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BUSINESS ETHICS SURVEY: A PERSPECTIVE FROM THE RETAIL INDUSTRY

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ABSTRACT

There is an increasing demand on corporations to develop and conduct various awareness ethical programs for their employees. These programs educate associates to become more effective, efficient, and valuable individuals, not only to the company, but to the community as well. Ethical training programs and corporate emphasis on fairness and morality are important elements of a successful campaign aimed at increasing ethical awareness and behavior in the workplace. A survey of 602 individuals from the retail industry in a Fortune Five Hundred company, shows that today people are better prepared to deal with ethical issues and are less tolerant of questionable practices in their firms.

INTRODUCTION

Ethics training should be emphasized and conducted continuously to help people rationally determine right from wrong, good from bad, and just from unjust actions, conducts, and behaviors. An increasing amount of companies are recognizing the complexities of making tough decisions in today's business environment and are creating some type of corporate codes, corporate constitutions or corporate credos because such documents can serve as guide that people can follow. Most corporations are currently conducting training programs for their entry-level employees all the way to their managers. This training may include ethical workshops and other ethics related issues as well. These programs can range from memos, handouts, training workshops, and other college based classes geared toward developing management and leadership skills.

A major part of any ethics program is the dedication and commitment of top level executives to the program and exemplifying their

teachings by their actions. It has been proven that actions of role models and superiors at work play a crucial role in influencing the behavior of their associates. Most immoral acts are created by external factors, bad role models, and selfishness. General Collin Powel said "*the greatest thing I learned is that soldiers watch what their superiors do. You can lecture them and give them classes, but it is your personal example they will follow.*" This is true in organizations as well: so the executives and managers need to become the greatest models, which their associates can replicate as ethical behavior.

There are headlines about top executives who are stealing, reporting fake profits, and are operating their businesses only to maximize profits and satisfy their shareholders. Today's global business community requires businesses and its leaders to make decisions that satisfy the needs of the community as well as the company shareholders. In order to make educated decisions that are good for the company and the society, decision-makers need to go beyond short-term benefits and realize the impact of their decisions from a Long-term perspective. Academic researchers and practitioners need each other's input to better serve their stakeholders. Practitioners search for and use the tools available to operate in the present or what some call "the real world"; but, academic researchers must look beyond that in order to foresee the benefits and externalities associated with each alternative.

The information and literature of ethics training should be designed to stimulate participant's thinking and feelings regarding their moral standards. This also will help the participants to become aware of their personal ethics as well as their moral behavior in their work settings. The maxim of "good ethics is good business" should

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be emphasized, reinforced, and explored. Leadership should come before management because doing the wrong things efficiently will not be very competitive. The same principle applies to ethics training and education. The leaders and managers should learn, live, and then apply the material before expecting others to learn it. Traditionally, managers have been attempting to get the most done in a given period of time without much concern for the quality because quantity has been rewarded.

Methodology

The study herein, based on a doctoral dissertation, used John W. Clark's (1966) instrument to compare the results of Personal Business Ethics Scores (PBES) of managers and workers in the retail industry. This research was based on the variables of age, management experience, education, and gender. The research question was whether age, gender, education, and management experience affect the moral development of individuals. This study used ANOVA with the alpha at .05 to determine if the results were statistically significant.

Results and Conclusion

In general, the PBES means of this study seem to be higher than most studies conducted previously using Clark's instrument. Clark's instrument was created in 1966; and since then many researchers have been using this instrument to evaluate the ethical values of individuals in different industries. The study, herein, shows that age and management experiences are positively correlated in the group of retail respondents. The current study herein supports previous findings of researchers, using Clark's (1966) instrument, by concluding that age, management experience, and gender are factors in moral development. The current study herein shows that today people are less tolerant of immoral behavior than they were three decades ago in 1966. The managers of this study have a mean PBES of 45.25 and Clark's

executives in 1966 had a PBES mean of 43.28. Approximately 97 percent of Clark's (1966) sample of 103 business executives were in managerial positions - 43 percent were in top management, 38 percent middle management, and 14 percent was composed of the front-line supervisors. Clark's sample were all men; and that may also be an explanation for his sample's lower score, because the current sample of 165 retail managers with six or more years of management experience includes 19 females whose PBES mean was slightly higher than that of their male counterparts.

The results of the survey herein have positive implications and suggest that people, in general, are more able and willing to make just and socially responsible decisions. The results suggest that management experience, age, and gender makes a difference in the moral judgment of individuals. One implication of this research is the role of females in the retail industry with regard to gender, particularly that females had a higher PBES mean than males. Since more females are now entering the management sector of this industry, their higher level of moral maturity should have a positive influence on the level of ethics in this industry.

Attaining progress and improvement are impossible ends with ignorant, ineffective, immoral or unimprovable people as the means. The best way to promote integrity, fairness, and cooperation, and to improve and empower people, is to educate, inspire, and liberate people so they can take proper responsibility for their own moral choices in life, whether personal, professional, or business. One must become ethically effective individually, that is privately and personally, before one can be ethically effective with others, which is an essential ingredient for success in this inter-dependent world. One must learn, therefore, not only how to create value for oneself, but also for others; and to do so in a legal, ethical, socially responsible, and efficacious manner.