
BUSINESS ETHICS: ARE STUDENTS AWARE? A CROSS CULTURAL STUDY OF THREE NATIONALITIES

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The basic question addressed in this study is whether business students, from three different countries located in three different continents, are aware of ethical conduct and if there are differences in awareness among these groups of students. The subjects are from Mississippi State University (United States), the University of the Philippines (Philippines), and the University of Tampere (Finland). Specifically, the study examines the students' perception of ethical behavior relative to sixteen cases, each of which describes an ethical dilemma.

The results show that, overall, the students from the three universities differed significantly in their perceptions of ethics. The students from the University of the Philippines indicated the highest degree of ethical awareness whereas the students from the University of Tampere and the Mississippi State University showed almost identical scores. In seven of the sixteen cases, the students clearly showed ethical awareness. All three groups of students, however, were indifferent to situations that include training sales force on high-pressure selling techniques and giving awards to customers based on the value of purchases to maintain customer loyalty. All three groups expressed strong disapproval of selling carcinogenic sleepwear in far flung areas where people have no means of knowing about the dangers of the product.

The recent emphasis on the inclusion of ethics in business curriculum has given rise to the question on the business students' degree of awareness of the subject. If the student has already learned the difference between right and wrong, the curriculum would be different from that which would be required of a student who does not know the difference. The purpose of such a course would be to

give the student some understanding of what would be considered ethical conduct before the student moves into the "real" world, where each segment of society is trying to define and apply ethical principles as perceived and required within that segment. Thus, in the business segment, a specific set of rules and acceptable patterns of behavior has been developed: bankers, lawyers, accountants, doctors and other professionals have specific codes of ethics to which adherence is expected.

The purpose of this study is to examine empirically whether business students from three countries located in three continents, viz., Mississippi State University, (MSU) in the United States, the University of the Philippines (UP)

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in the Philippines and the University of Tampere (UT) in Finland, are aware of ethical conduct and if there are any differences in awareness among the three groups of business students.

BACKGROUND

The last two decades, the 70s and the 80s, have been characterized by the *end justifies the means* era of the Marcos regime in the Philippines and the Nixon and Reagan presidencies in the United States. The Watergate and the Iran Contra scandals emphasize the lack of ethics in government. In the home front, everyone is familiar with the Marcos regime which led to his ouster and exile. Up to the present, the Presidential Commission on Good Government (PCGG) is still trying cases of ill-gotten wealth by Marcos and his cronies. Imelda Marcos has been charged in the U.S. court with Kashoggi, the Saudi tycoon and arms dealer, for salting away money from the Philippine treasury, for acquiring real estate with stolen funds and for many other fraudulent acts (*Asiaweek*, March 30, p. 28 and June 1, 1990, p. 49).

In business, on Wall Street, the insider trading scandals, highlighted by Ivan Boesky and Michael Milken, show that the *end justifies the means* maxim is acceptable at the highest financial levels. In 1986, Ivan Boesky was fined \$100 million and sentenced to jail for insider trading. In 1990, Michael Milken was convicted of fraud, especially for his illegal operations at the Drexel Burnham Lambert brokerage firm. At the height of his power from 1983 to 1987, Drexel paid him \$1.1 billion for pioneering the junk bonds and turning them into money machines (*Time International*, Dec. 3, 1990, p. 52). The rise of junk bonds fueled the takeover wars in the 1980s.

The Savings and Loan (S & L) industry failures, notably that of Silverado Bank and Lincoln Savings and Loan Associations, are other examples of ethical failures. Regulators in the U.S. have estimated that at least one in every four S & L failures resulted from fraud (*Time International*, February 20, 1980, p. 37). The S & L scandals have been linked in part to the junk bonds when the former lost depositors to the high interest paying junk bonds. The thrift-industry bailout plan will cost the U.S. taxpayers \$200 billion during the next three decades (*Time International*, February 20, 1989, p. 36). Recipients of the blame for these debacles are, in general, governmental deregulation and, in particular, the auditors of the defunct S & Ls. The Federal Deposit and Loan Insurance Corporation (FDLIC) has sued eight accounting firms, alleging that faulty audits hid the truth about insolvent S & Ls. Three of the defendants

are members of the "Big Six" (*The Washington Post*, October 24, 1990, p. 12). The resulting public outcry has forced the government to file lawsuits against all but one of the "Big Six". Accountants are now facing claims of more than \$2 billion in damages, and regulators are preparing lawsuits demanding millions more. Critics of the profession allege that due to a shrinking pool of clients in the 1980s the Big Six firms sometimes turned a blind eye to questionable activity to hold on to business (*Business Week*, April 6, 1992, pp. 78-79).

