Business Students Attitudes towards Business Ethics: Evidence from Kuwait

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Abstract— This study investigates the ethical orientation of students of business schools in the Middle East, with special reference to the state of Kuwait. It examines whether differences in students’ demographics and professional characteristics, including gender, academic level, participation in business ethics training programs, and working status, have any influence on their attitudes towards business ethics. Further, this study compares and contrasts the ethical orientations of business students in Kuwait and their counterparts in other countries. The pre-validated scale of Attitudes towards Business Ethics Questionnaire (ATBEQ) is adopted as a measurement instrument. For comparison purposes, the T-test for equality of means is used to test for significant differences between our results and results of research in other countries, while the ANOVA F-test is conducted to test for significant differences among countries, on a group basis. The overall mean for business ethics is 2.963. This is slightly lower than the mid-point (3). Students responded differently by providing higher/lower levels of agreements toward the reported ethics statements. Results support the view that there is a significant difference between male and female respondents in terms of their attitudes towards ethics. The results indicate that higher academic levels (i.e., senior and graduate students) have more positive views towards business ethics compared to lower academic levels (i.e., freshman, sophomore, and junior students). Participation in business ethics training programs and working status do not have an influence on the ethical orientation of the respondents. A comparison of the overall mean of the present study with means of previous studies shows that the ethical orientations of business students in Kuwait cluster with those of the Iranian and Malaysian students. On the contrary, significant differences seem to exist between the Kuwaiti respondents and those in the USA, Australia, and Israel, concluding that culture is an important factor that may explain the differences in attitudes to business ethics across countries.

Keywords— Ethics, Business Ethics, Attitudes, Students, Gender, Academic level, Kuwait.

I. INTRODUCTION

Business ethics has been, and will continue to be during the years to come, one of the most popular research topics. No one can deny the reality that public interest for ethical issues is prevalent, reflecting a legitimate concern in light of the many scandals and fraudulent corporate cases worldwide [1, 10].

Lately, such public concern has been deepened given the current globalization, the fall of communism, the growing trend toward capitalism, the complexity of the current business conditions, in conjunction with discrepancies in the ethical values of individuals. These events and trends associated with or followed by the financial and economic crises caused queries regarding the role of ethics in doing business. Soaring unemployment and poverty rates and the collapse of giant companies have further aggravated the matter and led to the emergence of movements such as the Block Wall Street movement and the Block London movement. These movements blame what they call the greediness of business organizations and selfishness of top executives. Hence, serious concern has emerged, questioning whether the current and future generations of managers are less ethical than their predecessors.

This study addresses the issue of business ethics among business students in developing countries with particular reference to the State of Kuwait. Further, this study compares its findings with those of previous studies in other parts of the world, and explores the possibility of whether cultural and religious background differences have a significant influence on business ethics. Such a comparison should be useful for investors and multinational companies interested in locating their businesses in this part of the world. In order to ensure comparability relative to the earlier studies, the present study adopted the parameters and the conceptual phases denoted by Preble and Reichel [20] for the USA and Israel, by Small [25] for Western Australian students, by Phau and Kea [19] or Australia, Singapore and Hong Kong, and by Nejati et al. [16] for Iran and Malaysia.

The Attitudes toward Business Ethics Questionnaire (ATBEQ) was applied to test for the business ethical attitudes among students at business colleges in Kuwait. The ATBEQ is probably one of the most popular instruments used for this purpose and is replicated by numerous studies throughout the literature (i.e., Small [25]; Moore and Radloff [15]; Sims and Gegez [24]; Phau and Kea [19]; and Nejati et al. [16]).

