IN THE BEGINNING: ETHICAL PERSPECTIVES OF BUSINESS AND NON-BUSINESS COLLEGE FRESHMEN

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ABSTRACT

Recent scandals involving the actions of some prominent U.S. corporate leaders have reignited discussions concerning ethical behavior in business. These events have brought more attention to post-secondary schools of business that educate business professionals. The current study explores whether there are differences among college students at the beginning of their studies, prior to any post-secondary educational transformation. The central focus is whether there are ethical differences among freshman college students majoring in business disciplines compared to their non-business major counterparts. Results from a survey of several hundred first semester undergraduate freshmen in the United States indicate that with minor exceptions, the two groups have similar histories of ethical behavior and view the severity of various questionable behaviors similarly. Differences between the two groups concerning self-reported knowledge of moral perspectives and ethical issues, as well as the significance of various influences on students' ethical development are identified.

INTRODUCTION

In the last decade stories of questionable, and at times criminal, corporate activities have dominated the U.S. business press. Beyond the most well-known case involving Enron Energy, Cendant's "creative earnings," Archer Daniels Midland's price-fixing, Bankers Trust's leveraged derivatives and use of customer funds, and LongTerm Capital's high-risk bets with others' funds are all examples of unethical and/or illegal actions by North American managers. We can also cite Rite-Aid and Wal-Mart, who have been profiled for their charge-back policies that leave suppliers confused and temporarily or permanently underpaid. Sears Roebuck's disregard for bankruptcy laws, debtors' rights, and creditor priorities led to a $63 million fine-the largest in U.S. bankruptcy law history (Jennings, 1999). More recently, one can look to the U.S. Department of Education's administration of student loans and practices tied to preferred lenders as well as significant violations of the honor codes at several U.S. Military Academies.

Ethics represent the moral principles and values that govern the actions and decisions of an individual or group (Lazniak and Murphy, 1993). Results of public opinion studies indicate that 58% of American adults rate the ethical standards of business executives as only "fair" or "poor," 90% believe white-collar crime is "very common" or "somewhat common," and 76% say the lack of ethics in businesspeople contributes to plummeting societal moral standards (Krohe, 1997; Dallas Morning News, 1998; Walker Information, 1998).

In the essay, "The Myth of the Amoral Business," DeGeorge (1999) discusses a commonly held view of American business. One of DeGeorge's major assertions is that the American public does not view businesspeople as unethical or immoral, but instead, as being amoral due to the fact that ethical considerations are often seen as inappropriate in business situations. "Business is not structured to handle questions of values and ethics, and its managers have usually not been trained in business schools to do so," (DeGeorge, 1999, p. 7). The re-examination of this line of reasoning has begun as a result of three significant societal trends: (1) more reporting of scandals and the public reaction to these reports; (2) organizing of consumerists, environmentalists, and other socially-conscious groups, and (3) emerging corporate codes of ethical conduct and ethics programs in addition to ethics conferences, and magazine and newspaper articles on the subject (DeGeorge, 1999). Although all three of these trends are important to the understanding of business ethics, the first two lie beyond the scope of the present paper. A brief account of the third, the corporate ethics movement and its impact on American society, follows.

THE CORPORATE ETHICS MOVEMENT

Prior to the 1960s, business ethics were discussed in U.S. culture but not in a widespread manner. During the decade of the 1960s, however, businesses came under increasing attack for a general lack of social consciousness and unwillingness to address questions related to consumerism, the environment, and the build-up in the U.S. military-industrial complex. Corporations often found themselves on the defensive. American business schools then began to offer "social issues" courses to explore allegations against business practices as well as to discuss possible solutions and remedies.

As the demands of students and consumer groups spread to the general population in the 1970s, the business ethics movement gained strength. Corporations and institutions of higher education responded to this growing widespread disapproval of infamous business practices by sponsoring conferences on business ethics. Over time, colleges and universities established business ethics as a discipline separate from the more general field of philosophy. Courses, textbooks, professional societies, and journals related to business ethics began to form. The media took notice of these events and reported them to the general public. Individual U.S. corporations also began to develop corporate codes of ethics during the decade of the 1970s. As firms became

increasingly sensitive to charges of unethical conduct, corporations also began to develop in-house ethics programs.

