ethical scenario.

Methodology

In order to investigate similarities and differences in the ethical perceptions and decision-making approaches of undergraduate students majoring in business in the USA and NZ, a questionnaire was administered at one midwestern (USA) university and at one NZ university. The research instrument was completed during class time in a required undergraduate business course with voluntary participation and assured anonymity.

Subjects

After screening for incomplete questionnaires, a total of 699 undergraduate business students participated in the study. The average age of the 358 USA students was 21.6 years; whereas the average

age of the 341 NZ students was 20.3 years.² Males comprised 57 percent of the USA sample and 56 percent of the NZ sample. To test for reliability Cronbach's α was calculated for each ethical construct measure across both groups. For all constructs, $\alpha \Rightarrow 0.71$.

Research instrument

The USA student group was administered a questionnaire that consisted of a survey instrument designed by Harris (1990, 1991, 1993).³ The same questionnaire was administered to the NZ student group with modifications suitable to the English language of New Zealand.

The survey instrument presents 15 short scenarios of business situations and asks respondents to give their degree of approval/disapproval along a five point Likert-type scale, with 1 being the anchor for the greatest degree of approval (Appendix 1). The scores of the 15 scenarios are aggregated into the five construct model (fraud = scenarios C, N, O; and coercion = scenarios D, J, and K; influence dealing = scenarios E, H, and I; self-interest = scenarios G, L, and M; deceit = scenarios A, B, and F) which forms the basis of the analysis of the present study. The respondents' replies to the Likert-type scale are summed for each of the three scenarios that constitute a construct, giving a range of responses from 3 (most approving) to 15 (most disapproving).

Results

Table I presents the mean scores and standard deviations for each of the five constructs for the USA and NZ student respondents. Significant differences in mean scores were measured using a two tail t-test. Three of the five constructs were statistically significant at $p < 0.01$ level. The USA students were less tolerant (more disapproving) of the business situations involving fraud, coercion and self-interest. Although statistically non-significant, the NZ students had a higher mean score on only one construct, deceit.

Table II presents the construct means and

TABLE I
Construct means and standard deviations of collegiate business students by country

Construct	USA <i>n</i> = 358	NZ <i>n</i> = 341
Fraud*	11.60 (2.57) ^a	10.41 (2.62)
Coercion*	10.77 (2.41)	10.12 (2.31)
Influence Dealing	8.74 (2.39)	8.77 (2.27)
Self-Interest*	9.29 (2.65)	8.55 (2.72)
Deceit	11.82 (2.25)	12.11 (2.07)

* T-test statistically significant at 0.01 alpha level.

^a Standard Deviations in parentheses.

standard deviations of the USA and NZ respondent groups broken down by gender within each country. Within the USA student group, the mean scores reflect that USA females are significantly less tolerant than USA males in the ethical domains involving fraud, influence dealing, self-interest and deceit. In the NZ student group, the mean scores of females were statistically significant and reveal that the NZ females were less tolerant than NZ males in two ethical domains, coercion and self-interest. Both the USA and NZ females have higher mean scores than their male countrymen on all constructs which supports the findings of previous research that, in general, females are less tolerant than males of unethical business situations. However, the ethical values of the USA and NZ females versus their respective male countrymen have common statistical significance in only one ethical domain, self-interest. In comparison, there is statistical significance on the ethical construct, coercion, for NZ females versus NZ males, which is nonsignificant for the USA females versus USA males.

In order to more closely examine the cultural differences, Table III presents the construct means and standard deviations of business students of the same gender broken down by country of

TABLE II
Construct means and standard deviations of collegiate business students by country by gender

Construct	USA		NZ	
	Male <i>n</i> = 203	Female <i>n</i> = 155	Male <i>n</i> = 189	Female <i>n</i> = 150
Fraud*	11.01 (2.71) ^a	12.37 (2.17)	9.87 (2.74)	10.51 (2.43)
Coercion**	10.51 (2.62)	11.11 (2.07)	9.72 (2.35)	10.59 (2.17)
Influence Dealing*	8.12 (2.30)	9.54 (2.28)	8.63 (2.39)	8.95 (2.11)
Self-Interest* **	8.59 (2.62)	10.21 (2.41)	8.01 (2.75)	9.27 (2.52)
Deceit*	11.25 (2.33)	12.55 (1.90)	11.89 (2.21)	12.37 (1.85)

* USA T-test significantly different at 0.01 alpha level.

