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## **CHAPTER I**

### **INTRODUCTION**

#### **1.0 INTRODUCTION**

Ethics is indeed crucial because we will not survive the 21<sup>st</sup> century with the 20<sup>th</sup> century ethics. With the onset of globalization, many hands guide the controls and many decisions move those hands whose core values play an instrumental role in creating a stable and peaceful future for the world (Institute of Global Ethics, 1999). Denhardt (1999) suggests that ethics should be concerned with providing normative guidance, standards for behavior and goals for policy and practice at all levels.

Colleges and universities are custodians of knowledge. Because possession of knowledge is the source of power, understood here as the ability to influence decisions in contemporary society, these institutions are also the gateway to power, significantly affecting the quality of economic and social life throughout the world. Thus, insofar as colleges and universities create and disseminate knowledge within a particular society, they are institutions with moral responsibilities to maintain the well being of that society (Wilcox and Ebbs, 1992). Ethics is not merely another subject or discipline taught at a university for the University is a community of scholars from a variety of disciplines who come together [uni-*verto* = “turn into one”] because they are ultimately concerned with the common good of society, not merely the good of individuals (Curtin University, 2001). Today that concern extends to the ethical dilemmas currently faced by the global community.

Thus, ethics should play a central role in a university and not merely a cosmetic role (i.e. as a set of rules to disciplinary misconduct). Education and training is the primary communications vehicle that a university can utilize to promote and instill core values so that students are able to recognize and respond to ethical dilemmas in personal, professional and global life. Globalization, liberalization and higher mobility made possible through Information and Communication Technology (ICT) revolution and the Internet amplify the role that the university play in producing individuals who can and will search within themselves to ensure that the power and responsibility bestowed upon them are factored into ethics i.e., Justice, Responsible Care and Respect for Persons.

Students on today's campuses encounter a variety of complex situations for which they are often ill prepared by experience or individual development. The relationship between students' attitudes and values and the environment that supports or challenges them stands as a dynamic dialectic of confirmation and rejection that affects the ethical positions and choices of both the individual and the institution.

Ethics can be defined as the rules and principles that define right and wrong conduct (Davis & Frederick, 1990). Whether an individual acts ethically or unethically is a result of complex interaction between the individual stage of moral development and several moderating variables including individual characteristics, organization's structured design, organizational culture and the intensity of the ethical issues.

## **1.1 BACKGROUND OF THE STUDY**

A recap of recent global developments which had wide reaching impact on societies throughout the world indicate how vulnerable we are to decisions made by individuals who are leaders of organizations, nations and international organizations. The chain reaction caused September 11 tragedy on international politics present us with a bird's eye view on how important it is to inculcate appropriate ethical values in the future leaders of our global community. Additionally, high profile corporate scandals involving well-reputed corporations such as Enron and WorldCom are depressing market sentiments, which in turn have wide reaching impact on national as

well as regional economies. The issue of corporate governance is in the forefront of global debate in the wake of convulsions suffered by East Asian economies, which has necessitated the restructuring as well as holding accountable the corporations that were instrumental in the debacle facing our commercial life (Koh, 2001: p. 1).

Another positive development is the regional anti-corruption compact to promote co-operation to combat corruption both in terms of prevention and enforcement via the Anti Corruption Plan for the Asia Pacific which was launched by the Asian development Bank and the Organization for Economic Co-operation and Development in 2001. The said Action Plan was formulated due to the worsening of corruption in Asia that has eroded the ability of the governments to tackle poverty and achieve sustainable economic growth. According to the Asian Development Bank vice-president Geert Van Der Linden, an estimated one-third of public investment in many regional countries was being squandered on corruption and the problem was eating up as much as 17 percent of their gross national product (The West Australian, 2003). Additionally technological advancements and the easier movement between countries of people, finance and ideas had given corruption a more international flavor. Malaysia has spear headed the fight against corruption through the creation of an anti corruption academy which is to become a regional center for promoting ways to investigate corruption and enforce anti corruption laws better.

The problem of cronyism in Asia is indeed a serious and an uphill battle. According to Klingner and Campos (2002) this could be attributed to the fact that developing countries are still transitioning from political patronage systems to a viable civil service in the face of external pressures for privatizations and internal pressures from political powerful unions. Most of the countries in Asia are in various stages of transitions from patronage to merit systems and have yet to reach the stage where the emphasis is on a competent and committed workforce. While the patronage system does have its advantages it enables elected officials to achieve political objectives by placing loyal supporters (as opposed to highly qualified employees) in key positions in administrative agencies.

