A STUDY OF MORAL DECISION-MAKING: BUSINESS MAJORS VERSUS NON-BUSINESS MAJORS

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ABSTRACT

In the field of psychology there is a theory of ethical grounding that distinguishes between people on the basis of "idealism" versus "relativism." An idealistic person is one who believes in absolute truths, values, and rules. A relativistic person, on the other hand, believes that truth is relative to some context; and for them there are no, nor should there be, any absolute values or rigid ethical rules of conduct. This study surveyed undergraduate business and non-business students at a mid-sized southern university to examine whether business majors differed from non-business majors on idealism/relativism and moral decision-making. This research question has important implications not only for pedagogical purposes but also practical implications in the hiring of persons by employers. The results of the study produced evidence that on theoretical terms business students are more relativistic than non-business students but when presented with practical real-world situations in which to apply relativistic thinking, the two groups were not significantly different.

INTRODUCTION

Academic dishonesty has been a persistent problem on college campuses for a long time. Over sixty years ago Drake (1941) reported that 23% of undergraduate students cheated in some form while in school. In more recent times McCabe (2002) found that 33% admitted to cheating on exams and 50% reported cheating on written assignments. Several predictive characteristics have been found to correlate highly with academic dishonesty including being male, being at a large state-supported school, and lower GPA's (Brown & Emmett, 2001). McCabe & Trevino (1997) also found that age, fraternity or sorority membership, and peer approval of dishonesty and cheating were also associated with higher rates of academic dishonesty. The self-reported rate of cheating in business schools has been found to be higher than other majors and colleges, with 82% of business majors reporting cheating during their undergraduate years (McCabe, 1992).

Elevated academic dishonesty in business students is a major concern for business colleges for two main reasons. The first reason is an academic one, reflecting the effectiveness of the ethics courses that are being taught in the business schools. The second reason is related to the recent round of scandals and dishonest business practices that are making a national impact. It is suggested that moral based decisions while in college are related to business practices after graduation (Barnett, Bass, & Brown, 1994).

Ethical ideals have been reliably measured through moral reasoning and decision-making tasks (Forsyth & Nye, 1990; Forsyth, 1992). Judgments about the ethics or morality of a specific scenario are typically used within decision-making models. Moral philosophy refers to a set of beliefs, attitudes, and values that one uses to make judgments of ethical issues (Forsyth & Nye, 1990). According to Forsyth's (1980) two-dimensional model of personal moral philosophies, there are two main dimensions to personal morality; relativism and idealism. Relativism describes the degree to which one rejects universal moral principles. People who are high on this dimension do not believe in moral absolutes but examine situations on a relative basis. Idealism refers to one's attitude towards the consequences of an action and how it may affect others. Individuals high on idealism believe that moral actions should have positive consequences and do not believe that others should be harmed in the pursuit of a goal. Less idealistic individuals believe that sometimes other people may get harmed in the pursuit of a greater good (Forsyth, 1992). There is

also a general assumption by some researchers that a correlation exists between ethical judgment, intentions, and actual behaviors in regards to an ethical issue (Trevino, 1986) but others have questioned this assumption (Forsyth & Berger, 1982). According to Forsyth and Berger (1982) the relationship between moral philosophy and moral choices is not a certain one. They failed to find a relationship between cheating on a complex task and score on a moral questionnaire and suggested that the application of morality to real-life situations might depend on whether a moral dilemma is at stake or what the consequences of their actions may be. Factors that influence ethical judgments are of interest because of this questionable relationship with behavioral outcomes.

The current study addressed the question of whether the ethical behavior of all majors should be a concern for universities or if business students rank lower on morality. Psychology students have an elevated "ethic of caring" compared to business students so they should score higher on idealism but lower on relativism as measured by an Ethics Position Questionnaire (Forsyth, 1980). This study will also examine the correlation between moral scores and moral choice in an ethical dilemma.

METHODOLOGY AND SAMPLE DESCRIPTION

The Ethics Position Questionnaire (Forsyth, 1980) was distributed to 192 students enrolled at a mid-sized southern University. This survey is designed to assess differences in ethical ideology. The two dimensions represented on the questionnaire are idealism and relativism. The first ten questions assessed idealism and the second set of ten questions assessed relativism. Cronbach alphas for internal consistency were 0.82 and 0.84, respectively for idealism and relativism (Forsyth, 1980).

Answers to the questions were measured on a Likert scale from 1-7. Of the 192 students, 140 were business majors and 52 were non-business majors. Of those non-business majors, 50 were psychology majors and 2 were other behavioral science majors. One hundred respondents were female, and 92 were male. Demographics included number of credit hours completed toward major as well as their minor, gender, age, and overall GPA.

