The Ethical Ideology of University Students in South Africa

Olawale Fatoki

Department of Business Management, Turfloop Campus, University of Limpopo, Limpopo Province, South Africa
Telephone (Office): 00927 015 268 3897, E-mail: Olawale.fatoki@ul.ac.za

KEYWORDS Ethical Ideology. University. Business Students. South Africa

ABSTRACT The study investigated the ethical ideology of university students in South Africa. In addition, the study investigated if there is a significant gender difference in the ethical ideology of university students. The study focused on business students. Data was collected through the use of self-administered questionnaires in a survey. Descriptive statistics and the T-test were used for data analysis. The results indicated high scores in both idealism and relativism. Students are more idealistic than relativistic with respect to their ethical ideology. There are no significant differences in the mean scores of both male and female students for both idealism and relativism. Most of the students can be classified as situationists.

INTRODUCTION

Polder (2011) points out that nowadays, the need for proper ethical behaviour within organizations has become crucial to avoid possible lawsuits. The public scandals of corporate malfeasance and misleading practices, have affected the public perception of many organisations (that is, Enron, Arthur Andersen, WorldCom) (Mahdavi 2005; McMurrian 2006). Carter et al. (2009) find that many of the more spectacular business failures reported in the media are caused by a failure of ethical standards among the business decision-makers involved.

According to Ho et al. (2006), universities have an important role to play in solving the ethical problems that currently pervade the business environment. Carter et al. (2009) elaborate that business and non-business students are the business leaders and entrepreneurs of tomorrow. University business students are likely to rise to positions where they will be involved in business decisions that have significant ethical aspects. University students need to define their ethical stance as business persons of the future (Sedmak and Nastav 2010).

Thus it is significant to understand the current ethical ideology and judgement of university students. Henle et al. (2005), Redfern (2005) and Ameh and Odusami (2010) note that an individual’s ethical ideology provides guidelines that can be used in evaluating ethically questionable behaviours and ultimately the decision to refrain or engage in them. Ethical ideology is important in understanding an individual’s ethical behaviour. A thorough review of the empirical literature on ethics in South Africa such as Khomba and Vermaak (2012), Fatoki (2013) and Kretzschmar and Bentley (2013) revealed that no study has investigated the ethical ideology of university students in South Africa.

Objective of the Study

An individual’s moral judgement of certain business practices is affected by the individual’s moral philosophy. The objective of the study is to determine the ethical ideology of business students in South African universities. In addition, the study will investigate if there is a significant gender difference in the ethical ideology of business students.

Literature Review

Definition of Ethics

Smit et al. (2007) describe ethics as the code of moral principles and values that direct the behaviour of an individual or a group in terms of what is right or wrong. Ethics is a set of values and rules that define right and wrong behaviour. Ethics includes distinguishing between fact and belief; defining issues in moral terms and applying moral principles to situations. Ethics affects both individuals and business organisations. At individual level ethical questions arise when people face issues involving individual responsibility, such as being honest, accepting a bribe or using organizational resources for personal purposes. At business level, ethics relates to the principles of conduct within organizations.
that guide decision making and behaviour. Business ethics are the standards used to judge the rightness or wrongness of a business’ relations to others.

Hellriegel et al. (2008) furthermore define ethics as how a company integrates core values such as honesty, trust, respect and fairness into its policies, practices, and decision making. Business ethics also involves a company’s compliance with legal standards and adherence to internal rules and regulations. Business ethics is complementary to other governance mechanisms, like the free market, government policies and social ethics. Generally speaking Business Ethics can be defined as the methods, principles and processes a business or organization brings to bear on compliance to legislation; compliance to regulatory and professional standards; compliance to company standards; keeping promises and commitments; and abiding by general principles or values, for example, fairness, truth, honesty and respect.