In Malaysia, the word 'cronyism' is closely related to big business and politics. Massive privatization projects and lucrative projects are being awarded to the elite few

with the right political connections but very little know-how. This is evident in the 1997 financial crisis where conglomerate companies in financial difficulties often needed government intervention to stay afloat. Clearly, it is political clout and not business acumen, which had enabled them access into the business/corporate world. Thus it is increasingly evident that the root of cronyism is not economics but feudal loyalty — more specifically, political loyalty to the ruling elite.

## **1.2 STATEMENT OF PROBLEM**

Every school-going Malaysian child from diverse background has been exposed to the concept of ethical conduct, universal values and acceptable behaviors. This is because some form of moral education is introduced to Malaysian students from primary up to secondary school level. Students are being taught about universal values and acceptable behaviors. The critical problem in creating ethical organizations appears to be one of recruiting and retaining ethical personnel who will reinforce and instill ethical values in other organization's member. The best and most readily available source for such personnel is higher education institutions that have strong ethical cultures and skilled graduates. But students on today's campuses encounter a variety of complex situations for which they are often ill prepared by experience or individual development.

That is why, cheating on exams, plagiarizing, falsifying resumes, turning in work done by someone else, receiving improper assistance on assignments, and intentionally facilitating cheating on the part of others are common experiences of educators in relation to their students in Malaysian Public Universities. All of these behaviors comprise academic dishonesty, a widespread problem at colleges and universities (Burke, 1997; McCabe & Trevino, 1997). Many studies conducted in the 1990's found that over 75% of students admitted to some form of cheating (Sanders, 1998). The evidence that academic dishonesty among students is frequent and growing is compelling. Furthermore, employers increasingly complain about resumes from job applicants that are filled with misinformation and outright lie about a person's abilities and experience (Goode, 1999).

Right now, according to Mc Cabe and Trevino (1997), is a critical time for universities to address the issue of ethics and particularly academic dishonesty. Recent research suggests that cheating and unethical behavior in the West is on the rise. Consistently, research data by Gerdeman (2002) indicate moderate increases in academic dishonesty over the last few decades. The root of this problem can be traced to either a lack of awareness and/or commitment to ethics on the part of the students as well as their ethical perceptions. Do they understand that ethics has consequences, and that their actions can have enormous impact? Will they make ethical decisions based on their highest moral values? Or will they do what's expedient for whatever serves their self-interest? (Institute for Global Ethics,1999).

### **1.3 SIGNIFICANCE OF STUDY**

The moral and ethical dilemmas faced by contemporary societies in view of globalization are immense. The universities have a central role in ensuring that the students have adequate knowledge and skills to handle situations which require them to make critical decisions involving ethics in their professional as well as personal lives. These decisions inevitably have wide reaching impact on societies. Hence it is vitally important for universities to assess the quality of graduates they are producing in view of the fact that the causes of problems today such as white collar crime, corruption, abuse of power amongst young professionals are rooted in low level of ethics.

### **1.4 AIM OF STUDY**

This study aims to gain an understanding on the quality of public university students in Malaysia in terms of their ethical perceptions as well as factors influencing these ethical perceptions.

### **1.5 OBJECTIVES OF STUDY**

The objectives of this study are as follows:

- (i) determine the ethical perceptions of Malaysian public university students;
- (ii) determine the availability of ethics related programs in public universities;
- (iii) determine differences in ethical perceptions amongst students based on the availability of ethics related programs in public universities;
- (iv) determine the propensity towards ethical decision making amongst Malaysian public university students.
- (v) determine differences in ethical perceptions amongst students based on their gender, race, family background, cumulative grade point average, and programs of study;

## **1.6 SCOPE OF STUDY**

This study covers public universities in Malaysia. The respondents consist of final year students from diverse disciplines.

## **1.7 LIMITATIONS OF STUDY**

The response rate of this study was moderate (50%) as only four of the eight public universities responded. Therefore the findings of the study cannot be generalized. Additionally, the study is cross-sectional and therefore its findings merely reflect the ethical perceptions of the final year students in the year 2003.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 INTRODUCTION**

Knowledge about ethics will not automatically make one an ethical person or enable one to always know what is right or wrong (Bayles, 1987). Although intellectual study cannot develop a motivation to ethical conduct, most people most of the time will want to do what is ethically correct. Sometimes, however, they fail to see the ethical question surrounding a course of action. The knowledge of ethics will hopefully sensitize one to the ethical dimensions of ethical practice and help one to think clearly about ethical problems. In addition, conflicting considerations often make many ethical choices difficult. Thus, the study of ethics can enable one to develop some general principles which can be applied in difficult or unusual cases. In other words, it is a means to increase the ability of concerned individuals to responsibly confront moral issues in society.