The second major section of the survey included five scenarios representing specific "Problem Situations in Working Life" adapted from Hartikainen and Torstila (2004). Each scenario dealt with an ethical dilemma set in a realistic work-environment context. The first situation dealt with Sally who was employed as a hair stylist working at a salon. Sally accepted another job at another employer, but the new job was not to start for another month. During this month, she began soliciting clients to follow her to her new employer without telling her old boss what she was doing. The ethical question was whether this was acceptable conduct on her part.

Scenario number two was a situation involving a residential home realty office. The two star agents in the office (together accounting for more sales than the entire rest of the office combined) were a male and female living together out of wedlock. The office policy was unambiguously "no romantic fraternization amongst employees." The ethical question was how Rupert, the office manager, knowing of their living arrangement in defiance of company policy and of their outstanding sales performance, should evaluate the two at their annual performance review.

In the third scenario Elouise, the general manager of a division of a cosmetics company, was about to develop her next year's operating budget. Elouise knew that traditionally the way to look good, get praised profusely, and get promotions/pay raises was to "beat the budget", i.e., have actual profits, when they happened, come in at a greater amount than what had been budgeted. In this vignette, she intentionally under-estimated revenues and over-estimated expenses from what she really thought that they were going to be. The ethical issue was: "Is this morally acceptable behavior?"

Scenario number four dealt with Chuck who was a marketing manager of a building supplies company that had in recent years survived the storm of a weak economic environment. The company did so with the loyal support of many small, albeit only marginally profitable customers. But things are different now – business is booming! The problem is: the company now has insufficient product to meet all the needs of all their customers. Chuck responded by supplying first the biggest most profitable customers, who mostly happened to be new customers. Unfortunately, this meant not having any product remaining to sell to the old, smaller, loyal customers (forcing many of them out of business because they were unable to obtain an alternate supply of product). Is this morally acceptable behavior on the part of the marketing manager?

Finally, in the fifth scenario Margie, a young lawyer, was faced with choosing how to allocate her personal volunteer time. Margie preferred to volunteer substantial time to a project sponsored by her church of building free housing for the poor. At her annual performance review, her employer strongly suggested she get involved in a time consuming project of raising money for the local symphony orchestra. The firm partner conducting her review said that the firm felt very strongly that as the symphony project was certainly a good cause, it also had the added benefit of exposing her to many "pillars" of the community who could turn into lucrative clients for the firm. Margie felt that there was absolutely no way that she could do justice to both projects simultaneously, so she resigned from the church group and engaged with the symphony fund-raising group. How morally correct was the young lawyer's decision?

In each situation, one of the characters in the scenario took an action in response to the issue at hand. For each scenario participants were asked to respond via a 7-point Likert scale with the degree to which they thought 1) the action is **personally** acceptable, 2) the action is not **generally** acceptable, 3) the **individual** in the scenario acted morally right, and 4) the action is not acceptable to my **fellow students.** For analysis purposes, the four questions were designated as dependent variables, and again, the independent grouping variable was major, business versus non-business.

STATISTICAL METHODS AND RESULTS

As mentioned in the above section, the first ten questions/statements of the Ethical Position Questionnaire survey dealt with idealism. The higher the response on the 7-point Likert scale, the more the participant was in agreement with the construct. A composite score on idealism was computed by adding the average numerical responses to the first 10 questions. Scoring procedures were repeated for the ten relativism statements (questions 11 through 20 on the survey).

Independent samples t-tests were performed on the composite idealism and relativism scores separately by major, business vs. non-business. A significant difference was found on relativism, ($F=7.28$, sig. = .01), with business majors scoring an average of 43.73 (SD = 9.05) and non-business majors scoring 40.19 (SD = 11.90). No significant difference was found on idealism, ($F=.01$, sig. = 0.91), with a mean for business majors of 52.93 (SD = 8.04) and non-business majors of 53.71 (SD = 9.24).

Having observed that business students were more relativistic than non-business students, the next logical step was to determine specifically where amongst the twenty individual questions/statements the two groups differed. Table 1 shows the results of the independent samples t-tests with major as the independent grouping variable and each of the ten idealism questions/statements run separately as the dependent variable.

Table 1: Scores and Significance Level of the 10 Idealism Subscale Questions of the Ethics Position Questionnaire by Major (business and non-business).