Ethical Ideology

Henle et al. (2005) define ethical ideology as “a system of ethics used to make moral judgments, which offers guidelines for judging and resolving behaviour that may be ethically questionable”. Ameh and Odusami (2010) describe ethical ideology as “a set of beliefs, values and attitudes, which may influence an individual’s judgment and decision-making when faced with difficult situations and ethical dilemmas”. Forsyth (1980) in taxonomy of ethical ideologies discussed four distinct ethical perspectives. (1) Situationism: this advocates a contextual analysis of morally questionable actions. (2) Absolutism: this uses inviolate, universal moral principles to formulate moral judgements (3) Subjectivism: this argues that moral judgements should depend primarily on individual own personal value. 4. Exceptionism: this admits that exceptions must be made to moral absolutes. Forsyth (1980) developed the Ethical Position Questionnaire (EPQ) to measure the extent to which an individual adopts one of the four ethical ideologies. According to Forsyth (1980), situationists reject moral rules and advocate individualistic analysis of each action in each situation. Absolutists assume that the best possible outcome can always be achieved by following universal moral values. Subjectivists base their appraisal on personal values and perspective rather than universal moral values. Exceptionists believe that moral absolutes guide judgements but there are exceptions. Forsyth (1980) argues that the individual variations in the approaches to moral judgement can be described by examining two basic factors. (1) Relativism: this is the extent to which an individual rejects universal moral rules in favour of relativism. (2) Idealism: this focuses on the assumption that desirable consequences can always be obtained with the right action. The group that an individual belongs to is determined by whether the individual espouses idealistic or non-idealistic idea and believes that moral rules are universal or relative. Situationists and subjectivists are the high relativism groups. These individuals subscribe to an ideology that is related to ethical scepticism. Ethical scepticism implies that there are many ways to look at morality and criticises those who attempt to present specific ethical principles.

Forsyth (1992) adds that relativists can be either high or low in idealism and a distinction can be made between ethical egoism and situation ethics. Ethical egoism is a sceptical ethical philosophy that argues that because no moral standards are valid except in reference to one’s own behaviour, moral evaluations must ultimately depend on personal perspective. Situation ethics however argues that morality should focus on a contextual appropriateness and not the good or the right but on the fitting. All actions must be based on the love of others. The absolutists and the exceptionists belong to the non-relativistic side. Absolutists tend to agree with the deontological approach to moral philosophy. This philosophy appeals to natural law or rationality to determine ethical judgements. Exceptionists are more compatible with the teleological ethical philosophy. The philosophy proposes that the morality of action depends on the consequences that it produces. An individual is ethically bound to act in a way that produces good consequences.

Hunt and Vitell (1986) also introduced a theory of ethical decision making and represented the theory in a process model. The theory draws on the deontological and teleological ethical traditions in moral philosophy. Deontologists are of the opinion that “certain features of the act itself other than the value it brings into existence” make an action or rule right”. Teleologists however believe that “there is one and only
Ethical ideology varies across countries. Davis et al. (1998) investigate the ethical ideology of Masters of Business Administration (MBA) students in the United States of America. The results indicate that students are both idealistic and relativistic. Ethical ideology of students varies across countries. Davies et al. (1998) investigate the ethical ideology of MBA students enrolled at three major universities in Austria, Indonesia, and the United States. The results indicate that most of the American students fall into the Absolutist (Low Relativism, High Idealism) classification, while among Indonesian students fall in the Subjectivist (High Relativism, Low Idealism) classification. Austrian students were evenly dispersed across all classifications. Carter et al. (2009) find that these students as a group have an idealistic ethical position. Idealistic individuals assume that desirable consequences can, with the right action, always be obtained.

In addition, ethical ideology impact on the ethical perception of business leaders and professionals. Carter et al. (2009) point out that business and non-business students are the business leaders of tomorrow. Redfern (2005) finds that Chinese managers are high on both idealism and relativism dimensions. The high relativism scores suggest that these managers reject universal moral principles in favour of a situational, or relativist, approach to ethical decision making. Marques and Azevedo-Pereira (2009) examine the attitudes of Portuguese chartered accountants with respect to questions of ethics that can occur in their professional activity. The results indicate that accountants score high marks for both idealism and relativism. However, the mean score for idealism is higher than that of relativism, indicating that accountants are more idealistic than relativistic. Most of the respondents in the study can be classified as situationists. Ameh and Odusami (2010) investigate the ethical ideology of building professionals in Nigeria. The results indicate that most of the respondents are situationists while some are absolutists. Situationists believe that people’s situations, rather than their characters, are the explanatory powerful factors in determining why different people behave differently.