** NZ T-test significantly different at 0.01 alpha level.

^a Standard deviations in parentheses.

TABLE III
Construct means and standard deviations of collegiate business students by gender by country

Construct	Male		Female	
	USA <i>n</i> = 102	NZ <i>n</i> = 189	USA <i>n</i> = 155	NZ <i>n</i> = 150
Fraud* **	11.01 (2.17) ^a	9.87 (2.74)	12.37 (2.17)	10.51 (2.43)
Coercion*	10.51 (2.62)	9.72 (2.35)	11.11 (2.07)	10.59 (2.17)
Influence Dealing	8.12 (2.30)	8.63 (2.39)	9.54 (2.28)	8.95 (2.11)
Self-Interest**	8.59 (2.62)	8.01 (2.75)	10.21 (2.41)	9.27 (2.52)
Deceit*	11.25 (2.33)	11.89 (2.21)	12.56 (1.90)	12.37 (1.84)

* Male T-test significantly different at 0.01 alpha level.

** Female T-test significantly different at 0.01 alpha level.

^a Standard deviations in parentheses.

location. The results of Table III indicate the differences in the mean scores of USA males versus NZ males were statistically significant. The USA males were less tolerant than NZ males on

the ethical constructs of fraud and coercion. NZ males were significantly less tolerant than USA males in the ethical domain of deceit. A comparison of the means scores of USA females

versus NZ females indicates that USA females were less tolerant than NZ females of ethical situations involving fraud and self-interest. Both USA females and USA males were less tolerant than their NZ gender counterparts in the ethical domain of fraud. The USA undergraduate business students may be more sensitive to this ethical issue due to the frequent exposure to fraudulent reporting by the news media in the USA. The ethical construct of influence dealing was not significant in either gender comparison. Females and males in the two countries share similar ethical values with regards to the ethical construct of influence dealing which had the lowest mean scores in Table III, reflecting more approval of this construct than any other constructs.

Table IV reports the dispersion of the USA and NZ collegiate business students with or without experience in an ethics course. Since only 15.7 percent of the USA business students and 6.8 percent of the NZ students reported experience in an ethics course, a relatively small proportion of both student groups have overt knowledge of and experience in ethical theory.

TABLE IV
Dispersion of collegiate business students with/
without ethics course experience by country*

Country	Ethics Course	No Ethics Course
USA	15.7%	84.3%
NZ	6.8%	93.2%

* Chi-Square test significant at 0.0003 alpha level.

Table V presents the construct means and standard deviations of business students with or without ethics course experience broken down by country. Interestingly, the results indicate no statistically significant differences in the mean scores of USA and NZ students reporting an ethics course experience. The experience of an ethics course has created homogeneity in the ethical values of the USA and NZ students with regard to the five ethical constructs. For the students with no ethics course experience, the mean scores of the USA students are statistically significant and differ from the NZ students' mean

TABLE V
Construct means and standard deviations of collegiate business students with/without ethics course experience

Construct	Ethics Course		No Ethics Course	
	USA <i>n</i> = 56	NZ <i>n</i> = 22	USA <i>n</i> = 301	NZ <i>n</i> = 303
Fraud*	11.73 (2.73) ^a	10.81 (2.74)	11.56 (2.55)	10.12 (2.66)
Coercion*	10.59 (2.73)	9.31 (2.30)	10.81 (2.35)	10.18 (2.32)
Influence Dealing	9.14 (2.51)	9.31 (2.21)	8.67 (2.36)	8.77 (2.29)
Self-Interest*	9.30 (3.06)	8.46 (2.28)	9.29 (2.58)	8.56 (2.78)
Deceit**	12.04 (2.28)	11.86 (2.08)	11.77 (2.25)	12.19 (2.04)

* No Ethics course, T-test significantly different at 0.01 alpha level.

** No Ethics course, T-test significantly different at 0.02 alpha level.

Ethics course, T-test no significantly different.

^a Standard deviations in parentheses.

scores on four constructs. The USA students with no ethics course experience have mean scores reflecting less tolerance than the NZ students in the ethical domains of fraud, coercion and self-interest. The NZ students with no ethics course experience are less tolerant than USA students in the ethical construct of deceit. There is no significant difference between the groups in the construct of influence dealing.