More attention has been given to business ethics in educational setting of late due to several factors. First, the realization of both the general public and the business community that unethical behavior is a problem in organizations, with employees committing “fraud, embezzlement, insider trading, bankruptcy fraud, and money laundering” (Duizend & McCann, 1998, p. 229). Second, the growing numbers of students majoring in the business administration and marketing discipline has created more concern over curriculum development in business schools and the emphasis on ethics in education by the authority recently (Barnett et al 1994; Dabholkar & Kellaris, 1992). Third, ethics is increasingly seen as an instrument in creating a stable and

peaceful future for the world by many (Institute of Global Ethics, 1999). Since the Eighth Malaysia Plan has put much emphasis on developing ethically sound human resources, this study is deemed crucial for the Malaysian government, as it will be able to adjust the relevant strategies effectively in order to create a more socially responsible society.

**2.1 DEFINITIONS OF ETHICS**

At its broadest, the term ethics comes from the Greek ethos and refers to the characteristics spirit or attitudes of a community, namely, what inspires people to live together and work together for the best common good. Ethics primarily deals with the way people relate to each other within any ‘moral community’ and is concerned both with what is good and what is right for the thriving of human beings.

In ethics, we seek to determine what conditions will promote the good of individuals, communities, businesses and organizations. Ethics is concerned with the requirements for the general well-being, prosperity, health and happiness of people. It is also concerned with the formulation of rules defining what is right or wrong. Ethics relate to what regulations the community believes are necessary to foster and protect individual and social well-being, and to prevent the safety or integrity of individuals, communities and organizations from being undermined (Curtin University, 2001).

It is important to address about the misunderstanding on what ethics is.

WHAT ETHICS IS NOT	WHAT ETHICS IS
ETHICS IS NOT essentially about negative rules, disciplinary procedures, regulatory codes or ‘managing fraud’.	ETHICS IS primarily about promoting the well-being, health or flourishing of individuals, organizations or business corporations.
ETHICS IS NOT simply about matters of a private nature or about personal feelings, attitudes and values.	ETHICS IS a community enterprise, based on agreed universal principles, rules and duties, and reasoned public debate about

	their application.
ETHICS IS NOT based on mysterious occult processes, ‘feelings in the gut’, ‘inner voices’ or privileged access to moral truth.	ETHICS IS about power, real power relations between people and the basis for responsible power-sharing between them.
ETHICS IS NOT an esoteric science or simply a business for experts, for religious authorities, lawyers, philosophers or gurus.	ETHICS IS about our personal participation in a moral community and commitment to or ownership of the policies it develops.
ETHICS IS NOT about endless disputes, disagreements and dilemmas, nor about the grandstanding of our opinions.	ETHICS IS a problem-solving and practical activity based on knowledge of ethical principles and skills in their application.
ETHICS IS NOT a matter of innate knowledge, special holiness or virtue, or inherited powers or supernatural revelation.	ETHICS IS an educational process in which we develop sound habits and insight into what it means to be a responsible moral being.

Source: Curtin University (2001)

## 2.2 THEORETICAL FRAMEWORK ON ETHICS

Dealing with moral issues is often perplexing. How, exactly, should we think through an ethical issue? What questions should we ask? What factors should we consider? The first step in analyzing moral issues is to obtain and check the facts. However, facts by themselves only tell us what is; they do not tell us what ought to be. In addition to getting the facts, resolving an ethical issue also requires an appeal to values. Philosophers have developed five (5) different approaches to values to deal with moral issues (Velasquez et al, 1996).

### 2.2.1 THE UTILITARIAN APPROACH

Utilitarianism was conceived in the 19<sup>th</sup> Century by Jeremy Bentham and John Stewart Mill to help legislators determine which laws were morally best. Both Bentham and Mill suggested that ethical actions are those that provide the greatest balance of good over evil. To analyze an issue using the utilitarian approach, we first identify the various courses of action available to us. Second, we ask who will be affected by each action and what benefits or harms will be derived from each. Third, we choose the action that will produce the greatest benefit and the least harm. The ethical action is the one that provides the greatest good for the greatest number.