Gender can also influence ethical ideology, although the results are inconclusive. According to Fernando et al. (2008), ethics researchers have recognised gender as an important demographic variable influencing an individual’s ethical decisions. Ergeneli and Arik (2002) point out that gender studies in business ethics can be examined from two different points of view. The two points of view emphasise the differences and similarities in gender and ethics. The researchers attribute gender differences in ethics to the important differences in men’s and women’s socialisation. Boys and girls are socialised differently in their early childhood. Boys value competition, assertiveness and dominance. Cooperation, equality and emotional closeness are valued by girls. This may cause different attitudes and behaviours between men and women. Ergeneli and Arik (2002) find no significant gender related differences in the evaluation of ethical scenarios. Although women are more idealistic and less relativistic than men, the difference is not statistically significant. Donoho et al. (2012) points out that the ethical evaluations of men are often less sensitive than those of women. Females scored higher on moral idealism than males. Males scored higher on moral relativism for both items. However, there are no significant differences between males and females for the overall relativism mean of the scale items. Studies such as Coate and Frey (2000) and Clikeman et al. (2001) also find no significant differences regarding ethical perceptions due to gender.

McDaniel et al. (2001) find significant differences between male and female employees of an
organisation with regard to ethical issues. Females have a higher expectation regarding ethics than males. Karande et al. (2002) and Caswell and Gould (2008) find that gender significantly explains differences between idealism and relativism. Men reported significantly higher relativism scores. Studies such as Lawson (2004) and Ludlum et al. (2006) conclude that females indicate a stronger propensity for ethical behaviour than males. Female students are found to be significantly more ethical than male students.

**RESEARCH METHODOLOGY**

The sample consisted of final year undergraduate students in the Department of Business Management at two universities in South Africa. The two universities are located in the Eastern Cape and Gauteng provinces of South Africa. The population of business management students in the two universities was 221. Raosoft sample size calculator indicated a minimum sample size of 141. However, 182 questionnaires were distributed to the respondents. Questionnaires were distributed to students that were present in class with the assistance of lecturers. Data was collected through the use of self-administered questionnaire in a survey. Convenience sampling method was used. The Ethical Position Questionnaire (EPQ) developed by Forsyth (1980) was used to investigate the ethical ideology of students. The EPQ is a 20-item instrument designed to assess individual differences in relativism and idealism. Forsyth (1980) argues that the individual variations in the approaches to moral judgement can be described by examining two basic factors. (1) idealism and (2) relativism. EPQ measures both idealism and relativism. Idealism scores are calculated by summing responses from items 1 to 10 of the EPQ. Relativism scores are calculated by summing responses from items 11 to 20 of the EPQ. To classify the respondents into one of the four ethical ideologies, idealism and relativism scores were used. This was done by using the median scores of idealism and relativism as cut-off points. The use of median scores as cut-off points is consistent with similar studies such as Ameh and Odusami (2010) and Marques and Azevedo-Pereira (2009). Respondents with high scores on both idealism and relativism are referred to as absolutists. Respondents with low score on idealism scale but high on relativism scale are referred to as subjectivists. Respondents with low scores on both idealism and relativism are called exceptionists.

The original response scale used by Forsyth (1980) was a 9-point scale ranging from “1 strongly disagree to 9 strongly agree”. Similar studies have used different scales to measure EPQ. Ameh and Odusami (2010) used a four-point scale to measure EPQ. This study used a 7-point scale ranging from “1 strongly disagree to 7 strongly agree”. This is consistent with similar studies such as Hartikainen and Tostila (2004) and Marques and Azevedo-Pereira (2009). Forsyth (1980) reports Cronbach alpha coefficients of 0.80 and 0.73 for idealism and relativism respectively. This depicts an acceptable level of internal consistency. Davis et al. (1999) point out that other studies that have used the EPQ by Forsyth (1980) provide evidence of the measure’s internal consistency, stability, predictive validity and construct validity. The study used descriptive statistics (mean and standard deviation) and the T-test for data analysis.

**RESULTS AND DISCUSSION**

Response Rate and Biographical Information

One hundred and eighty-two questionnaires were distributed to the respondents and one hundred and fifty nine questionnaires were returned. The response rate was 87.4%. Nine questionnaires were found unusable because the respondents failed to complete vital parts of the questionnaire. One hundred and fifty questionnaires were usable. There were fifty-nine male and female respondents respectively.

**Ethical Ideology**

Table 1 presents the descriptive statistics and Cronbach’s alpha coefficients for idealism and relativism.