There is greater demand in the U.S. and around the world for corporations to become good citizens. Home-makers are vocal about business accountability due to highly visible misdeeds of corporate investors. According to Etzioni, a sociologist, two-thirds of Fortune 500 companies have been convicted between 1975 and 1985 of serious crimes, from price fixing to illegal dumping of hazardous wastes (*Time International*, July 17, 1989). Money laundering is another form of fraud which has become a global industry (*Time International*, December 18, 1989, pp. 46-51).

In the local scene, battles in the boardroom have become common, where opponents accuse each other of unfair play. An example of this is the Coyiuto-Yuchengco fight over the Oriental Petroleum shares (*Far Eastern Economic Review*, 19 July 1993, pp. 66-67). Then, again, the fight for control over the Philippine Airlines between Tan and Cojuangco. Practically everyday we read in the newspapers about questionable actions of people in government and business.

The scandals, however, are not only a monopoly of the U.S. nor of the Philippines. In Japan, the Recruit scandal has established a connection between highly placed politicians and big time gangsters. German corporations have made profit by setting up poison gas factories in Libya and Iraq. Dow Corning, a corporation with an ethics program introduced way back in 1976, has withdrawn its breast implants under pressure from the public and the Food and Drug Administration on the grounds that insufficient testing could not answer the question of the effect of the silicone in case of an implant rupture (*Business Week*, March 9, 1992, pp. 67-69). The largest financial scandal of the eighties has been the failure of the Bank of Credit and Commerce International (BCCI) wherein investigators have been unable to explain the disappearance of \$15 billion (*The Economist*, November 30, 1991, p. 76). The recent indictment of one of Washington's most respected persons, Clifford Clark, allegedly for taking bribes (*Times International*, August 10, 1992, p. 40) indicates that ethical val-

ues have sunk extremely low.

One of the problems that ethicists face is due to the increasing internationalization of business. For example, a team of American managers may be stationed in a third world country. Ethical values may not be emphasized in that country to the extent that they are in the U.S. Thus, having to accept lower ethical standards in business dealings such as bribery and commissions to power brokers, and then having to account for these "black" or "under the table" amounts, in some manner, in the books, could create a "laissez faire" attitude in these managers. When the tour of duty is over, would the returning managers be able to adjust back to the higher standards of ethics that would be expected in the United States? (*Fortune*, April 20, 1992, p. 168).

In the United Kingdom, the accounting profession has also been haunted, in the recent past, by two financial scandals, the Dunsdale saga and the Guinness case. In the first case, the auditors have been blamed, while in the latter, the auditors have picked up the trail but were never given the chance to pursue it to its logical conclusion (*The Boston Line*, October, 1990, p. 6).

Thus, it appears that such scandals are not part of any specific geographic locale, but indicate a lack of global ethical principles. The general reaction seems to be to try to educate the younger generation and efforts have been made by business schools to integrate ethics instruction into the curriculum as required by the American Assembly of Collegiate Schools of Business (AACSB).

LITERATURE REVIEW

There have been several studies conducted on ethical values of business students. A number of studies compared the perceptions of ethical values between liberal arts students and business students. The results have not indicated that one group was more ethical than the other.

Goodman and Crawford (1974) found that there were no significant differences in ethical values between liberal arts majors and business students. Hawkins and Cocanougher (1972) and Shuptrine (1979) found that business students tend to accept questionable business practices more readily than non-business majors. Hawkins and Cocanougher also found that senior business students are more tolerant of questionable business practices than junior business students.

Harris in a 1989 study came up with the following

conclusions: 1) a significant difference in ethical values of graduating business and non-business majors; (2) that pre-business freshmen and non-business freshmen differ in ethical measures; (3) no significant difference among non-business freshmen and seniors; and (4) that senior business students are more tolerant of questionable business practices than incoming freshmen.