### 2.2.2 THE RIGHTS APPROACH

The second important approach to ethics has its roots in the philosophy of the 18<sup>th</sup> century thinker Immanuel Kant and others like him who focused on the individual's right to choose for oneself. According to these philosophers, what makes human beings different from mere things is that people have dignity based on their ability to choose freely in what they will do with their lives and they have a fundamental moral right to have these choices respected. People are not objects to be manipulated. It is a violation of human dignity to use people in ways they do not freely choose. Some of the related rights to this basic right are as follows:

- the right to the truth : we have a right to be told the truth and to be informed about matters that significantly affect our choices;
- the right of privacy : we have the right to do, believe, and say whatever we choose in our personal so long as we do not violate the rights of others;
- the right not to be injured: we have the right not to be harmed or injured unless we freely and knowingly do something to deserve punishment or we freely knowingly choose to risk such injuries.
- The right to what is agreed: we have to what has been promised by those with whom we have freely entered into a contract or agreement.

In deciding whether an action is moral or immoral using this second approach, then we must ask does the action respect the moral rights of everyone. Actions are wrong to the extent that they violate the rights of the individuals; the more serious the violation, the more wrongful the action.

### 2.2.3 THE FAIRNESS OR JUSTICE APPROACH

This approach is based on the teachings of the ancient Greek philosopher Aristotle who emphasized that equals should be treated equally while unequals should be treated unequally. The basic moral question in this approach centers around issues such as how fair an action is, and/or whether it shows favoritism and discrimination. Favoritism gives benefits to some people without a justifiable reason for singling them out. The phenomenon of cronyism is related to favoritism. Discrimination on the other hand imposes burdens on people who are no different from those on whom burdens are not imposed. Both favoritism and discrimination are unjust and wrong.

### 2.2.4 THE COMMON GOOD APPROACH

Intrinsic in this approach is the assumption that the common good of a community is intertwined with the good of the individuals in a particular society. Thus community members are required to pursue the common values and goals.

This approach which has its roots in writings of Plato, Aristotle, Cicero and John Rawls, defined the common good as certain general conditions that are equally to everyone's advantage e.g., affordable health care, effective public safety, peace among nations, a just legal system and an unpolluted environment. The focus is on ensuring that the social policies, social systems, institutions and environments on which we depend are beneficial to all. While this approach respects and values the freedom of individuals to pursue their own goals, the common good approach challenges us to recognize and further those goals we share in common.

### 2.2.5 THE VIRTUE APPROACH

This approach is based on the premise that there are certain ideals towards which we should strive, which provide for the full development of our humanity. These ideals are an outcome of thoughtful reflection on what kind of people we have the potential to become. Virtues are attitudes or character traits that not only enable us to be and to act in ways that develop our highest potential but also allow us to pursue the ideals we have adopted. Honesty, courage, compassion, generosity, fidelity, integrity, fairness, self-control and prudence are example of virtues.

## 2.3 ETHICS IN UNIVERSITY

It is essential to approach the question of ethics in a university by recognizing that ethics is fundamental to the *raison d'être* of a university as a total institution, or living moral community. The objective of the university is not only to teach ethics but also to be an ethical institution. An unethical university or a university without ethics in the way it operates as a moral community or business would be a contradiction terms. In other words, in a university, like a good business organization, ethics must play more than a cosmetic role. Ethics should play a central role in a university. Dehardt suggest that university is an institution that provides normative guidance, standards for behaviour, and goals for policy and practice at all levels.

Colleges and universities are custodian of knowledge. And since the possession of knowledge is the source of power, and has the ability to influence decisions in today's society, these institutions significantly affect the quality of economic and social life throughout the world. Thus, as colleges and universities create and disseminate knowledge within a particular society, they are institutions with moral responsibilities to maintain the well being of that society. Universities are said to be the cornerstones in building ethical organizations has the vital role to lay the foundation on how to make tough choices and live ethically. The perceptions will give us the idea on how and what they think and whether the values we have been preaching from home and school have been internalized or not.

## **2.4 ETHICAL PERCEPTIONS OF STUDENTS**

The recent emphasis on the inclusion of ethics in business curricula has given rise to the question of how aware the business students of the subject (Agacer et. Al 2002). If the students have already learned of the difference between right and wrong, then the curricula would be different to that which would be required by students who do not know of this difference. The purpose of such a course would be to give the student some understanding of what would be considered ethical conduct before the students move into the 'real' world.