The decade of the 1980s saw increased interest on the part of U.S. organizations to at least appear sensitive to business ethics issues. By the end of the decade, many Fortune 500 Companies had adopted or put in place corporate ethical codes, whistleblower protection policies, ethical hotlines, ethics committees at the Board of Directors level, and ethics training programs.

The U.S. federal government took on an increasingly important role in the area of business ethics during the 1990s. A significant provision of the Federal Sentencing Guidelines (U.S. Sentencing Commission, 1993) was that companies could receive reduced fines for ethical lapses if they had taken steps to develop efficient programs to prevent and detect violations of law. Corporations then became more willing to establish standards and procedures for employees to follow. At that time, many organizations began an effort to establish a more ethical climate for employees that went beyond the letter of the law.

THE NEXT GENERATION OF MANAGERS

With current examples of unethical conduct rooted for the most part in members of the United States' Baby Boom generation and Generation X, one may wonder the effect (either positive or negative) these incidents may have on the next generation of American managers – those who are members of Generation Y.

Articles concerned with the cohort of the American population referred to as "Generation Y" (also known as the "Echo Boom," the "Baby Boomlet," the "Internet Generation," and the "Millennial Generation") those born between the years 1975 and 1995, can be found in outlets as diverse as refereed journals, the popular press, as well as international and regional conference proceedings. The interest in this group stems in large measure from their attractiveness to marketers and businesses in general. The ushering of Generation Y members to the forefront has coincided with their reaching economic adulthood, typically occurring between the ages of 17 and 21. The age of economic adulthood is viewed as significant because attitudes, values, and preferences (for products, brands, and firms) that form before and during this time are unlikely to change as an individual ages (Meredith and Schewe, 1994).

An additional consequence of this age cohort reaching economic adulthood, aside from their importance in their roles as consumers, is their emergence as managers, entrepreneurs, and business decision-makers. How individual members of Generation Y will perform in these roles will affect businesses as they interact with each other as strategic allies, channel partners, suppliers, and colleagues. How Generation Y members deal with customers, stockholders, and other stakeholders will have spillover effects for the general public as well. Consequently, an examination of Generation Y's ethical foundation is called for. Specifically, we address the following questions:

What influences do they view as important in their ethical and moral development?
How familiar are they with various moral perspectives and ethical principles?
How do they view actions and events from their past from an ethical perspective?

As they journey toward economic adulthood, one of the significant transformational experiences that many members of Generation Y share is a post-secondary education. This raises the issue of the influence of the classroom on their development and offers a potential point of access for investigation.

ETHICS IN THE CLASSROOM

Whether the topic is academic honesty or moral problems arising in one's chosen major or profession, educators are increasingly called on to address ethical issues. Media accounts of academic dishonesty at universities and research into students' attitudes toward cheating are on the rise. Given news accounts of unethical behavior by corporations and governmental entities, opportunities to discuss moral problems abound in educational environments. Questions arise, however, about the degree to which these opportunities are maximized, and the extent to which ethics instruction is effective in shaping the moral outlook and decision-making of students.

The accrediting agency for collegiate business schools (AACSB-International) has placed increased emphasis on teaching ethics to undergraduate and graduate business students (Silver and Valentine, 2000). Additionally, many companies are discovering that good business ethics is conducive to a good corporate image and higher profits. As a result, a growing number of business schools are teaching ethics (Boroughs, 1995). Students themselves believe, quite strongly, that the discussion of ethics and ethical issues is worthwhile and important. Many feel a course in business/marketing ethics should be required and more indicate that they would take such a course even if it was not required (Shannon and Berl, 1997).

In response to these forces, schools of business are offering or requiring substantive ethics courses. The teaching of ethics represents a beginning, but it must go beyond teaching ethics as institutional responsibility. The hope is that people will ultimately have a sense of personal values that transcend the laws and rules of institutionalized ethics and that business vocabulary will soon contain words like civility, decency, honesty, and fairness, taking their place right alongside the practical vocabulary (Gibbons, 1992). Instruction in ethics produces more enlightened consumers of ethics information who are able to make sound determinations about responsibility in ethical dilemmas (Carlson and Burke, 1998). Ethics instruction cannot turn an immoral person into a moral one, but teaching ethics can help prevent good people from making bad decisions (Johnson, 2000).