The rest of this article is structured as follows. Section 2 details the significance and objectives, while Section 3 presents an overview of the related literature. Section 4 outlines the methodology. Analysis of the data and discussion of results are revealed in Section 5. Concluding remarks are addressed in section 6.
II. SIGNIFICANT AND OBJECTIVES

Given the increased public concern for ethics and the current high-profile corporate scandals, it seems that less emphasis has been put on the overall ethical considerations in most corporate businesses and the adjacent corporate environmental operations, resulting in fraudulent financial and managerial outcomes, namely business failure. Phau and Kea [19] concluded that the cost of running a business in a corrupted environment is much higher than non-corrupted environment (integrity or clean environment).

As per the literature, it is obvious that most studies were conducted on developed and emerging countries. However, the bulk of the studies on emerging countries emphasized the East Asian region, while little work has been done on the Middle East area. This study contributes to the related literature by providing more evidence on the attitudes toward business ethics within the Kuwaiti context, reflecting the fact that Kuwait is usually classified by researchers as belonging to a cultural cluster that differs from other cultural clusters such as the Anglo Saxons or Far Eastern Clusters.

Students of business were chosen as subjects of this study on the basis that those students are expected to be the future managers/leaders in their corporations. They are the ones who will be forming or influencing the decision making process in their respective corporations. Furthermore, this study will hopefully be a reference for understanding the ethical orientation of Kuwaiti future managers who may proceed for corporate positions overseas. Last but not least, the study will hopefully be useful for those involved in development of management and business education.

As for the objectives, this study aims to: (1) investigate the ethical orientations of business students within the context of Kuwait. (2) Examine whether there are significant differences between the ethical orientations of business students attributed to their demographic and professional characteristics, including, gender, academic level, participation in business ethics training programs, and working status. (3) Compare and contrasting the ethical orientations of business students in Kuwaiti business schools and their counterparts in other countries.

III. LITERATURE REVIEW

As for business ethics, Preble and Reichel [20] identify an attitude toward business ethics as the “subjective assessment by a given individual with respect to sets of premises that make up various philosophies”, clarifying how a particular group of individuals are connected to each of the philosophies underlying their concept/belief of business ethics, while, Crane and Matten [5] view business ethics as “the study of business situations, activities, and decisions where issues of right and wrong are addressed. However, the problem with this definition is lack of consensus about right and wrong. What is right in one country or culture may not necessarily be right in another [2]. This may be attributed to the fact that ethics is rooted in religious, cultural and philosophical writings. Hence, the term cultural relativism is a widely accepted term. In spite of that, some ethicists have been occupied with developing a universal code of ethics. From a conceptual perspective, ethics and moral are sometimes used as synonymous terms. But some scholars prefer to make distinction between these two terms. They stressed that moral has to do with what is right and wrong, whereas ethics and in particular business ethics concentrate on moral standards as applied to business practices, Payne and Landry [17], Crane and Mutten [5].

In the literature, while the attitude toward business ethics formulates the main background of empirical studies on business ethics, the majority of the related studies are structured into two complimentary methods, namely the conceptual and the empirical. The conceptual method focuses on clarifying the concept of business ethics, moral conduct and social responsibility, leading to determined guidelines that might help corporation’s leaders and administrators in adopting ethical business practices via their managerial decisions [7]. In contrast, the empirical method place emphasis on testing for the prevailing ethics, attitudes and perceptions of the general public, business people and college/university students who are often considered as the future business employee, administrators and even leaders (see Preble and Reichel [20]; and Kum-Lung and Teck-Chai [10]. Given the objectives of the present paper, it follows the empirical approach. Therefore, the literature review in this section will be devoted for previous studies on business students.

Preble and Reichel [20] compared the means of two samples of US and Israeli undergraduate business students. They found that, while the two samples were concerned about business ethics, the Americans were less concerned than their Israeli counterparts. Small [25] investigated the attitudes towards business ethics of 179 business students in Western Australia. He compared his results with those of Preble and Reichel and concluded that students in the three countries share common views regarding business ethics. Based on that, he suggested that business ethics and practices are very similar throughout the Western world.