There were several studies conducted on ethical values of business students and students of related courses. A study by Agacer et. al (2002) examined the awareness of ethical conduct of accounting students of universities in four countries, located in four different continents, and to see if there are any differences in awareness among these group of students. The results show that, overall, the students from the four universities differ significantly in their perceptions of ethics. Students from a university in Philippines indicated the highest degree of ethical awareness. Students from Mississippi, United States and Finland showed almost identical scores.

Another study done by Fisher et. al (1998) compared the perceptions of New Zealanders with those of an overseas group (mainly composed of Malaysians), and examined the effect of interviewees' perceptions of previous education, or lack of it, on the topic of computer ethics. They found that there were significant differences particularly between accounting and computing students, and between New Zealand and overseas students. Findings show that Malaysians are more likely to adhere to the group's behaviour, and to accept instructions from higher management. This is because Malaysian is said to be a nation in which higher level of competition means that only a small percentage of certain population groups can be supplied with local tertiary education. It is also a country proud of its commitment to encouraging strong family values and ties.

## **2.5 UNIVERSITY PROGRAMS ON ETHICS: AVAILABILITY**

Most of today's universities convey goals of education and the preparation of future leaders as prominent aims. However, unfortunately such ideals are often left unsupported in the curriculum and in the classroom. Institutions continue to offer some courses in morals and ethics although often in the form of electives, thus leaving it in the hands of the students to decide on whether it is beneficial to their career to enroll in the said courses. Hence, the end result is merely a small fraction of students enroll in these elective courses.

Even amongst the limited ethics courses available, it has been argued that many such courses fail to teach values and ethics as effectively as they tend to teach facts, concepts and theories (Thomas, 1993). Here, the role of faculty members comes in. The faculty can address some concerns simply through good teaching, for example, challenging unethical behavior when it occurs in their classes and fostering environment of trust in their classrooms. Faculty and administrators can work with students to create a campus culture where trust is higher, cheating is lower, and students learn to behave more ethically (Mc Cabe and Trevino, 1997).

Universities have a real obligation to not only obey the law, but also to have standards which go beyond it (Gilman 2002). Besides having ethics courses in the curriculum, some universities developed honor codes, aimed to build up a sense of community responsibility for academic integrity, particularly among students. Honor codes seem to be an effective approach. However, even without a formal code, campus should communicate its commitment to ethics and academic integrity and make it an active topic of discussion among students and faculty. This is to help them understand that every member of the campus community is responsible for promoting it.

## **2.6 FACTORS INFLUENCING ETHICAL PERCEPTIONS**

Now more than ever, students arriving at universities need guidance to help them think about ethics and academic integrity (Mc Cabe and Trevino, 1997). It is said that moral development can advanced dramatically over the four university years, but



such advancement depends on a student's experience both in and outside classroom. It is believed that student engagement in an environment that values integrity and honesty can contribute significantly to moral development.

Attitudes of current college-students can be seen from three aspects, namely their individual characteristics, professional code of ethics and the teaching of ethics itself. In the area of individual characteristics, Ford and Richardson (1994), discover that most of the studies on ethics focus on individual characteristics, including such attributes as religion, sex, age, employment experience, nationality, and education.

### 2.6.1 GENDER

The findings concerning a relationship between gender and attitudes towards ethics are mixed. About half the studies suggest that women are more prone to ethical behavior than men, while the other half shows no relationship.

Betz et al. (1989) discovered that men are at least twice as likely to participate in unfair practices, as are women. Among business school students, the male students reported that career advancement was more important than relationships or helping others. Similarly, Malinowski and Berger (1996) found that undergraduate women responded more ethically than men when faced with marketing dilemmas. A study by Deshpande (1997) focusing on accepting favors for special treatment showed that female managers thought it more unethical to accept favors than did male managers. The findings of a study conducted by Cohen et al. (1996) indicate that women had consistently higher ethical awareness than men. Additionally, respondents exhibited some degree of gender bias.

Another study by Lambert et. al (2003) who looked into why students cheat, found that female students are far less tolerant of academic dishonesty than their male counterparts. Female students take a harder line than male students about what constitutes serious dishonesty and a higher percentage of males admit acting dishonestly than females in every category.

Hoffman (1998) took the gender-dependent ethics issue further by examining whether the gender influence is situational. He found that while women managers in a large Southeastern US firms were more ethical than their male colleagues with respect to unsafe products, they were no different than men when it came to product misrepresentation.