Teaching these topics in business is difficult because one must go beyond moral standards of behavior to analyze goals, norms, beliefs, and values. Analyses of ethical principles are needed

in those instances where a decision about an ethical problem cannot be reached based on moral standards of behavior alone. The goal is that through ethical analysis, students can learn to clarify issues and rank alternative moral actions (Hosmer, 1988).

Much attention has been given to the ethical attitudes of the general student population, both from the popular media and from researchers. Some of the most interesting questions raised often include students' beliefs about the frequency of academic dishonesty, its acceptability (including justifications) among peers, and the willingness to report a cheating peer to an appropriate authority. In the wake of reports on the social and economic impacts of large corporate scandals in recent years and perhaps the frequency of smaller but no less troublesome accounts of ethical lapses in business which occur on an almost daily basis, focus of the educational setting has naturally turned to the ethical attitudes of students in business as well as academic settings. For example, the moral sensitivities of business majors relative to non-business majors make for an interesting comparison. In an educational context these interests have naturally given rise to the question: can business ethics be trained? Both the difficulty of answering the question and the implications of each answer one might get to the question are the subjects of much discussion, inside and outside of academe. The question extends not only to the limitations of education but to the ability of persons to create and sustain a "good" workplace, i.e. a work environment which is rewarding (both financially and personally) to work in and which is also morally good.

ETHICS AND GENERATION Y

An early study conducted by Northwestern Mutual Life concluded that members of the U.S.' Generation Y are religious, intend to vote, and actively volunteer for good causes (Kate, 1998). According to the survey, Generation Y admires the following attributes: honesty/integrity, hard work/dedication, and motivation/desire. Kate goes on to report that among the students surveyed, the person they admired the most was their mother followed by their father. Nearly 90% believe in God and 57% attend religious services. While the influence of parents on members of Generation Y has been established, a number of other questions remain unexplored, including the differential effect, if any, of a business vs. non-business undergraduate college major, and the role of other influences on Generation Y's ethical development.

Empirical research exploring the ethical attitudes of the general student population, regarding the issue of cheating, has found that two-thirds of students acknowledge having engaged in academic dishonesty (Bernardi et al., 2004). The context of the situation, indicated in case-study scenarios, seems to be a major factor in students' estimation of both the likelihood and negative consequences of cheating activity. When segregated according to major, however, psychology majors appeared to be more sensitive to moral concerns than business majors.

Attitudes toward dishonesty among college students have also been measured using business case-scenarios (Smyth and Davis, 2004). Similar to other studies, in their research Smyth

and Davis also found that business majors demonstrate less sensitivity to ethical concerns than non-business majors. An overwhelming majority of students expressed the belief that cheating is unethical, however, almost one-half of the participants indicated that cheating was socially acceptable. In business case-scenarios, business majors were less likely to indicate a particular activity as unethical compared to other majors. Opinions about cheating and unethical business practices were not the only measure, however. Business majors reported engaging in more unethical activities, such as cheating, than non-business majors.

Ethics researchers have compared sub-specialties among business majors. For example, attitudes of marketing majors relative to other business majors have been measured. One such study indicates that marketing majors are less sensitive to moral issues and more likely to engage in activities which are less than ethical (Lane, 1995), while other studies have shown no statistically significant difference between marketing majors and other majors (Malinowski and Berger 1996; Peppas and Diskin, 2000). The research done by Peppas and Diskin measured students' agreement or disagreement with (a) provisions of a hypothetical code of ethics and (b) a series of value statements applying moral principles to business in general. This leaves open the question of sensitivity to specific contexts in which unethical business decisions or activities might take place, and whether or not marketing majors might show any statistically significant differences in their choices.

Similarly, there has been a good deal of research on the ethical perspectives of accounting majors. It is possible that the number of studies undertaken in this field has and will continue to increase due to the role of accountants in well-publicized corporate scandals of recent years. Moreover, psychological and personality factors influencing the ethical attitudes of accounting majors have been examined (Sankaran and Bui, 2003). The work of Sankaran and Bui suggests that competitiveness and age can be contributing factors to more insensitivity toward ethical issues; competitiveness can lead to "aggressive accounting techniques" (a concept that has been used to describe Andrew Fastow's behavior as CFO of the now defunct Enron), and with increased age a person may become indifferent to the ethical shadiness of some activities. Their study also indicates a statistically significant difference between business and non-business majors on the importance of ethics.