The effect of age and gender upon students’ business ethics was the main concern of Ruegger and King [21]. Their findings suggest that gender has a significant influence on the perceptions of business ethics, and females are more ethical than males. The influence of religiosity, gender and education levels on attitudes toward business ethics were the main concern of Kum-Lung and Teck-Chai [10]. A sample of 139 business students and 130 workers in Malaysia was selected. Intrapersonal religiosity was found to have significant correlation with attitudes of students about business ethics. Also it was found that no significant differences between male and female students regarding their attitudes about business ethics. On the contrary, significant differences were found between people who possess different levels of education. That is to say, less educated people are less concerned about ethics. In a cross-cultural study by Sauerbrey [22] three samples of business students responded to a self-administered
questionnaire. The three samples consisted of 214 Danish students, 606 German students and 451 American students. Results showed that students in the three samples did not accept the notion that ends justify the means within a business firm. However, significant results were observed between the three samples concerning their ethical attitudes. Also results showed that students who took a course in business ethics had higher ethical orientation than those who did not. This result is especially true for the German and the American sample.

Based on the above review of the literature, one can make the following observations: (1) A substantial amount of research has been conducted on business ethics. However, the bulk of these studies have emphasized either Western/developed countries or emerging countries. Unfortunately, most research on emerging countries has concentrated on East Asian countries. Therefore, meager research has been carried out on the Middle East. (2) Results of these studies seem to be contradictory in their findings. For instance, some studies have found no differences between subjects’ attitudes towards business ethics which could be attributed to the region/country, whereas other studies found that differences exist. (3) The authors believe that providing more empirical evidence from other countries such as Kuwait will enrich this field of study. This argument is based on the idea that Kuwait belongs to a cultural cluster that differs from most countries that were subject to investigation in this area of research, therefore, contributing to the field by assessing the relevance of culture in explaining attitudes towards ethics.

IV. METHODOLOGY

A. Measurement Instrument and Data Collection

The survey instrument for the present study consists of two main sections. The first section contains a demographic informational profile of the respondents, such as gender, age, academic level, and working experience. Further, the first section includes open-ended question which asks respondents to identify whether they have participated in a business ethics training program. The second section includes a 30-statement ATBEQ instrument developed by Preble and Reichel [20] which was used to test the student attitudes towards business ethics. Each respondent (student) was requested to indicate his/her stance on each ethical statement as 1 (strongly disagree), 2 (disagree), 3 (not sure/undecided), 4 (agree), 5 (strongly agree). The ATBEQ instrument was cross validated and was tested in different contexts (i.e., Preble and Reichel 1988, Small [25]; Kum-Lung and Teck-Chai, [10]; and [3]).

Data was collected by using a convenience sampling technique at regular class meetings for business students programs offered in both government and private universities in Kuwait, during the fall, spring and summer semesters of the academic year 2011/2012 [11]. A covering letter was attached explaining the purpose of the study. Students were informed that their participation was voluntary and their responses would be utilized for academic research purposes only. The students were asked to indicate their level of agreement/disagreement with each of the reported statements, then, all distributed questionnaires were collected by the authors themselves or their colleagues once completed. Participants came from Kuwait University (KU), Gulf University for Science and Technology (GUST), and the American University of Kuwait (AUK). 500 students participated in the sample.

V. DATA ANALYSIS RESULTS

A. Methods of Analysis

Demographic information was analyzed by using frequencies, while responses to the business ethics value statements were analyzed by comparing means for each statement separately as well as comparing the overall means for targeted variables. For comparison purposes, the T-test for equality of means was used to test for significant differences ($P$-value < 0.05, where confidence of 95% is used, 0.05 probability level). The ANOVA F-test was conducted to test for significant differences among countries, on group basis. The open-ended questions were analyzed after categorization. Given the objectives of the research and for the sake of comparison, some methods of analysis used in this article are consistent with most previous studies that used ATBEQ as a data collection instrument (Phau and Kea 2006; Sims [23]; and Spero and Tyler 2007).