Table VI presents the dispersion of the USA and NZ respondent groups professing use of specific decision approaches to ethical decision-making. As can be seen by the percentage breakdowns, the USA students are nearly evenly divided into the Teleological (49.8 percent) and the Deontological (50.2 percent) approaches. In the NZ student group 52.3 percent of the students professed a Teleological approach, and 47.7 percent prefer a Deontological approach. The Chi-Square statistic is significant at $p < 0.01$ level, inferring that there is a relationship between country and the ethical decision-making approach. Since a large sample size will make a Chi-Square statistic significant (Norusis, 1991: p. 278), the results are examined for gender differences in Table VII to determine if the observed differences are of any practical importance.

Table VII presents the dispersion of respondents professing specific decision approaches to ethical decision making broken down by gender

TABLE VI

Dispersion of collegiate business students by country professing use of specific decision approaches***

Decision Approach	USA	New Zealand
Teleological		
Egoist	16.2%	27.7%
Utilitarian	33.6%	24.6%
	49.8%	52.3%
Deontological		
Golden Rule	17.9%	17.9%
Kant's Imperative	32.3%	29.8%
	50.2%	47.7%

*** Chi-Square test significant at 0.002 alpha level.

within a country. The Chi-Square tests of the USA and NZ sub-samples are significant at $p < 0.01$ level. The majority of the USA females (57.5 percent) prefer a Deontological approach to ethical dilemmas. A smaller majority of NZ females, 51.7 percent, prefer a Deontological approach to ethical decision making. A larger proportion, 16.6 percent, of NZ females selected the egoist approach where only 7.7 percent of USA females selected the egoist approach. The males of both sub-sample groups were similar in the total proportion of the sample populations

TABLE VII

Dispersion of collegiate business students by country by gender professing use of specific decision approaches

Decision Approach	USA*		NZ**	
	Male	Female	Male	Female
Teleological				
Egoist	22.8%	7.7%	36.8%	16.6%
Utilitarian	32.6%	34.8%	18.7%	31.7%
	55.4%	42.5%	55.5%	48.3%
Deontological				
Golden Rule	15.4%	21.3%	17.0%	19.3%
Kant's Imperative	29.2%	36.2%	27.5%	32.4%
	44.6%	57.5%	44.5%	51.7%

* USA Chi-Square test significant at 0.003 alpha level.

** NZ Chi-Square test significant at 0.01 alpha level.

of approximately 55 percent of both USA and NZ males professing use of the Teleological approach. The teleological approach is comprised of the two maxims: Egoist and Utilitarian. A greater proportion, 36.8 percent, of NZ males professed use of the Egoist approach versus 22.8 percent of USA males. There is evidently a more widely held view of Egoist approach to ethical decision making within the NZ culture than there is in the USA culture. The relatively smallest proportions of males in both the USA and NZ student respondents professed use of the Golden Rule as an approach to ethical decision making.

Conclusion

Because individuals are more sensitive to some ethical issues than others, the present study confirms prior research that ethics, when presented as multi-layered construct, reveals interesting differences and similarities in between group comparisons (Harris, 1989, 1990, 1991, 1993). After determining that the US students were significantly less tolerant of situations involving the ethical constructs of fraud, coercion, and self interest when compared to the NZ students, possible explanatory factors of gender differences were investigated. Influence dealing was the least important ethical issue to both student groups.

Similar to many prior studies, the present study confirms other findings that females had higher ethical scores (reflecting less tolerance) than males in all ethical domains for both countries. Significant differences between USA males and females occurred in constructs of fraud, influence dealing and self-interest. NZ males and females differed significantly in the ethical domains of coercion and self-interest. Cross culturally, USA and NZ males differed from each other in the domains of fraud, coercion and deceit, with deceit being the one issue where NZ students were less tolerant than the US students. USA and NZ females differed in the domains of fraud and self-interest (with USA being less tolerant than NZ).

In a cross cultural comparison of the impact of experience in ethics course upon the business students' ethics, the most interesting result of the study was that experience in an ethics course produced homogeneity and no significant difference in the ethical values of the USA and NZ students. Significant cross cultural differences were evident between the USA and NZ students without an ethics course experience. This result has implications that experience in an ethics course is beneficial towards obtaining cross cultural understanding and agreement in ethical values.