Question on Ethics Position Questionnaire	Non Business		Business		F	Significance level
	Mean	SD	Mean	SD		
Q1	6.19	0.83	5.86	1.10	0.79	0.37
Q2	5.33	1.44	5.28	1.42	0.01	0.99
Q3	5.56	1.53	5.49	1.29	0.23	0.64
Q4	6.33	1.04	5.93	1.41	1.34	0.25
Q5	6.30	0.95	6.01	1.16	1.63	0.20
Q6	6.04	1.34	6.16	1.07	0.36	0.55
Q7	3.41	2.22	3.79	1.84	0.39	0.53
Q8	5.19	1.44	5.40	1.32	0.21	0.65
Q9	4.26	2.03	4.50	1.73	1.23	0.27
Q10	4.67	1.41	4.80	1.51	0.18	0.67

Consistent with the prior observed result of no difference on the aggregate idealism construct between the majors, none of the individual idealism statements indicated significant differences. However, when independent samples t-tests were run on each of the ten individual relativism questions/statements using a p-value cut-off of .10, six of the ten indicated statistically significant differences between the two majors (see Table 2).

Table 2: Scores on the Relativism Subscale of the Ethics Position Questionnaire by Major (business and non-business).

Question on Ethics Position Questionnaire	Non Business		Business		F	Significance level
	Mean	SD	Mean	SD		
Q11	1.93	1.24	3.20	1.54	18.04	0.01
Q12	5.26	1.75	5.12	1.45	0.06	0.81
Q13	4.52	2.01	5.16	1.63	7.06	0.01
Q14	4.52	1.25	4.63	1.31	1.20	0.27
Q15	3.33	1.47	4.91	1.70	18.49	0.01
Q16	3.44	1.74	4.26	1.71	6.23	0.01
Q17	3.48	1.42	4.20	1.51	3.52	0.06
Q18	3.81	1.47	4.51	1.10	5.35	0.02
Q19	3.33	2.04	3.78	1.81	2.04	0.16
Q20	3.30	2.05	3.89	1.86	2.09	0.15

Four statements produced p-values for group differences of .01 or less including question 11, “There are no ethical principles that are so important that they should be a part of any code of ethics.” (business mean = 3.20, SD = 1.54; non-business mean = 1.93, SD= 1.24), and 15, “Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.” (business mean = 4.91, SD 1.70; non-business mean = 3.33, SD =1.47). In both instances, the degree of agreement with the statement was significantly greater for the business majors versus that of the non-business majors.

Two other statements showing significant differences between the majors were number 13, "Moral standards should be seen as being individualistic; what one person considers to be moral may be judged immoral by another person." (business mean = 5.16, SD= 1.63; non-business mean = 4.52, SD = 2.01) and 16, "Moral standards are simply personal rules that indicate how a person should behave, and are not to be applied in making judgments of others." (business mean = 4.26, SD 1.71; non-business major = 3.44, SD= 1.74).

Also showing statistically significant differences were Question 18, "Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustment." (business mean = 4.51, SD = 1.10; non-business mean of 3.81, SD = 1.47), (p-value = .02) and 17, "Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes." (business mean=4.20, SD = 1.51; non-business mean = 3.48, SD = 1.42), (p-value = .06).

In summary, an analysis of group differences (business majors versus non-business majors) for the ten individual relativistic oriented statements produces evidence that theoretically the business majors are more relativistic in their thinking than the non-business majors. The next phase of the study tested this evidence in the context of real-world business scenarios.

Problem Situations in Working Life

The second half of the survey described five real world business scenarios, each containing an ethical decision situation. For all five scenarios, participants were asked to respond to four questions, each structured in terms of a seven-point Likert scale. The first question was whether the respondent found the ethical action taken in the scenario as "personally acceptable." The second question was whether the respondent found the ethical action taken in the scenario as "generally acceptable." The third question was whether the respondent felt that the decision-maker described in the scenario acted "morally right" or "morally wrong"; and the fourth question was whether the respondent felt the action taken in the scenario to be "acceptable to my fellow students'. The mean comparisons for the four questions, for each of the five scenarios, between business students versus non-business students are given in Table 3.

Business and non-business students significantly differed on one scenario, Margie, the young lawyer who gave in to employer pressure to reallocate her volunteer time. For the Likert-scale question, "Margie acted morally right" (1 on the scale) versus "Margie acted morally wrong" (7 on the scale), the mean business student response was 4.24, (SD=1.58), and the mean non-business student response was 4.78 (SD=1.53). As expected, the non-business students thought that Margie's actions were morally wrong. Also, for this same scenario in response to the question "Action is not acceptable to my fellow students" (1 on the scale) versus "action is acceptable to my fellow students" (7 on the scale), the business mean response was 4.09 (SD= 1.41), and the non-business mean response was 3.72 (SD=1.47). Not only did non-business students think that Margie's actions were not appropriate, but they thought that their fellow students would view Margie's actions as unacceptable.