B. Demographic and Professional Profile

Of the 500 questionnaires distributed, 438 completed questionnaires (88%) were received. Of these, 67 (13.4%) questionnaires were discarded because they either were incomplete or had vague responses to some questions in the questionnaire. Therefore, the analysis was based on 371 (74.2%) responses. Of these 371 responses, 110 (29.7%) came from Kuwait University, 176 (47.4%) came from Gulf University for Science and Technology (GUST), and 85 (22.9%) came from the American University of Kuwait (AUK).

For the demographics profile of the respondents, the male/female ratio was 119/252 (32.1%/67.9%), while the age ranged from 19 years to 36 years with a mean age of 22.5 years. For nationality, 75.7%, 8.4%, 4.3%, 3.2%, 2.2%, 3.2%, 0.20%, 0.80% came from Kuwait, Jordan, Egypt, Syria, Lebanon, Palestine, Canada, and Saudi Arabia, respectively. The remaining 1.4% came from other nationalities including Pakistan, Iraq, USA, Iran, India, United Arab Emirates and Somali. Regarding the academic level, 9.2%, 18.3%, 24.8%, 23.4% and 14.3% were freshmen, sophomores, juniors, seniors and graduates, respectively. Of the sample, 174 (46.9%) were enrolled in a business ethics course; 8.9% of the sample participated in a business ethics training program over an average period of two weeks. Of the students, 25.6% were working, from which 18.9%, 32.6%, 6.2%, 2.1%, and 40.2% were working at the banking, government, commerce, manufacturing, and other industries respectively. The mean length of the respondents’ working experience in their current jobs was 3.05 years, with a mean of 3.48 years as total number

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of years of working experience, including current and previous working experience.

C. Ethical Orientation of Business Students

The result of the first objective of the study which addresses the respondents’ attitudes towards business ethics shows that the overall mean for the 30 statements is 2.96. This is slightly lower than the midpoint (3). However, respondents’ views varied in terms of their reaction to the different statements. The highest mean (3.90) is for statement 23: “If you want a specific goal, you have got to take the necessary means to achieve it”. The standard deviation for this statement is 1.03. Statement 24: “The business world has its own rules” has the second highest mean, at 3.76 and a standard deviation of 1.02. Statements 18, 5, and 30 followed with means of 3.67, 3.56, and 3.54 respectively. The standard deviations for these statements are 1, 0.81 and 1.05 respectively. As for the statements with the lowest means, they are statement 15 with a mean of 2.11 and a standard deviation of 1.13. It reads: “As an employee, I take office supplies home; it does not hurt anyone”. The second lowest mean is for statement 14, which has a mean of 2.08 and a standard deviation of 1.13. It reads: “While shopping at the supermarket, it is appropriate to switch price tags or packages”.

D. Demographic and Professional Characteristics and the Attitudes toward Ethics

Using the independent sample t-test, this section tests for our second objective, which attempts to find out whether there are significant differences between the ethical orientations of business students in Kuwait attributed to their demographic and professional characteristics, including gender, academic level, participation in business ethics training programs, and working status?

The results regarding the differences between males’ and females’ ethical orientations show that the mean for males is 2.974, whereas the overall mean for females is 2.962. The results show significant differences between the two categories in terms of their responses. The result is supported by using the pooled-variance t-test for the differences between the means of the two categories ($t\text{stat} = 17.003 > 2.002 (t\text{critical})$) and the $p$-value two tail $= 0.01783 < 0.05$, concluding that the means of males and females are different in terms of their attitudes towards ethics. Such a finding triggers a question about the validity of the widely held belief that women tend to be more ethical oriented on statement 25.

The statement-by-statement analysis shows that males’ perceptions are significantly different than those of females in three statements, 6, 12 and 18, in which males indicated high levels of ethical orientations relative to females, whereas females only expressed a higher and significant level of ethical orientation on statement 25.