These results naturally lead to the question: can business ethics be taught? That is, can education succeed in training future business professionals to act ethically in the workplace? As with research into the ethical attitudes of business and non-business majors, studies related to this question focus on the effectiveness of an ethics component in the college curriculum (Ritter, 2006). Ritter suggests that women with some educational exposure to ethics training showed higher sensitivity to ethical issues and were more likely to apply that training to decision-making in a business case-scenario.

Educators face major obstacles in regulating academic honesty as well as communicating the importance of academic honesty to students. Therefore, the relative difficulty of improving

ethical sensitivity to the business environment among business majors appears to be an even greater task. Clearly there are significant challenges to the ability of students to be self-regulating. Some studies indicate that this is a particularly difficult issue for business majors. Moreover, some researchers challenge the notion that educational training or a single course in ethics can be effective in guiding students to make ethical choices (Peppas and Diskin, 2000; Ritter 2006).

The reason for focusing on freshmen and their selection of a college major in the research sample is to explore whether differences exist before subjects have had any of the transformational experiences that post-secondary education typically involves. If college business majors have fewer ethical qualms than others, investigating whether there is a predisposition of these students to be less sensitive to ethical situations, relative to the general student population can only be measured at this point in time.

METHOD

Sample

A convenience sample of approximately 200 first semester freshmen completed two tasks over a period of several weeks, at a small, private liberal arts university located in a one million plus population center in the Mid-south region of the United States. Subjects were enrolled in an entry-level course for those intending to follow a business career path or a "college success" course required of all new freshmen. For the latter course, only sections containing non-business students and those not taking the former course were included in the study.

Data Collection

Subjects completed a questionnaire, which asked about: familiarity with 13 different moral perspectives and ethical "theories" (two of which were fictitious and added to the list as a concept check to assess "yea-saying" behavior (Tashchian, White, and Pak, 1988)), the relative importance of 15 different social influences on their ethical development, and whether they had ever done specific "questionable" behaviors. Additionally, students were asked to rank order a number of behaviors (using a card deck) according to how ethical they believed each behavior to be.

After eliminating the questionnaire responses of non-freshman students, a usable sample size of 182 (95 business majors and 87 non-business majors) was retained for analysis. Although a convenience sample, the profile of the respondents reflects a sufficiently diverse and balanced group across most classification variables to reflect at least minimal generalization to the larger target population of traditional college freshmen (65% men, 34% women).

FINDINGS

Influences on Ethical Development

A major goal of the current study is to investigate the influences that business and non-business freshmen report as significant to their ethical development. In the survey, subjects were asked to rate each potential influence on a seven-point Likert-type scale ranging from "extremely unimportant" (1) to "extremely important" (7) (see Table 1).

Table 1: Influences on Respondents Ethical Development (mean scores)				
Absolute Difference	*p*-value	Ethical Influence	Business Freshmen	Non-Business Freshmen
0.5	0.028*	Community groups	3.9	4.4
0.4	0.049*	Employers	4.5	4.1
0.3	0.152	Student groups	4.2	4.5
0.3	0.186	Church	4.9	5.2
0.3	0.214	Ethics statements by companies	4.0	4.2
0.2	0.234	Other family members	5.4	5.7
0.2	0.291	Friends	5.6	5.8
0.2	0.358	Entertainment	3.8	3.6
0.1	0.453	Mentors	5.1	5.3
0.1	0.498	News reporting	4.0	3.9
0.1	0.507	Co-workers	4.4	4.2
0.1	0.616	Parents	6.4	6.5
0.1	0.765	Grade school teachers	4.2	4.1
0.0	0.924	High school teachers	4.9	5.0
* statistically significant difference between business and non-business respondents				