Arlow and Ulrich (1985) carried out a longitudinal study, involving three time periods, to evaluate the effectiveness of ethics instruction on students. They found that, in the long run, ethical instruction has no significant impact on ethical values. This is in agreement with a study done by Andrews in 1979 which indicated that ethics instruction did not change the ethical values of graduate business students.

There are a few studies which compared accounting majors with other business majors. Arlow and Ulrich (1980) tested business students at the beginning and end of the semester in a business and society course to see if the course material had any impact on the students' ethical values. The results of the study showed a decrease in ethical values among accounting students while those of management and marketing students increased. Cherrington and Cherrington (1979) found that in cases involving moral dilemmas, accounting students fared better in honesty than the overall average and that accounting students were only slightly more honest than management students but considerably more honest than advertising students.

The results of a study by Fulmer and Cargile (1983) have indicated that there are differences between accounting students and some other business students in the way ethical issues are perceived, with accounting students tending toward a more ethical viewpoint. The differences, however, appear to be found in perceptions only, not in actions.

A number of studies has examined the professional and work characteristics of accountants across cultures. In a study of Australian and U.S. auditors, Ferris, Dillard and Nethercott (1980) found few differences with respect to personal value structures, perceptions of the work environment, and work motivation levels. The authors suggest that cross national differences should be insignificant between countries of approximately the same level of economic development and with language similarities. In contrast, Amernic, Kanungo, and Aranya (1983), in a study of Anglophile and Francophile chartered accountants in Quebec, Canada, found that culture has a significant effect on certain professional and work values.

In an international comparison study, Ishmael P. Akaah (1990) examined differences in attitudes towards research ethics among marketing professionals in Australia, Canada, Great Britain, and the United States. The results of the study indicated a lack of significant differences in such attitudes among the marketing professionals in the four countries involved. The author explained the results by citing the fact that the four countries have a lot in common. The four are highly developed economically, all four believed in the free enterprise system, and all four have a common ancestry.

Swinyard, Rinne and Kau (1990) did a cross-cultural study that examined differences in morality and behavior toward software piracy in Singapore and in the United States. The study involved a total of 371 students - 221 attending a major western U.S. university and 150 attending the National University of Singapore. The study found that, although the Singaporean subjects were more knowledgeable about software copyright law, their attitudes were less supportive of those laws. The result of the study also indicated that in making a moral decision, the Singaporean group was more influenced by the benefits of their actions on self, family, or community than by the legality of copying the software. On the other hand, the American group based their moral decisions on the legality of the decision.

Although the study by Swinyard, Rinne and Kau was a cross-cultural study, the issue involved was specifically that of copyright laws. Protection legislation covering copyright, patent and trade secrets originated from the Western world. The Asian culture, however, does not generally support the notion of protecting proprietary creative work. Thus, the results of the study are expected and are not a reflection of the general perception of ethical values by the student sample representing Asian and American cultures.

Russell Abratt, Deon Nel and Nicola Susan Higgs carried out an empirical study of the ethical beliefs of a group of South African and Australian managers. A questionnaire using 28 scenarios or vignettes was circulated among two groups of managers and then analyzed for differences using T-tests and MANOVA. Results indicated that only three of the scenarios rejected the hypothesis of no difference between the two groups of managers; the results of the remaining 25 scenarios supported no difference in the ethical perceptions of South African and Australian managers. The conclusion suggested that culture had no effect on ethical perceptions, based on the assumption that South African culture was different from Australian culture.

OBJECTIVE AND METHODOLOGY

The objective of the study is to empirically examine whether differences in ethical attitudes exist between the three groups of business students attending universities that are continents apart, viz., Mississippi State University (MSU), the University of the Philippines (UP) and the University of Tampere (UT) in Finland.

Hypothesis

It is hypothesized that there are no significant differences in the perception of ethical behavior among students of the Mississippi State University, the University of the Philippines and the University of Tampere with respect to the sixteen vignettes presented. Each vignette describes a business situation that calls for an individual's approval or disapproval of the action taken. The null hypothesis tested is:

H1: There is no difference among the three groups of students in their perception of ethical behavior with respect to each of the sixteen cases.