Do subjects in different academic levels vary in terms of their attitudes towards business ethics? The means of the students belonging to different academic levels show clearly that there are significant differences between freshmen’s mean (2.91), sophomores’ mean (2.95), juniors’ mean (2.92), seniors’ mean (3.04), and graduates’ (MBA) mean (3.18). Higher academic levels (i.e., senior and graduate students) scored higher means compared to lower academic levels (i.e., freshman, sophomore and junior students). This finding was further supported by running the pooled-variance t-test for senior and graduate students’ means. The $t\text{stat} = 0.8236 < 2.002 (t\text{critical})$ and the $p$-value two tail $= 0.4135 > 0.05$, concluding that the means of senior and graduate students are not different in terms of their attitudes towards ethics.

Does participation in business ethics training programs make a difference in the attitudes towards business ethics? The means of the two groups (students who participated and those who did not) show that there are no significance differences. The pooled-variance t-test reported a $t\text{stat} = -0.3205 >-0.2.001 < 2.002 (t\text{critical})$ and the $p$-value two tail $= 0.7497 > 0.05$, concluding that the means of students who participated/did not participate in a business ethics training program are not different.

Does it make a difference whether the respondent is working or not working regarding his/her ethical orientation? The results show that there are no significance differences between the two groups. The pooled-variance t-test reported a $t\text{stat} = -0.2375 >-0.2.001 < 2.002 (t\text{critical})$ and the $p$-value two tail $= 0.8131 > 0.05$, reflecting sufficient evidence of no significant differences between the two means.

E. Students Attitudes towards Business Ethics-A Comparison Study

To meet our third objective, this section compares and contrasts the ethical orientations of business students in Kuwait with their counterparts in other countries. More precisely, our intention here was to test whether there are significant differences between the overall sample mean (mean of the 30 statements) and means of similar studies in other countries, including the USA, Israel, Australia, Iran and Malaysia.

Statistically, this was supported by using the ANOVA F-test for differences between the overall means for all countries, and then the pooled-variance t-test for the differences between our sample mean and the other countries’ means, on a country by country basis.

As reported via Table 1, on overall groups’ basis, including KW, USA, Israel, Australia, Iran and Malaysia, the $F\text{stat} = 2.8199 > F_a = 2.2661$ and the $p$-value two tail $= 0.01783 < 0.05$, reflecting sufficient evidence to conclude that there are significant differences in the means of students’ attitudes towards ethics. This finding may be attributed to the fact that respondents in these studies belong to different cultural clusters.

The above result is validated on a sub-groups basis (i.e., KW, USA, Israel and Australia) as shown in Table 3, in which the statistics reveals that the $F\text{stat} = 2.7837 > F_a = 2.6828$ and
the \( p\)-value two tail = 0.0440 < 0.05. Hence, one can conclude that there are significant differences between the means for countries under consideration. However, for KW, Iran and Malaysia, as indicated in Table 3 and given the \( F \text{crit} = 0.8038 < F_2 = 3.1013 \) and the \( p\)-value two tail = 0.4509 > 0.05, it can be concluded that business students in the three countries seem to have similar attitudes regarding business ethics. Furthermore, one can conclude that business students in the three countries hold more idealistic views than those in other countries. This is evidenced clearly in the overall means of these countries compared with the overall means of the USA, Australia and Israel. Once again such results validate the importance of national culture on people’s attitudes. The fact that these three countries are Moslem countries may explain similarities that exist among their business students.