Perhaps most reassuring, and contrary to many of the fears expressed in the last few years (Coe, 1995; Krcmar and Vieira, 2005; Eagle, 2007), parents continue to have the most influence on their children's ethical development – for both business (6.4 out of 7) and non-business majors (6.5) – even more than friends, or the media. Both groups of respondents reported that teachers, at the primary, secondary and post-secondary levels, have also had a positive impact on students although not as great as church activities, employers, and other family members. Interestingly, news reporting and entertainment media, long touted as having a significant (and negative) impact

on children have apparently not had as significant an effect on their ethical development (although we acknowledge that it may be the case that college freshman tend to underestimate that influence). Most likely however, our results are due to the positive, insulating effect of the other influences respondents rated higher. Further examination of Table 1 highlights a number of influences where there appears to be significant sample differences. Most notably, the influence of community groups on development of ethics was much higher for non-business respondents than for business respondents. The only other statistically significant difference between the two groups was attributed to employers. The influence of employers is greater for business majors than non-business majors. One possible explanation is that students drawn to business majors and future careers may have had work experience with organizations thereby beginning to learn the ethos and standards of business practice. This might also point to more community organization experience for those who ultimately were drawn to non-business majors.

Knowledge of Moral Perspectives and Ethical Issues

Another major goal of the current study is to determine the extent to which traditional freshmen have been exposed to, and have retained knowledge of, various moral perspectives and ethical principles. Based on an examination of selected textbooks (e.g., Peter and Donnelly, 2006; Kerin, Hartley, and Rudelius, 2007) a listing of ethical perspectives was constructed. This list was supplemented with additional theories as a result of discussions with other researchers.

Subjects were asked to assess their degree of familiarity with each of the 13 ethical constructs. Seven-point Likert-type scales were used ranging from "somewhat familiar" (1) to "extremely familiar" (7). A separate check box for "totally unfamiliar" was also provided. For each construct, the percent of business and non-business respondents answering "totally unfamiliar" is presented along with the average for those respondents who indicated some degree of familiarity. (see Table 2).

Table 2: Avowed Familiarity with Moral Perspectives and Ethical Principles						
		Business Students		Non-Business Students		
p-value	Ethical Concept	Mean Familiarity	No Knowledge	Mean Familiarity	No Knowledge	Brief Description **
0.0001*	Situational Ethic	3.2	28%	4.6	33%	Circumstances govern what is ethical.
0.0001*	Materiality	4.0	19%	5.0	21%	Is it significant?
0.0003*	Moral Idealism	3.7	19%	4.8	15%	Rights are universal regardless of outcome.
0.0008*	Nelson Decision Rule	1.4	81%	3.2	72%	Non-Existent Ethical "Theory"
0.001*	Machiavellianism	3.3	55%	4.6	45%	Whatever I can get away with is

		Business Students		Non-Business Students		
p-value	Ethical Concept	Mean Familiarity	No Knowledge	Mean Familiarity	No Knowledge	Brief Description **
						acceptable.
0.006*	Narcissism	3.5	37%	4.4	24%	No regard for others.
0.015*	Kant's Categorical Imperative	1.6	81%	2.9	75%	Universal law or behavior.
0.020*	Professional Ethic	3.7	26%	4.6	34%	Action viewed as ethical by colleagues.
0.039*	Golden Rule	5.4	17%	6.0	7%	Treat others as you want to be treated.
0.056	Utilitarianism Principle	2.7	67%	3.6	45%	Greatest good for the greatest number.
0.146	Cost / Benefit Analysis	2.9	21%	3.4	36%	Gain/loss tradeoff
0.214	TV Test	2.8	46%	3.3	56%	Comfortable explaining to a TV audience?
0.274	Galbraigth Role-Play	1.9	88%	2.5	77%	Non-existent Ethical "Theory"

Table 2: Avowed Familiarity with Moral Perspectives and Ethical Principles

* Statistically significant difference between business and non-business respondents
** Brief descriptive information was not provided to subjects in survey instrument. In many instances, the titles of the moral perspectives and ethical principles have a "plain face reading" that conveys one or more aspects of the construct itself (e.g. professional ethic, cost/benefit analysis"). In the case of others (e.g. Golden Rule, Narcissism, Machiavellianism) respondents likely have varying degrees of knowledge due to either their widespread use in U.S. society and culture, and/or in mandatory or elective secondary school classes such as English literature and economics. Additionally, many private and some public secondary schools have instruction in philosophy, morality, and/or ethics. As a result many students have had exposure to moral perspectives or ethical principles named in this study.