The present study also revealed significant differences in the decision method utilized by USA and NZ students when evaluating an ethical dilemma. The USA student group split almost evenly into teleological and deontological decision approaches, whereas a larger share (52 percent) of the NZ students professed a teleological decision approach. Significant differences were apparent when the country responses were broken down by gender. Fifty-five percent of the males of both countries professed a teleological decision approach. For USA males there was a preference towards a utilitarian approach, and the NZ males preferred an egoist approach. NZ females chose an deontological approach but to a lesser degree than the USA females. Although the egoist approach was the smallest percentage of females from both the USA and NZ, the relative difference was significant (8 percent of USA females versus 17 percent of NZ females).

The American approach to business ethics is more individualistic, legalistic, and universalistic than other capitalist societies (Vogel, 1992). In cross cultural comparisons in this study, the ethical construct of fraud emerged as the predominant issue of significant differences between the students of USA and NZ. In the USA, students are probably more aware of this issue with frequent exposure in the media, the trend towards increasing government regulation, legal vulnerability, and the integration of ethics into business curriculum at the collegiate level.

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Notes

¹ New Zealand is a small island country in the south Pacific ocean. Since the country was settled with

immigrants of British origin, NZ has modeled itself in the image of other United Kingdom nations. NZ is more of a welfare state than the U.S., with a large measure of government participation in its economic affairs. Liberalization of government regulations occurred from 1985–1989. The current issue of prime political interest is unemployment.

² In contrast to the USA system of a four year undergraduate education program, the NZ undergraduate business program is three years in length. The USA students were primarily sophomores and in NZ the students were in their first year of study.

³ Authorization obtained from the author.

Appendix

Business practice questionnaire

The following situations describe some aspect of business practice. You are asked to evaluate each scenario and respond with your degree of approval or disapproval of the described action. After each situation, there will be a scale such as the following:

Approve _____ Disapprove

Please indicate your response by placing an “X” in the space that best describes your feelings regarding the situation as explained.

A. Daily, Inc. is a leading manufacturer of breakfast cereals. Conscious of the market shift toward more healthful foods, it recently added a line of al fiber cereals to capitalize on this trend and directed its advertising agency to prepare ad copy which stresses that this cereal helps prevent intestinal cancer among regular users, even though there is no scientific evidence to prove or disprove this fact.

Approve _____ Disapprove

B. State Electric, a publicly held electrical generating company, is faced with rapidly escalating costs of its low sulfur coal which it purchases from midwestern suppliers. Reliable estimates show this price trend to continue over the next five years necessitating an across-the-board price increase to customers. Lower cost, high sulfur coal is readily available, however its use will increase State’s overall pollution emissions by 25%. Management opts for the high sulfur coal rather than raising the cost per KWH to customers.

Approve _____ Disapprove

C. Doug Watson is a salesman for Delta Drug Company and is responsible for calling on both physicians and pharmacists in a two state area. With commission and bonuses, his annual salary averages about \$32,000. Doug has made it a practice of supplementing his salary by at least \$1,200 by padding his expense account. He rationalizes this behavior by saying that everyone else in the business is doing it.

Approve _____ Disapprove

D. Frank Pollard, Executive Vice President of United Industries calls the personnel director of one of their major suppliers and asks in a non-threatening way that his nephew be interviewed for a job in their organization. The personnel director complies with Pollard’s request and arranges for the interview. Pollard’s nephew fails miserably on the aptitude test which is required of all applicants, but is hired anyway because United is one of their biggest account.

Approve _____ Disapprove

- E. One of America's largest automobile manufacturers is the corporate sponsor of the popular TV series ANYTOWN VICE. The sponsor has been approached by a national coalition of concerned citizens as to the impact of this program on the morals of today's youth. The coalition demands that the sponsor exert its influence on the show's producer to tone down the sex and violence on the program. The sponsor's reply to the coalition is, in essence, that "our job is to sell cars not censor what the public wants to watch on TV."

Approve _____ Disapprove _____

- F. Kiddie Textiles, Inc., a manufacturer of children's sleepwear, responded to the appeal by the National Safety Council and treated its entire fall line with the flame retardant agent, TRIS. Research found this to be a carcinogenic agent and TRIS treated textiles were subsequently banned from sale in the U.S. Left with more than one million dollars in inventory of the banned products, Kiddie sold the entire lot at cost to an export agent whom it was sure would sell the TRIS treated sleepwear to markets in underdeveloped countries which had no such ban.