VI. Conclusion

The results reveal that the overall mean for the ethical orientation of business students in Kuwait is 2.963. This simply means that they are moderately concerned about business ethics, although it is slightly lower than the mid-point (3). However, reactions of the respondents vary from one statement to another. Statement 23 has the highest mean; it reads: “If you want a specific goal, you have got to take the necessary means to achieve it”. The second highest mean is statement 24: “The business world has its own rules”. These two statements have means of 3.90 and 3.76, respectively. On the other hand, the respondents expressed lower levels of agreements with statement 14: “While shopping at the supermarket, it is appropriate to switch price tags or packages”, statement 15: “As an employee, I take office supplies home; it does not hurt anyone”, and statement 21: “In my grocery store every week I raise the price of a certain product and mark it ‘on sale’. There is nothing wrong in doing this”, with means of 2.17, 2.11 and 2.15, respectively. Statements 6: “Business decisions normally involve a realistic economic attitude and not only a moral philosophy”, 8: “The lack of public confidence in the ethics of business people is not justified”, and 20: “For every decision in business the only question I ask is, ‘will it be profitable?’ If yes, I will act accordingly; if not, it is irrelevant and a waste of time” have means that are close to 3.

Results about gender support the claim that males and females respondents are different in terms of their attitudes towards business ethics, reflecting that gender has a significant influence. This result is consistent with earlier literature by Kidwell [8], Kum-Lung and Teck-Chai [10] and Tsalikis and Lassar [26], while it contradicts with Beltramini [4], Miesing and Preble [14], Ruegger and King [21], Peterson et al [18] and Lundlum and Moskalinov [12].

In spite of the fact that the findings show slight differences between males and females, it must be admitted that these differences are shrinking sharply. One possible explanation for the reduction of the gender gap regarding ethical values is the fact that schools’ curricula have been more concerned about this issue. In other words, these curricula emphasize the importance of behaving ethically with parents, family, society and then in business practices. Therefore, when entering the workforce, males’ and females’ value systems become more similar.

For the influence of the academic level on attitudes towards ethics, the results indicate that higher academic levels (i.e., senior students and graduate students) hold higher ethical attitudes than students in lower academic levels (i.e., freshman, sophomore and junior students). This result is consists with Giacalone et al [6], Kraft [9], Lundlum and Moskalivov [12], Swanson and Fisher (2008), Sauerbrey [22] and Kum-Lung and Teck-Chai [10]. For our case, this result may be justified by the nature and format of the business program curriculum, which includes a major mandatory ethics course as a college of business requirement. Third-year level students are normally enrolled in a business ethics course, reflecting the chance to have more knowledge to undertake judgmental decisions regarding confronting business ethical practices.

Probably, the inclusion of more conceptual and practical cases promotes the standards of ethics and helps the enrolled students to evaluate and decide on what is or is not considered as ethical behavior. On an organization stand, these ethics courses may encourage students, later as employees, to deal with and resolve moral disputes as addressed by May et al [13].

It seems that participation in ethics training programs does not influence the attitudes of students toward business ethics. One possible explanation for such a finding has to do with the fact that these training programs are usually short courses and do not last more than two weeks, on average.

Comparing the respondents with their counterparts in other countries, namely the USA, Israel, Australia, Iran and Malaysia, the results show, on an overall group basis, that there are significant differences in the means of students’ attitude towards ethics. This result is validated on a subgroups’ basis as well. When comparing KW with the USA,
Israel and Australia, the results concluded that there are significant differences between the means of students’ attitudes towards ethics. On the contrary, when comparing KW with Iran and Malaysia, the results revealed the opposite.

The findings about similarities and differences of attitudes towards business ethics may reflect the variety in the countries’ cultural and ethical backgrounds, hence, giving credence to Hofstedes’ theory [27] of the impact of national culture on the attitudes of people. Further, the variations in students’ attitudes towards business ethics across the targeted countries provide valid implications for international organizations and managers. This verifies the view that what may be considered as ethical in one country may not be so in another country, reflecting the importance of cultural differences among nations when dealing with ethical decisions, particularly for organizations expanding their businesses beyond their national borders. The insignificant differences between the respondents of Kuwait, Iran and Malaysia in terms of attitudes towards ethics are expected. This might be justified via the fact that the majority of populations in those countries share similar religious references, culture and values.

REFERENCES