The two non-existent ethical "theories" contained in the listing were the Galbraigth Role-Play and Nelson Decision Rule. An overwhelming majority of the respondents for both groups admitted having no knowledge of either construct, indicating a minimum of yea-saying behavior or problems with social desirability responses. Business students however, were markedly more willing to admit that they did not know about the constructs than non-business students. For the remaining respondents, those who indicated some degree of familiarity, the relatively low averages among these individuals lends credence to the interpretation that the generic terms "role-play" and "decision rule" were significant enough to elicit some response, even though the personalization aspect must have been unfamiliar.

For the other eleven moral perspectives and ethical principles respondents reported varying levels of familiarity. The one most familiar to all respondents was "The Golden Rule" (i.e. treat others as you want to be treated). Materiality and was viewed as next most familiar for business

majors while for non-business majors, materiality, moral idealism, and professional ethic were clustered together in terms of familiarity. Among those who expressed some familiarity, the level of that familiarity also was lower. It is likely that formal coverage of these concepts is minimal to non-existent in courses taken by respondents. Additionally, exposure to these constructs in everyday life or conversation is also unlikely, especially compared to such a widely known construct as the Golden Rule.

For nine of the eleven ethical constructs, there were statistically significant differences between business and non-business respondents. In each case the expressed familiarity with the moral perspective or ethical principle was higher with respondents not majoring in business disciplines.

Respondents' Behavioral History and Assessment of Ethical Transgressions

For this portion of the study, subjects were presented with a questionnaire listing 36 specific behaviors and asked to indicate whether they had ever done each behavior. Several weeks later respondents were provided note card decks with each of the 36 behaviors printed on separate cards. They were asked to order the cards from 1 (the behavior they considered most ethical) to 36 (the behavior they considered most unethical – in their view. The results of these two tasks are reported in Tables 3 and 4 (see Tables 3 and 4).

The rankings (1 to 36) were converted to quartiles (i.e. positions 1-9 first quartile, 10-18 second quartile, 19-27 third quartile, and 28-36 fourth quartile). The quartile number was multiplied by 25 yielding values of 25, 50, 75, or 100 for each behavior. Higher numbers on this "severity index" represent behaviors viewed as more severe ethical transgressions.

The "Ethical Rank" of each behavior was determined by multiplying the severity index number times the percentage of respondents in either the business or non-business cohort. For example, if 90 percent (0.9) of non-business majors had ranked a given behavior in the last quartile (card deck position 28 or higher) the severity index would be 90 (0.9*100).

Table 3: Respondent behavioral history					
Pct. Point Diff.	Statistically Significant (alpha =)		Behavior	Business Freshmen	Non-Business Freshmen
	0.1	0.05			
22**	*	*	Tried to use a coupon after it had expired?	61%	39%
11	*	*	Drank alcohol underage?	85%	74%
12	*	No	Tried marijuana?	46%	34%
10	*	No	Told something to someone that you had promised not to reveal?	82%	72%
-5	*	No	Reused a canceled postage stamp?	1%	6%