Chan & Leung (1999) found that gender was insignificantly associated with students' ability to recognize ethical issues in a professional scenario. Female and male accounting students react similarly to ethically sensitive situations in a professional context. Further, Rest (1986) summarized the results of 500 studies and concluded that moral reasoning differences between the genders are insignificant. The findings of insignificant differences between the genders in ethical sensitivity and ethical reasoning of Rest's (1983) Four-Component Model appear to undermine the argument that female professional accountants are more ethical than their male counterparts.

## 2.6.2 UNIVERSITY PROGRAM

The results of a study by Fulmer and Cargile (1983) indicated that there are differences between the accounting students and some other business students in the way ethical issues are perceived, with accounting students tending toward a more ethical viewpoint.

A number of studies compared the perceptions of ethical values between non-business students with those of business students. The result did not indicate that one group was more ethical than the other. A study by Goodman and Crawford (1974) found that there were no significant differences in ethical values between liberal arts majors and business students. Hawkins and Cocanougher (1972) and Shuptrine (1979) found that business students tend to accept questionable business practices more readily than no-business majors. Hawkins and Cocanougher also found that senior business students are more tolerant of questionable business practices than junior business students. Haris in a 1989 study found that a significant difference in ethical values of graduating business and non-business majors, pre-business freshmen and non-

business freshmen differ in ethical in ethical measures, no significance difference among non-business freshmen and seniors and senior business students are more tolerant of questionable business practices than incoming freshmen.

Research on business ethics and education major suggest that business students are relatively more tolerant of less ethical behaviours. (Merritt 1991). Studies found that study programs have important influence on students' moral development. Law students education are said to have a positive influence on moral development.

### 2.6.3 ACADEMIC STANDING

Previous studies had indicated that less academically talented students were most likely to cheat. However recent studies show that the best students are doing the cheating, those who are eager to line up A's and B's to improve their grade point average further.

Findings of a study by Chan & Leung (1999) indicate that the ability to recognize ethical issues in a professional scenario does not depend on students' academic achievement. Deshpande (1997) also concluded that there was a positive relationship between level of education and ethical standards.

### 2.6.4 RACE

A study by Mukherji and Mukherji (2002) indicate that different ethnic identities would result in differences in ethical perceptions. The same goes with Teoh et.al (1999) who examined the impact of individualism-collectivism dimension of culture on ethical perception. In a sample of final year accounting students they found a moderate degree of differences with those of collectivism type of culture tend to perceive more ethically than the individualism.

### 2.6.5 FAMILY BACKGROUND

Family influence is an important force in preparing youth for their role as community member. Family process of interaction, communication and behavior influence what the child learns about right and wrong. According to Gilman (2003), parents are the first and most important educators of children; as such, they have the primary responsibility of morally educating their children. Parents as daily models provide cultural standards, attitudes and expectations, many researches have found that the family plays an important role in the transmission of values.

According to Leman (2002) in his book “Keeping Your Family Strong in a World Gone Wrong”, children learn their values by watching their parents everyday. It is the everyday situations that parents communicate values.

### 2.6.6 ORGANIZATIONAL CLIMATE

Ethical practice has to be part of the organizational culture. Good organization can and do protect themselves by having institutional ethics architectures as well as ensuring that their employees and leaders have a moral compass (Gilman 2003). The recent trend observed in many corporations is the implementing of codes of conduct that define unacceptable behavior and serve as a guideline for the practice of ethical conduct (Daigneault, 1996). However, an organization should not merely have a written code of ethics but should take a more proactive position in the area of promoting the practice of ethical behavior. Focus has turned to developing strong values, communicating those values and letting employees govern themselves. In that regard, the codes that are implemented should be formulated with employee participation and fully embraced and endorsed by the organizations’ leadership.

To be effective, codes of conduct should both inspire and address practical issues, should not be overly legalistic in language/tone, nor should they be strictly compliance oriented. The code must also be promoted and continually communicated within the organization from top to bottom through

comprehensive ethics programs that focus on compliance and encourage responsible conduct. Additionally a system of crisis management—focusing on proper planning and foresight in order to diffuse an emergency situation as opposed to being in the reactive mode—should be developed to prevent bad choices or unethical conduct within an organization.