Subjects

The sample was drawn from the business students population of Mississippi State University, the University of the Philippines and the University of Tampere. The total usable sample numbered 397 business students of which 108 were from Mississippi State University, 222 were from the University of the Philippines, and 67 were from the University of Tampere. The breakdown of the sample was as follows:

	MALE	FEMALE	DID NOT STATE	TOTAL
MSU	66	42	0	108
UP	64	146	12	222
UT	34	27	6	67
TOTAL	164	215	18	397

The questionnaire presented sixteen vignettes⁴ describing various ethical situations facing business management

⁴Adapted from Harris, James R. "A Comparison of the Ethical Values of the Business Faculty and Students: How Different Are They", *Business and Professional Ethics Journal*, vol. 7 #1, Spring 1988.

in today's environment. A five-point Likert scale was used with 5 indicating "strong disapproval" and 1 indicating "strong approval". Since all but one of the vignettes presented negative episodes, strong disapproval would be expected. Thus, a higher score indicated a greater student awareness of ethical business conduct.

Data Analysis

The hypothesis was tested employing a one-way analysis of variance (ANOVA) using the general linear model (GLM). The next step in the analysis was to test whether the differences between the means were statistically significant from one another for each of the sixteen vignettes using the Scheffe test at a significance level of .05.

RESULTS OF DATA ANALYSIS

A GLM procedure using the average rating of all sixteen vignettes was run to obtain some indication of overall differences between the groups specified in the hypothesis. The results showed that, overall, the students from the three universities differ significantly in their perceptions of ethics (see Table 1). The Scheffe test confirmed the GLM results showing that the students from the University of the Philippines, with average mean score of 4.0366, differ significantly in their perceptions of ethics from their counterparts from the University of Tampere and Mississippi State University (average mean scores of 3.5744 and 3.5457, respectively).

TABLE 1
DESCRIPTION OF VARIABLES AND GROUPINGS

Variable	Groupings	Description
H1: LOC	1	Mississippi State University (MSU)
	2	University of the Philippines (UP)
	3	University of Tampere (UT)

GLM results for average ratings of 16 vignettes

Type I XX	F Value	PR > F	Means			
			MSU	UP	UT	
H1:	22.5207	37.21	0.0001	3.5457	4.0366	3.5744

The results of the analysis of variance for individual vignettes indicate rejection of Hypothesis 1 for fourteen of the sixteen vignettes. As Table 2 indicates, students from the three schools differ significantly in their perceptions of ethical behavior except for Vignettes M and P. The Scheffe test confirmed the results of the ANOVA, that is, the means

of the Vignettes that showed significant results, were found to be statistically different at .05 level.

The results of the data analysis for the vignettes that showed statistically significant results are discussed below.

Vignette 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 all fiber cereals to capitalize this trend and directed its advertising agency to prepare ad copy which stresses that this cereal helped prevent intestinal cancer among regular users even though there is no scientific evidence to prove or disprove this fact.

The ANOVA procedure showed a mean difference among the three groups of students at the .0001 level of significance. An examination of the means among the three groups (see Table 2) showed a significantly higher disapproval rating by the UP students (mean rating 4.64) than their UT and MSU counterparts (means of 4.28 and 4.00, respectively). There was no significant difference between the UT and MSU students.

Vignette B

State Electric, a publicly held electrical generating company, is faced with rapidly escalating costs of its low sulfur coal. 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.

As shown in Table 2, Hypothesis 1 was rejected at .0001 level. An examination of the means, indicated disapproval by all three groups. The students from UP and UT expressed a higher degree of disapproval (means of 4.38 and 4.13, respectively) than their MSU counterparts (mean of 3.72).

Vignette C

Doug Watson is a salesman for Delta Drug Company and is responsible for calling on both physicians and pharmacists in a very wide area. With commission and bonuses, his annual salary averages about

TABLE 2
ANALYSIS OF VARIANCE STATISTICS

A. **Hypothesis 1:** There is no difference among the three groups of students in their perception of ethical behavior with respect to each of the sixteen cases.