In looking at the four questions the respondents were asked for each of the five scenarios, the only one that shows a consistent pattern is the first question – Is the action described in the scenario "personally acceptable" (1 on the scale) or "not personally acceptable" (7 on the scale). In all five scenarios the non-business mean is greater than the business mean, indicating the non-business people might possibly have a greater degree of disagreement with the action taken than do the business people. However, in no comparison is the difference in mean statistically significant. For all other questions the directional comparison of the two groups (i.e., is one group mean greater or less than the other group mean) produces mixed results; but, again, all without statistical significance. All this goes to say that, except for two group comparisons in the Margie scenario, 18 of the 20 possible comparisons across all five scenarios produce

indeterminate results as to the question of whether business students are more relativistic than non-business students in their moral philosophies.

Table 3 – Mean Likert Scores on the Practical Business Scenarios by Major (business and non-business)

	Personally Acceptable		Generally Acceptable		Morally Right or Wrong		Acceptable to Fellow Students	
Sally	**Mean**	**SD**	**Mean**	**SD**	**Mean**	**SD**	**Mean**	**SD**
Non-Business	4.87	2.17	3.13	2.00	4.96	1.92	3.30	1.63
Business	4.56	2.12	3.45	2.04	5.06	1.91	3.52	1.79
P-value	0.38		0.44		0.83		0.31	
Rupert								
Non-Business	4.08	2.12	4.25	1.72	4.21	1.99	3.98	1.55
Business	3.89	1.72	4.27	1.70	4.13	1.66	4.21	1.48
P-value	0.94		0.72		0.70		0.65	
Elouise								
Non-Business	4.67	2.11	4.17	1.99	4.60	1.91	4.23	1.65
Business	4.56	1.79	4.04	1.81	4.73	1.68	3.81	1.73
P-value	0.51		0.97		0.53		0.25	
Chuck								
Non-Business	4.62	1.93	3.91	1.94	5.00	1.82	3.51	1.83
Business	4.56	1.80	4.04	1.79	4.78	1.49	3.83	1.46
P-value	0.54		0.22		0.29		0.13	
Margie								
Non-Business	4.41	1.83	3.87	1.77	4.78	1.53	3.72	1.47
Business	4.23	1.68	4.21	1.52	4.24	1.58	4.09	1.41
P-value	0.59		0.14		0.09*		0.09*	

- Sig. at the 0.05 level with a one-tail test

LIMITATIONS AND CONCLUSIONS

The first phase of this study presented evidence that, in theory, business students are more relativistic in terms of their ethics positioning when compared to non-business students. Comparison of the mean differences on the individual questions on the questionnaire indicated that on 6 of the 10 relativism questions business majors indicated a more relativistic outlook than the non-business majors. These results suggest that business students tend to reject universal moral principles.

Forsyth (1992) suggests there are two types of individuals who score high on relativism, the first is a situationist or someone who tries to produce the best outcome possible for the group and that for this to be achieved moral rules cannot be applied fairly across all situations. The second is the subjectivist and they also reject universal moral rules but they are less concerned about doing the most good for the group and are more concerned with increased personal gains. Both of these typologies reject a universal code of ethics and that is not a comforting thought for those in the business schools teaching ethics with the hopes that the future accountants and managers will develop ethical business practices.

The second phase of this study focused on five business-oriented scenarios that asked students to make a judgment of the morals of a particular action by a decision-maker. Respondents were asked to judge the

decision-maker's actions in the context of whether the action was personally acceptable, generally acceptable to society, acceptable to fellow students, and morally right or wrong. In only two instances were there statistically different mean responses between the business students versus the non-business students. In these two instances non-business students rated the action by the decision-maker to be more personally unacceptable and unacceptable to their fellow students compared to the business majors. There were no differences in the judgment of morally right or wrong.

Phase one, moral philosophy, and phase two of the study, moral choices, produced somewhat conflicting evidence as to the research question of whether business students and non-business students differ in the degree of morality that they bring to their decision-making. These findings support Forsyth and Berger (1982) in that ethical philosophies do not always match ethical decision-making. One limitation in the current study is that the scenarios were made up and not real-life behaviors. Also, the scenarios were about other people and not about personal choices and consequences of those choices. Further studies need to be done observing real-world behaviors with personal gains or losses.

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