Pct. Point Diff.	Statistically Significant (alpha =)		Behavior	Business Freshmen	Non-Business Freshmen
	0.1	0.05			
11	No	No	Discovered that you received too much change from a purchase at a retail store and kept it?	68%	57%
11	No	No	Purposely opened a letter or package addressed to someone else?	49%	38%
9	No	No	Told an untrue story (or cried) to a police office to get out of a parking or traffic ticket?	18%	9%
9	No	No	Eaten food in a grocery store that you did not pay for? (free samples don't count)	24%	15%
9	No	No	Returned an item to a store that you had used and did not get a replacement?	35%	26%
8	No	No	Told someone a lie to get out of attending a social occasion?	92%	84%
7	No	No	Called in sick to work when you weren't?	52%	45%
7	No	No	Left a restaurant without paying the check?	15%	8%
7	No	No	Cheated on a test?	71%	64%
6	No	No	Rocked a vending machine to get a product you didn't pay for?	21%	15%
5	No	No	Purchased marijuana?	22%	17%
5	No	No	Told a lie to avoid hurting someone's feelings?	98%	93%
4	No	No	Resold a ticket to a concert or sporting event for more than face value?	13%	9%
4	No	No	Mixed Canadian coins in with U.S. coins to pay for an item?	27%	23%
4	No	No	Took a magazine from the waiting area at a doctor's office, haircutting salon, etc.	15%	11%
4	No	No	Parked in a handicapped parking space that you weren't entitled to use?	29%	25%
3	No	No	Loaded a copy of a software program on your computer that you did not pay for?	39%	36%
3	No	No	Used "slugs" or Canadian money in U.S. vending or washing machines?	14%	11%
3	No	No	Used a fake I.D. card?	23%	20%
3	No	No	Falsely reported losing money in a vending or washing machine.	8%	5%
3	No	No	Took a towel(s) from a hotel?	37%	34%
2	No	No	Hit or noticeably scratched someone's car and not left a note?	27%	25%
1	No	No	Found change in a pay telephone and kept it?	73%	72%
1	No	No	Took office supplies (e.g. tape dispenser, etc.) home from a job?	29%	28%
0	No	No	Saw someone cheating on a test and did not report it?	89%	89%
0	No	No	Shoplifted an item from a store?	24%	24%
-1	No	No	Looked in someone's medicine cabinets, or closets, etc. when they weren't around?	55%	56%
-2	No	No	Purchased an illegal drug other than marijuana?	7%	9%
-4	No	No	Sneaked into a movie without paying for it?	28%	32%
-4	No	No	Tried an illegal drug other than marijuana?	14%	18%
-10	No	No	Told someone on the phone that there was someone at the door to get out of talking to him or her?	55%	65%

Table 3: Respondent behavioral history

* statistically significant difference between business and non-business respondents
** Percentage point difference calculated by subtracting Non-business incident rate from business freshmen incident rate

In terms of the behavioral history of respondents, there were only two behaviors (attempting to redeem an expired coupon and underage drinking) that were statistically significant between the two groups – with business majors reporting a higher percentage of the behavior at the 0.05 level. If a 0.10 alpha level is used, the list where there are significant differences between the two groups increases to five (smoking marijuana, revealing a secret, and reusing a cancelled postage stamp). With the exception of the stamp issue, again business majors more often engaged in the behavior than their non-business major counterparts. A mere reporting of behavioral history however, is not in itself sufficient to draw conclusions. The severity of various behaviors also needs to be factored into the analysis.

Table 4: Ethical Severity of Different Behaviors					
Pct. Point Diff.	Statistically Significant (alpha=)		Behavior	Severity Index	
	0.1	0.05		Business Freshmen	Non-Business Freshmen
8.4	No	No	Took a magazine from the waiting area at a doctor's office, haircutting salon, etc.	46.5	38.1
8.2	No	No	Purchased an illegal drug other than marijuana?	84.4	76.2
8.1	No	No	Cheated on a test?	63.8	55.7
7.8	No	No	Purchased marijuana?	73.8	66.0
6.4	No	No	Told a lie to avoid hurting someone's feelings?	25.3	18.9
5.2	No	No	Looked in someone's medicine cabinets, or closets, etc. when they weren't around?	50.2	45.0
4.9	No	No	Shoplifted an item from a store?	86.2	81.3
4.3	No	No	Hit or noticeably scratched someone's car and not left a note?	78.5	74.2
4.1	No	No	Falsely reported losing money in a vending or washing machine	56.7	52.6
3.8	No	No	Saw someone cheating on a test and did not report it?	46.8	43.0
3.7	No	No	Told someone a lie to get out of attending a social occasion?	32.2	28.5
3.1	No	No	Called in sick to work when you weren't?	43.4	40.3
3.0	No	No	Discovered that you received too much change from a purchase at a retail store and kept it?	44.7	41.7
2.9	No	No	Returned an item to a store that you had used and did not get a replacement?	55.5	52.6
2.7	No	No	Told something to someone that you had promised not to reveal?	60.6	57.9
1.7	No	No	Tried an illegal drug other than marijuana?	78.7	77.0
0.9	No	No	Loaded a copy of a software program on your computer that you did not pay for?	45.7	44.8
0.3	No	No	Told someone on the phone that there was someone at the door to get out of talking to him or her?	27.1	26.8
0.0	No	No	Parked in a handicapped parking space that you weren't entitled to use?	63.0	63.0
0.0	No	No	Used a fake I.D. card?	53.7	53.7
-0.5	No	No	Used "slugs" or Canadian money in U.S. vending or washing machines?	38.8	39.3
-0.8	No	No	Tried marijuana?	64.9	65.7