	Type I SS	Value	PR > F	Means		
				MSU	UP	UT
Vignette A	30.4764	20.56	0.0001*	4.0000	4.6364	4.2836 ^a
B	31.5669	18.78	0.0001*	3.7222	4.3818	4.1343 ^c
C	40.3703	25.46	0.0001*	4.1481	4.6818	3.9104 ^a
D	31.6610	19.43	0.0001*	3.9815	4.6409	4.4776 ^c
E	128.0023	47.43	0.0001*	3.1296	4.2217	3.0000 ^a
F	40.7453	32.07	0.0001*	4.0648	4.8100	4.6567 ^c
G	133.9684	44.23	0.0001*	3.2870	4.0136	2.4627 ^c
H	23.1158	10.15	0.0001*	3.5833	3.9864	3.4030 ^a
I	44.1246	16.99	0.0001*	3.4074	4.1584	3.6716 ^a
J	22.1352	6.79	0.0013*	3.1852	2.6380	2.7313 ^c
K	33.6673	11.92	0.0001*	3.3148	3.9727	3.5522 ^a
L	28.6180	8.42	0.0003*	3.0556	3.2670	2.5224 ^d
M	1.1835	0.34	0.7116	2.8704	2.7991	2.7015 ^b
N	38.2423	10.97	0.0001*	3.5278	4.2523	4.8096 ^c
O	20.4218	8.73	0.0002*	3.8981	4.4101	4.0746 ^f
P	2.7133	0.82	0.4418	3.5556	3.7130	3.5303 ^b

*Significant
^aNo difference between MSU and UT
^bNo difference among MSU, UP and UT
^cNo difference between UP and UT
^dNo difference between MSU and UP
^eDifference among MSU, UP, and UT
^fDifference between MSU and UP

\$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.

The ANOVA procedure for Hypothesis 1 showed a statistically significant difference among the three groups of students at .0001 level (see Table 2). All of the three groups strongly disapproved of the sales manager's action. This vignette, however, drew a stronger degree of disapproval from the UP students (mean of 4.68) than their counterparts from MSU and UT (means of 4.15 and 3.91, respectively).

Vignette 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 accounts.

Hypothesis 1 was rejected at .0001 and the results of the Scheffe test indicated that the mean scores of students from UP (4.64) and UT (4.48) differed significantly from the students from MSU (3.98). All three groups indicated very strong ethical awareness in this vignette.

Vignette E

One of America's largest automobile manufacturers is the corporate sponsor of the popular 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, in essence, that "our job is to sell cars not censor what the public wants to watch on TV."

The ANOVA procedure rejected Hypothesis 1, indicating significant difference in the perceptions of the three groups of students at the .0001 level. The Scheffe test indicated no significant difference between students from UT (mean of 3.00) and students from MSU (mean of 3.13). Both groups of students expressed a neutral position on this vignette as evidenced by their means. The students from UP were more disapproving of the sponsor's position (mean of 4.22) than their UT and MSU counterparts.

Vignette F

Kiddie Textiles, Inc., a manufacturer of children's sleepwear, responded to the appeal by the National Safety Council (NSC) and treated its entire fall line with the flame retardant agent TRIS. Research found this to be carcinogenic agent and TRIS treated textiles were subsequently banned from sale. Left with more than one million units in inventory of the banned products, Kiddie sold the entire lot at a cost to a dealer whom it was sure would sell the TRIS treated sleepwear to markets in the far flung areas which have not heard of TRIS and can't be supervised by NSC.

As shown in Table 2, the ANOVA procedures showed significant difference among the groups being studied at .0001. All the three groups disapproved strongly the action taken in this vignette. With means of 4.81 and 4.66, the UP and UT students showed a very high degree of ethical awareness regarding the situation described above. The MSU students with a mean of 4.06 also expressed disapproval.

Vignette 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.

The ANOVA results (see Table 2) showed the difference among the groups to be significant at .0001. The Scheffe test indicated a significant difference among the three groups of students. This vignette drew different reactions from each group of students. The students from UP, with a mean of 4.01, elicited a strong degree of disapproval. The MSU students were indifferent to the situation (mean of 3.29) while the students from UT expressed a certain degree of approval (mean of 2.46).