Approve _____ Disapprove _____

- G. The U.S. Patent Office recently issued an exclusive patent to Tiger Automotive for a fuel efficient device which has been proven to increase the average car's mileage by 45%. Given that Tiger is protected from direct competition by its patent, it has decided to price its new product at \$45 to auto parts dealers even though it costs less than \$1 to produce and distribute.

Approve _____ Disapprove _____

- H. A major supermarket chain, Big Save, has been approached by a group of community leaders requesting that the firm open a store in the inner-city. They desire that low income families, who have little access to the better priced supermarkets in the suburbs, be given an alternative over the higher priced, small grocers who serve the inner-city market. Citing higher costs of facilities and greater potential losses due to pilferage and vandalism, Big Save decides not to comply with the group's request.

Approve _____ Disapprove _____

- I. National Corporation is a primary contractor for military hardware. Because its revenues are tied directly to government defense spending, management monitors the voting records of members of Congress relative to defense spending issues. As a result, the employees of National have formed a political action committee (PAC) to provide campaign funds to support candidates who favor their interests.

Approve _____ Disapprove _____

- J. Johnny Jones is the sales manager for a local automobile dealership. One of his responsibilities is to train new salespersons as they come into the organization. Experience has shown that one of the most difficult tasks in selling automobiles, as in selling other goods, is closing the sale. Jones feels that some customers need to be helped into the decision to buy a particular car, so he teaches his new salespersons several high pressure techniques proven to be successful in closing the sale.

Approve _____ Disapprove _____

- K. First Department Stores, with six suburban locations throughout the metropolitan area, is the largest advertiser in *The Planet Daily News*. The newspaper has been running a series of articles to educate consumers how to better protect their interests in the marketplace. Steve Adams, President of First Department Stores, hears by the grapevine that next Monday an article highly critical of First's credit policies will be featured in the newspaper. The preceding Friday he contacts the editor of the *Planet* and threatens the withdrawal of all advertising if the feature is run.

Approve _____ Disapprove _____

L. Management of Durable Copy Machines, Inc. has word from reliable sources that its chief competitor is about to unveil a new model which, in all likelihood, will sweep the market and make substantial inroads into Durable's market share and profitability. Sam Samuels, head of engineering for Durable, plays golf regularly with a member of the competitor's design department and is aware of his dissatisfaction with the amount of his recent raise. Being made aware of this fact, top management at Durable has instructed personnel to "hire that employee at any cost."

Approve _____ Disapprove _____

M. The Borden Company is a supplier in the highly competitive building supply industry. In the past, it has experienced difficulty in maintaining customer loyalty among builders and contractors. To address this problem, Borden has developed a plan whereby customers are given points for every \$500 worth of merchandise they buy throughout the year. At the end of the year customers are awarded an all-expense vacation for two to various resort areas depending on the number of points accumulated. Prices are, of course, increased to cover this expense.

Approve _____ Disapprove _____

N. Todd Jackson is the purchasing agent for Wyler Industries and has final say on which of numerous suppliers his firm will buy from. Conscious of the magnitude of the purchasing dollars he controls, Jackson has let it be known that in those situations where price and other things are equal, his decision to purchase from a particular vendor can be swayed by the receipt of an "appropriate" gift.

Approve _____ Disapprove _____

O. John Smith has been recently employed by General Supply, Inc. as a sales rep and has taken over the territory which includes among its potential customers Wyler Industries (mentioned above). General has been unsuccessful in selling to Wyler in the past because it has a strict policy against using company funds to provide gifts to any customer or prospective customer. As a novice in the selling profession, Smith is determined to make a sale to Wyler Industries even if he has to pay for a gift for Todd Jackson out of his commission on the sale.

Approve _____ Disapprove _____

Now that you have responded to the various business situations posed above, you are asked to reflect on the decision process which you utilized to arrive at your given response. Which *one* of the following *best* describes the way in which you evaluated the acceptability/unacceptability of the business scenarios outlined above? (Please check one)

- _____ A person (or business) should act in a manner which will maximize his/her *long term* interests even if it means suffering in the short run.
- _____ One should "do unto others as you would have them do unto you."
- _____ A person (or business) should act in such a way that maximizes good for the greatest number of people.
- _____ One should act in such a way that their behavior reflects a universal law or principle, applicable in *all* situations.

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*Mankato State University,
Mankato, MN 56002-8400,
U.S.A.*