Organization openness reflected through good communication is another key factor in promoting ethical behavior within an organization. Employees should be encouraged to discuss ethical situations or decision making dilemmas with supervisors or colleagues. Nevertheless, organizations should not be a place where moral heroism is necessary to get at the truth. Rather, they should be built where ethical concerns are a common part of the conversation and where moral courage is the norm (Gilman 2003).

A key factor in ensuring ethical practice and culture is attention to staff accountability. High standards of conduct coupled with vigilant investigations for employee involvement in inappropriate activities is essential. Staff will inevitably do what they are inspected on as opposed to what they are expected. However, attention to staff accountability alone is not sufficient for management to assure ethical compliance. Leadership also plays a crucial role in determining the organizational climate of ethics (Wright, 1999).

#### 2.6.7 LEADER'S ACTIONS

Leaders must develop a sense of professionalism that pervades the organization. Ethical practice must become an element in organizational and employee identity. In this manner, professionalism incorporates ethical practice as part of both the character and spirit of the organization and the individuals within it. It takes on personal relevance and meaning. There is internalization of the values and pride in compliance (Wright, 1999). For this to happen the Chief Executive Officer (CEO) has to talk about ethics and he has to be consistent. Rules have to be applied uniformly throughout the organization. The CEO, according to Wright (1999), must practice what they preach.

Students are dishonest and perform unethical actions because their role models (parents, lecturers, police and society in general) offer little to stimulate principled action (Hauptman). Additionally, ethical behavior should be exemplary; for instance, the lecturers' attitude toward copying software and rules should set a standard. Students will see the lecturers' respect for legalities of software copyrights and respect for others and the environment. Good ethical behavior should be demonstrated not just discussed. Even minor violations of ethical policy on the part of the leaders do not go unnoticed and will result in the loss of respect and compliance of those under their influence. Thus leadership has a strong symbolic function and effect within the organization.

## **CHAPTER 3**

### **METHODOLOGY**

#### **3.0 INTRODUCTION**

The primary purpose of this study was to measure the ethical perceptions of students in Malaysian public university. In addition it also aims to identify the groupings from the items in the ethical perception instrument derived from the Professional Commitment Scale (Jeffery & Weatherholt, 1996), the Ethics Quiz and Quick Test (Navran, 1997).

The questionnaire consisted of a demographic information section and a two part ethics survey. The demographic section gathered information on sex, age, ethnicity, religious background, academic ability (CGPA) and whether respondents had previously taken a course in ethics. The parts of the survey focusing on ethical perceptions were derived from survey instruments used by Jeffery and Weatherholt (1996), the ethics test designed by Frank Navran, Director of Advisory Services for the Ethics Resource Center, Pennsylvania, Washington and ethical scenarios designed by O'Leary and Cotter (2000).

Survey instruments were sent to four Malaysian public universities and the help of lecturers were sought to administer the said questionnaires. We obtained 446 usable responses out of 800. Respondents were students from both the Arts and Science disciplines majoring in Management, Education, Engineering and Information

Technology. These four programs are commonly offered in most of the Malaysian public universities.

### **3.1 SAMPLING**

The non-probability sample used in this study consisted of final year Malaysian students enrolled in four out of the eight Malaysian public universities. These universities were chosen based on their geographical locations and they are Universiti Teknologi Malaysia (southern region), Universiti Kebangsaan Malaysia (central region), Universiti Utara Malaysia (northern region) and Universiti Malaysia Sarawak (East Malaysia).

All participants were issued with questionnaires distributed during lecture period and students were given sufficient time to complete it. Students were not told this was a survey on ethical perceptions. They were simply given the survey instrument and asked to complete it independently. They were informed that there were no correct answers and were required to answer according to their feelings.

### **3.2 INSTRUMENTS**

Each participant received a questionnaire which was divided into three sections. Section A consisted of items relating to respondent's background as well as their academic achievement which is based solely on their Cumulative Grade Point Average (CGPA).

In Section B students were asked to indicate their levels of agreement or disagreement utilizing the Likert scale of 1 (agree) to 5 (disagree), with thirty three value statements drawn from the Professional Commitment Scale (Jeffery & Weatherholt, 1996), the Ethics Quiz and Quick Test (Navran, 1997).

Section C included six ethical scenarios drawn from items developed by O'Leary and Cotter (2000) to identify students' ethical judgment. Ethical scenarios



were used to assess perceived moral intensity and they were useful in ethics research because they present realistic decision making task (Singhapakdi, Rao & Vitell, 1996). The use of scenarios in ethics research is quite common (Weber, 1992) and they are employed to measure a variety of constructs including ethical judgements (Barnett et al., 1994; Reidenbach & Robin, 1990; Singhapakdi et al., 1996).