Vignette H

A major company, Giant Corporation, has been approached by a group of workers requesting that the company provide them a daily means of transportation, which they are willing to pay for. The workers live in a community located 80 miles from the corporation's main plant and going to work has been a daily struggle for these workers who have to contend with congestion and high transportation costs. Citing high investment outlay to buy the transportation facilities, costs of setting up maintenance facilities and costs of running the transportation service, Giant decides not to comply with the group's request.

The results of the ANOVA yielded significant difference among the groups of students for Hypothesis 1 at .0001. The Scheffe test showed that the mean score of students from UP (3.99) differed significantly from the MSU and UT students (means of 3.58 and 3.40, respectively). The means indicated varying degrees of disapproval of the action taken in this vignette.

Vignette I

For years the tobacco industry has been subjected to criticism questioning the legitimacy of its products in the marketplace. More recently, various local action groups have been moderately successful in imposing bans against smoking in public places as well as in the workplace. At the national level, smoking is prohibited on all regulated airline flights of two hours or less. Feeling that this is a critical issue which may bring about widespread ban against smoking, the tobacco trade association has more than doubled its budget for lobbying efforts to reverse this rule.

The results of the ANOVA showed significant differences among the groups of students at the .0001 level (see Table 2). All groups showed varying degrees of disapproval and the Scheffe test indicated no significant difference be-

tween the UT and MSU students (means of 3.67 and 3.41, respectively). The strongest disapproval was expressed by the students from UP with a mean of 4.16.

Vignette J

Johnny Jones is the sales manager for a local automobile dealership. One of his responsibilities is to train new persons 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 this decision to buy a particular car, so he teaches his new salespersons several high pressure techniques proven to be successful in closing the sale.

As shown in Table 2, the three groups are significantly different from each other at .0013 level as indicated by the ANOVA test. The Scheffe test showed that the mean rating of the UP students of 2.64 was not significantly different from the mean response of the students from UT (mean of 2.73). The students from MSU expressed indifference (mean of 3.19).

Vignette 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 on how to better protect their interest in the market place. Steven Brent, 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.

The results of the ANOVA test indicated significant differences among the three groups of students at the .0001 level. All three groups indicated disapproval in varying degrees. The students from UP indicated greater awareness (mean of 3.97) than their UT and MSU counterparts (means of 3.55 and 3.31, respectively). The results of the Scheffe test showed no significant difference between the students from UT and MSU.

Vignette 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, make substantial inroads into Durable's market share and profitability. Robert Mann, 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."

The ANOVA test results showed statistically significant differences among the groups at .0003 level. The results of the Scheffe test indicated that the means of the students from UP (3.27) and MSU (3.06) differed significantly from the UT students (mean of 2.52). The means indicated that while the students from UP and MSU were indifferent towards this act of "employee piracy", the UT students did not see anything wrong with such an action.

Vignette N

Joe Smith is a major stockholder of a major food company that grants franchises. A franchise is pending to build a franchise shop in a city of 30,000 people. The company received three bids, one of which is from Joe's uncle. Joe called on Luke Adams, the officer in charge of granting the franchise, was threatened of his job if the franchise is not given to Joe's uncle. Luke found out that the bid by Joe's uncle is well below that of the other two bidders. After much thought, Luke selected the highest bidder. What do you think of Luke's action.

This vignette describes an action which calls for a rating different from that used for the other vignettes. In this case, 1 represents a more ethical position and 5 a less ethical position. To be consistent with the rating used in the other vignettes, the scores were reversed. The results of ANOVA test indicated a significant difference among the three groups of students at .0001 level. An examination of the results of the Scheffe test showed no significant difference between the UT and UP students. Both groups indicated a very strong approval of the ethical action of the officer in charge in the vignette with the students from UT expressing a stronger position than the students from UP with means of 4.81 and 4.25, respectively. The students from MSU (mean of 3.53) expressed an indifferent attitude for the action taken in this vignette.

Vignette O

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 purchasing dollars he controls, Todd 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.

The results of both the ANOVA and Scheffe tests indicated significant differences among the groups of students at .0002 level. The students from all three groups of students expressed a strong disapproval at varying degrees with the UP students expressing the strongest degree (mean of 4.41), followed by the UT students with a mean of 4.07, and then the MSU students with 3.90. The Scheffe test indicated no significant difference between UT and MSU students.