<table>
<thead>
<tr>
<th></th>
<th>Idealism Mean</th>
<th>Idealism Standard Deviation</th>
<th>Idealism Median</th>
<th>Idealism Cronbach’s alpha coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relativism</td>
<td>5.545</td>
<td>0.959</td>
<td>5.800</td>
<td>0.779</td>
</tr>
</tbody>
</table>

Table 1: Descriptive statistics for idealism and relativism.
and relativism. The mean for idealism is 5.545 and the mean for relativism is 4.141. The Cronbach’s alpha coefficients for idealism and relativism were 0.779 and 0.786. Bryman and Bell (2007) point out that a score of 0.7 is an acceptable reliability coefficient. This indicates an acceptable level of reliability for both idealism and relativism. The results indicate high scores in both idealism and relativism. The results show that business students are more idealistic than relativistic with respect to their ethical ideology. Forsyth (1980) points out that idealism focuses on the assumption that desirable consequences can always be obtained with the right action. Relativism on the other hand is the extent to which an individual rejects universal moral rules in favour of relativism. The results are consistent with the findings of Henle et al. (2005) and Carter et al. (2009). The two studies find that students as a group have an idealistic ethical position. Idealistic individuals assume that desirable consequences can, with the right action, always be obtained.

As pointed out in Table 1, the median scores for idealism and relativism respectively were 5.800 and 4.150 respectively. According to Forsyth (1980) respondents with high scores on both idealism and relativism are referred to as situationists. Respondents with high score on the idealism scale but low on relativism scale are referred to as absolutists. Respondents with low score on idealism scale but high on relativism scale are referred to as subjectivists. Respondents with low scores on both idealism and relativism are called exceptionists. Sixty-seven respondents were classified as situationists, thirty-nine respondents classified as absolutists, thirty-six respondents were classified as subjectivists and eight respondents were classified as exceptionists. The results indicate that most of the business students can be classified as situationists with respect to their ethical ideology. The results are consistent with the findings of a study by Carter et al. (2009) on the ethical ideology of students. The study finds that university business students are mainly situationists. Situationists believe that people’s situations, rather than their characters, are the explanatory powerful factors in determining why different people behave differently.

### Gender Influence

Table 2 depicts the results of the descriptive statistics for male and female respondents. For idealism, the mean for male respondents is 5.489 and for female respondents is 5.580. For relativism, the mean for male respondents is 4.129 and for female respondents 4.153. The results indicate that female students are slightly more idealistic and relativistic than male students. The results are consistent with the findings of Ergeneli and Arikan (2002) and Donoho et al. (2012). Ergeneli and Arikan (2002) conclude that although women are more idealistic and less relativistic than men, the difference is not statistically significant. Donoho et al. (2012) find that females scored higher on moral idealism than males. Males scored higher on moral relativism for both items. However, there are no significant differences between males and females for the overall relativism mean of the scale items.

### CONCLUSION

Universities have an important role to play in solving the ethical problems that currently pervade the business environment. Business and non-business students are the business leaders and entrepreneurs of tomorrow. The objective of the study was to determine the ethical

<table>
<thead>
<tr>
<th>Ethical ideology</th>
<th>t-value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealism</td>
<td>.573</td>
<td>0.704</td>
</tr>
<tr>
<td>Relativism</td>
<td>.120</td>
<td>0.958</td>
</tr>
</tbody>
</table>

Sig. 0.05
ideology of business students in South African universities. The study also investigated if there is a significant gender difference in the ethical ideology of business students. The results indicated high scores in both idealism and relativism. The results showed that business students are more idealistic than relativistic with respect to their ethical ideology. Most of the business students can be classified as situationists with respect to their ethical ideology. Female students are slightly more idealistic and relativistic than male students. However, there are no significant differences between males and females students with respect to idealism and relativism.

RECOMMENDATIONS

To improve the attitudes of business students toward business ethics, there is need to reshape business ethics education in higher learning institutions so that students can develop better awareness towards business ethics. Business ethics should be given priority and be incorporated in the business programmes as a major from the first year. In the business world cases of fraud, corruption and cheating are reported. Elimination of such practices can be achieved through ethics education in the school system. This can significantly reduce unethical behaviours at work places which are dangerous to business image and profitability. Educational institutions can help in reducing unethical behaviours by punishing students who are involved in academic dishonesty. This can help students to realise the serious implications of unethical conduct. Students should be advised to take personal responsibility and develop the zeal to learn and practice good ethical conduct/behaviour. They should strive to attend business ethics lectures, presentations, training, seminars and workshops. Intervention by government in creating ethical awareness can be through sponsoring ethical orientation programs intended for youths and students.

LIMITATIONS OF THE STUDY

The study was conducted at only two universities in South Africa. Thus, caution must be taken in interpreting the findings and in making generalisations. Data collection could be expanded to include a larger sample from other universities in South Africa.

REFERENCES


