

ETHICAL IDEOLOGY OF BUSINESS STUDENTS IN INDIA: AN EMPIRICAL STUDY

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Abstract This study examines the ethical ideology of business students in the state of Punjab, India. This study uses Ethics position Questionnaire (Forsyth, 1980) to determine ethical ideology on basis of two dimensions-idealism and relativism. The sample consists of 160 postgraduate students studying in three universities in Punjab. It is found that most of the students are idealistic in their ethical orientation and fall into situationist category. It is also found that the difference of idealism and relativism scores between male and female students is not significant.

Keywords Ethical Ideology, Idealism, Relativism

INTRODUCTION

Ethics and ethical practices have become vital issue of concern for business and society amidst frauds, malpractices, and deteriorating ethical standards. It has been recognised that the main motive of business is to maximise profit, but not by compromising on ethics part. In this age, businesses are expected to recognise their responsibility towards society and different stakeholders. The ethical standards and ethical orientation of managers and business students are among some of the important issues concerning the society. The ethical standards and orientation of business students are of all the more concern as they are the future managers.

OBJECTIVES

The main objectives of the study are:

- To determine the ethical ideology of business students in Punjab region.
- To analyse the gender differences between ethical ideologies of business students.

LITERATURE REVIEW

An individual's ethical ideology is a factor that can explain, in a better way, differences in moral judgements of individuals (Schlenker & Forsyth, 1977; Forsyth, 1980). According to Forsyth (1980), a person's ethical ideology can be defined as the sum of his attitudes and moral values. He proposed two factors – idealism and relativism – which can determine an individual's ethical ideology. Idealism reflects

the importance attributed to the impact of one's decisions on the welfare of others, and relativism is the degree to which individuals may reject universal moral rules (Marques & Azevedo-Pereira, 2008). Forsyth (1980) developed ethics position questionnaire (EPQ), a 20-item questionnaire capable of measuring an individual's idealism and relativism score. Since then many researchers like Singhapakdi and Vitell (1993), Barnett, Bass, and Brown (1994), Nakano (1997), Marques and Azevedo-Pereira (2009), Wiid, Cant, and van Niekerk (2014) have used EPQ in their research to study ethical ideology of people in various fields and in different countries.

Singhapakdi and Vitell (1994) in their study found that marketing professionals were less relativistic than psychology students. Marketing professionals were also found to be only slightly less idealistic. It was concluded in the study that personal values are related to a marketer's ethical moral philosophy. Barnett *et al.* (1994) found in their study that generally, absolutists tended to judge actions more harshly. It was also found that the ethical judgments of individuals concerning quite a few business-related issues varied, depending upon their ethical ideology. Nakano (1997) in his study on Japanese managers found that they were more situational in their ethical orientation than Americans. He also observed that the policy of company on ethics was the most important factor influencing Japanese managers' ethical decisions.

Fernando, Dharinage, and Almeida (2008) in their study of senior Australian managers found no relationship between gender and ethical ideology of managers. The study also found no relationship between age and idealism,

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but age was found to be significantly negatively related to relativism. Marques & Azevedo-Pereira (2009) in their study of Portuguese accountants found that gender was the most important determinant of ethical judgments. Vij *et al.* (2010) in their study of managers working in insurance sector in India found that the women insurance managers were having higher ethical standards than their male counterparts. Ergeneli and Arikan (2002), Donoho, Heinze, and Kondo (2012), and Fatoki (2014) got similar results in their study. They concluded that even though women were more idealistic and less relativistic than men, the difference was not statistically significant.

METHODOLOGY

The sample consisted of postgraduate students in commerce and management at three universities in Punjab region of India. Data was collected through self-administered questionnaire. For collection of data, ethics position questionnaire (Forsyth, 1980) was used. Ethics position questionnaire is a 20-item scale, in which first ten items of the scale measure idealism score and last ten items of the scale measure relativism score of individuals. The study used a five-point likert scale ranging from 1 (strongly agree) to 5 (strongly disagree). For analysis of data, descriptive statistics (mean, median and standard deviation) and t-test were used.