The results of the ANOVA showed no significant differences among the three groups of students for Vignettes M and P. An examination of the means for Vignette M showed that the students from MSU, UP, and UT expressed indifference (means of 2.87, 2.80, and 2.70, respectively). For Vignette P, all three groups of students expressed a certain degree of disapproval with means of 3.71 for the UP students, 3.56 for the MSU students, and 3.53 for the UT students. Vignettes M and P are found in the Annex A of this paper.

SUMMARY AND CONCLUSION

A number of observations can be made by examining the means of the ratings of the three groups of students with respect to the sixteen vignettes. The students from all three schools clearly showed ethical awareness for Vignettes A, B, C, D, F, O, and P. Awareness, however, does not mean that these values are also practised. Awareness is only a first step. Whether this is translated into action is another matter.

The students from UP expressed the highest degree of ethical awareness for the above mentioned vignettes. Except for Vignettes C and P, the students from UT showed higher degrees of ethical awareness than their MSU counterparts. All three groups of students were indifferent to situations that include training sales force on high-pressured selling techniques (Vignette J) and giving awards to customers based on value of purchases to maintain customer loyalty (Vignette M). For Vignette E, which de-

scribes a situation where a sponsor of a show refused to influence the show's producer to tone down sex and violence, the students from UT and MSU were indifferent while the UP students disapproved of such action. The students from UP and UT indicated ethical awareness for Vignette I, K, and N while the MSU students expressed indifference. These vignettes describe situations which include: (1) the tobacco trade association increasing its budget for its lobbying efforts to reverse the rule against smoking in public places (I); (2) an advertiser's threat to withdraw all of its advertising if a newspaper runs an article against the advertiser (K); and the selection of the highest bidder by a corporate officer despite the demand of a major stockholder to do otherwise (N). Vignette H, in which a corporation refused workers' request to provide transportation which the workers are going to pay for, elicited disapproval from the UP and MSU students and indifference from the UT students. The students from UT did not see anything wrong with the act of pirating a competitors' employee in order to subvert its competitor's ability to sell a new product (Vignette L) while the students from UP and MSU did not care one way or the other. Vignette G which describes a company pricing its new patented product way above its cost got three different reactions from the student groups. The UT students approved, the MSU students were indifferent, and the UP students disapproved.

The students from the Philippines indicated ethical awareness in thirteen of the sixteen vignettes while expressing indifference in the other three vignettes (J, L, and M). The highest degree of ethical awareness was registered in Vignette F with a mean of 4.81. It is possible that these subjects identified themselves as potential victims described in the vignette. The MSU students showed ethical awareness in half of the sixteen vignettes and indifference in the other eight vignettes. The MSU students expressed the highest degree of ethical awareness in Vignette C with a mean of 4.1. The UT students indicated ethical awareness in ten vignettes, the highest awareness being shown in Vignette N with a mean of 4.8. The UT students expressed indifference in four vignettes while giving their approval for actions taken by a business for self-interest in Vignettes G and L.

The study is not able to determine the reasons for the differences in awareness among the three groups of students. We can only conjecture on the possible reasons. Such factors as religion, age, and cultural differences may explain the differences in the students' perceptions. Moreover, the degree of exposure to the media could account for the differences. People in the west (U.S. and Finland) who are more exposed to the media may be less sensitive to

ethical values because they are often presented with situations bereft of values and therefore, become insensitive to them. These are simply conjectures and are rich areas for future research.

There are several limitations of the study which must be pointed out. First, the data are self-reported by the respondents, resulting in a possible bias. Second, the study consisted of unequal sample sizes between the groups under study. This was not considered a major limitation, however, due to the nature of the GLM procedure. Finally, the vignettes were slightly reworded to adapt them to local conditions.

ANNEX A

Vignette 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 P500 worth of merchandise they buy throughout the year. At the end of the year customers are awarded an all-expense paid vacation for two to various resort areas depending on the number of points accumulated. Prices are, of course, increased to cover this expense.

Vignette P

Benito Rios has been recently employed by General Supply, Inc. as a sales rep and has taken over the territory which includes among its potential customers Wylar Industries. General has been unsuccessful in selling to Wylar 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, Rios is determined to make a sale to Wylar Industries even if he has to pay a gift for Paul Mayo out of his commission on the sale.

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