	Statistically Significant			Severity Index	
Pct. Point Diff.	(alpha=)		Behavior	Business Freshmen	Non-Business Freshmen
	0.1	0.05			
-1.6	No	No	Reused a canceled postage stamp?	33.5	35.1
-1.9	No	No	Found change in a pay telephone and kept it?	20.5	22.4
-2.1	No	No	Eaten food in a grocery store that you did not pay for? (free samples don't count)	57.3	59.4
-4.0	No	No	Left a restaurant without paying the check?	76.4	80.4
-4.3	No	No	Purposely opened a letter or package addressed to someone else?	67.2	71.5
-5.2	No	No	Mixed Canadian coins in with U.S. coins to pay for an item?	34.0	39.2
-5.3	No	No	Took office supplies (e.g. tape dispenser, etc.) home from a job?	45.1	50.4
-5.6	No	No	Tried to use a coupon after it had expired?	19.3	24.9
-6.2	No	No	Took a towel(s) from a hotel?	39.0	45.2
-6.6	No	No	Resold ticket to concert /sporting event for more than face value?	45.6	52.2
-7.8	No	No	Told an untrue story (or cried) to a police office to get out of a parking or traffic ticket?	45.6	53.4
-7.9	No	No	Sneaked into a movie without paying for it?	52.2	60.1
-9.5	No	No	Drank alcohol underage?	46.4	55.9
-10.1	No	No	Rocked a vending machine to get a product you didn't pay for?	47.2	57.3

Table 4: Ethical Severity of Different Behaviors

* statistically significant difference between business and non-business respondents (none were)

Comparing the severity indices of business and non-business respondents across the 36 statements we observed that 18 of the behaviors are viewed by business majors as more severe (i.e. more unethical) than their non-business major counterparts with 16 of the behaviors viewed by non-business majors as more severe and 2 equally severe. Despite these differences, the two groups were not statistically significantly different at either the 0.05 or 0.10 alpha levels.

DISCUSSION

The results of the present study support several findings. Responding freshmen students selecting business as a college major, when compared to their non-business major counterparts, report relatively lower familiarity with a number of moral perspectives and ethical principles. Moreover, our results indicate this lower level of familiarity does not lead freshmen business majors to a differential assessment of the severity of behaviors or potential ethical transgressions. While there were some statistically significant differences, freshman business majors ratings of the influences on their ethical development generally parallel those of their non-business counterparts. The question remains what these results mean.

It will take years for members of America's Generation Y to come into their own as full and controlling members of business organizations, government, and other facets of society. Early indications are that while members of Generation Y do posses, to differing degrees, knowledge about a number of significant moral perspectives and ethical principles, they are more willing to engage in socially responsible behavior (e.g. recycling efforts on campus, community service projects, volunteerism) than members of previous generations. Concerns often expressed in the popular media that this generation of college students has been unduly affected by violent video games, movies, and music; sexually explicit messages; athletes and other celebrities (e.g. Paris Hilton, Howard Stern, Barry Bonds) appear to be unfounded. In reality, as with previous generations, family members continue to represent the most prominent influence on their children's world-view of what constitutes ethical behavior.

An article by Deborah Johnson (1985) asserts that professional codes of ethics should be created with four types of obligations in mind: (1) obligations to society; (2) obligations to the employer; (3) obligations to customers; and (4) obligations to colleagues. In the present study, members of Generation Y have demonstrated that they can make the leap from theory to application where business practice is concerned.

If Johnson's (1985) general approach is adopted as a goal or template of organizations, these students are poised to become more circumspect in their decision-making and potentially more ethical leaders, whether they assume their roles coming from a business or non-business college background.

Given the exploratory nature of the current study, the use of a convenience sample at a lone institution is appropriate. The next step in this research stream will involve sampling a larger number of students from multiple institutions, thus affording the opportunity for increased external validity.

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