RESULTS AND DISCUSSION

Response Rate and Biographical Information

One hundred eighty questions were administered to respondents, but only 160 questionnaires were complete and usable. The number of male respondents in the study was 76 and number of female respondents was 84.

Gender Influence on Ethical Ideology

Ethical Ideology

Table 1: Descriptive Statistics for Idealism and Relativism

	Idealism	Relativism
Mean	4.125	3.708
Standard deviation	0.902	0.986
Median	4.243	3.987
Cronbach's alpha coefficient	0.779	0.786

The cronbach's alpha coefficients for idealism scale and relativism scale are 0.779 and 0.786 respectively. Nunally (1978) suggested that a cronbach's alpha coefficient of 0.7 is acceptable. This indicates acceptable level of reliability for both idealism and relativism scales for this study. As seen from Table 1, mean of idealism is 4.125 and mean of relativism is 3.708. It indicates high idealism and high relativism for business students. But as observed from descriptive statistics table, mean of idealism is higher than mean of relativism. So, it can be said that business students are more idealistic in their ethical orientation. As seen in Table 1, median scores of idealism and relativism are 4.243 and 3.987 respectively. As per Forsyth's taxonomy of ethical ideology (Forsyth, 1980), individuals with high score in both idealism and relativism score are considered to be situationists and individuals who score high in idealism but low in relativism scale are considered to be absolutists. According to him, individuals with high score of relativism and low score of idealism are considered as subjectivists and individuals with low score of both idealism and relativism are considered to be exceptionists. In our study, 78 students were found to be situationists, 41 students are found to be absolutists, 33 students are found to be subjectivists, and seven students are found to be exceptionists. The results indicate that most of the students in our study are situationist. The results are corroborating with the findings of Henle *et al.* (2005), Carter, de Meyrick, and Buchanan (2009), and Fatoki (2014) in which it was found that students as a group have an idealistic ethical position.

Table 2: Descriptive Statistics by Gender

Gender	Mean (idealism)	Standard deviation (Idealism)	Mean (Relativism)	Standard deviation (Relativism)
Male	4.038	0.976	3.698	1.026
Female	4.177	0.879	3.744	0.943

Table 3: t-test Results for Gender Differences

Ethical ideology	t-value	Significance
Idealism	.433	0.654
Relativism	.110	0.858

Table 2 shows the results the descriptive statistics for male and female respondents. As seen from the table, for idealism the mean of male students is 4.038 and mean of female students is 4.177. From mean of idealism score, it seems that female students are more idealistic than male students. But as seen in t-test results depicted in Table 3, this difference is not significant. The results of descriptive statistics (Table 2) also indicate that male students are slightly more relativistic than female students. But t-test results (Table 3) indicate that this difference is not significant. So, the results indicate that male and female students do not vary in their idealism and relativism scores. The results are consistent with the findings of Ergeneli and Arikan (2002), Donoho *et al.* (2012), and Fatoki (2014). All these studies concluded that even though women are more idealistic and less relativistic than men, the difference is not statistically significant.

CONCLUSION

Business students are the future managers and future business leaders. So, their ethical ideology shapes future of nation. The objective of the study was to determine ethical ideology of business students in Punjab, India. It was found that business students score high on both idealism and relativism score. It was concluded that most of the students fall in situationist category. It means they take their decisions depending on situation and it yields positive consequences ignoring moral norms. It is also found that female students are slightly more idealistic than male students and male students are slightly more relativistic than female students. But, this difference was found to be having no significance.

As most of the students score high in relativism and are found to be mostly situationist, so there is need to stress on ethical studies in university students. There is need to impart ethical awareness and imbibe ethical values in them so that they will become ethical managers and leaders in future.

LIMITATIONS

As the study is only limited to three universities, so generalisation about all university students cannot be made on the basis of this study only. Further research can be done by covering more universities in other states also.

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