In this study, students were asked to tick one answer from three choices provided for each scenario. Scenario one asked the students if they would accept kickbacks from their customers. Scenario two asked if they would tolerate bribery behavior of their subordinates. Scenario three asked the students if they would accept a bribe, knowing there was no chance of being caught and to participate in a scheme to defraud the tax office. Scenario four was the exact same as scenario three except the chances of being caught is one in ten. Scenario five asked the students if they would accept a copy of a final exam paper the day before the exam, if there was no chance of being caught. Scenario six again introduced the one in ten risk of being caught in relation to scenario five. All six scenarios offered the students three choices. First, they could accept the bribe/offer. Second, they could reject the bribe/offer and say nothing. Third, they could reject the bribe/offer and report the incident to the relevant authorities.

The purposes of the instrument were to attempt to gauge perceptions that allow the researchers to determine the following:

- Do they perceive stealing from the tax office as acceptable?
- Do they consider it ethical to cheat as regards sitting an exam?
- How are their ethical attitudes affected by the risk of getting caught?
- Is there a difference between male and female student's perceptions?  
and
- What are student's attitudes towards whistle blowing?

### **3.3 METHODS OF ANALYSIS**

Three sets of statistical analyses were conducted. The first involved calculating frequencies on demographic variables such as gender, race, religious inclination, whether the respondents have taken a course on ethics, place of stay during their secondary years and their academic achievement. The second analysis involved a principal component factor analysis of a 33 items instrument. The third consisted of identifying their ethical attitudes by calculating mean scores for each scenarios and using ANOVA or T-test to test the means for significant differences. Tests were only conducted on items with reliability of higher than 0.7. This is in accordance with the suggestion made by Nunally (1970).

## **CHAPTER 4**

### **ANALYSIS OF DATA**

#### **4.0 INTRODUCTION**

This part of analysis consists of the respondent's background as well as their responses toward the six scenarios and the factorial analysis. determine the ethical perceptions of Malaysian public university students; determine the availability of ethics related programs in public universities; determine differences in ethical perceptions amongst students based on the availability of ethics related programs in public universities; determine the propensity towards ethical decision making amongst Malaysian public university students and lastly to determine the differences in ethical perceptions amongst students based on their gender, race, family background, cumulative grade point average, and programs of study;

#### **4.1 FACTORIAL ANALYSIS**

The reliability test was conducted using Cronbach Alpha method to determine the internal consistency of the study. All the 33 items related to ethical perceptions and the 6 scenarios to measure ethical attitudes were subjected to this test. Result of the test shows that items internal reliability is high at alpha value of 0.8104. However, items B22 and B29 have to be dropped due to higher internal inconsistency. From the table, B and C represent the section in the questionnaire and the number follows indicates the question number in that particular section.

Table 4.1: Result of Reliability Analysis

RELIABILITY ANALYSIS - SCALE (ALPHA)

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
B1	126.4909	182.3917	.3751	.8042
B2	126.4568	181.0505	.4330	.8026
B3	126.4591	183.0097	.3195	.8055
B4	126.9273	188.3592	.0500	.8149
B5	126.1000	180.6141	.3683	.8037
B6	126.1159	181.0503	.3182	.8052
B7	126.6500	178.4376	.3948	.8024
B8	126.8114	186.1944	.1238	.8101
B9	126.2159	180.6070	.3688	.8037
B10	126.1523	179.0223	.4250	.8008
B11	126.0682	181.3940	.3414	.8046
B12	127.5136	183.1934	.2460	.8076
B13	126.2227	182.0961	.3376	.8048
B14	126.7773	177.9731	.4036	.8021
B15	126.9182	179.7427	.2373	.8095
B16	126.4068	184.9389	.1850	.8096
B17	127.5386	183.6568	.2368	.8079
B18	126.4386	181.7047	.2927	.8061
B19	127.3114	183.9917	.1879	.8100
B20	127.5955	183.6583	.2125	.8089
B21	127.0114	179.1138	.3234	.8050
B22	127.1841	185.3123	.1619	.8106
B23	126.4000	183.0333	.2939	.8061

B24	126.4205	181.8570	.3435	.8046
B25	126.6795	181.9495	.2508	.8077
B26	126.0955	183.4305	.2820	.8065
B27	126.7295	180.0429	.3794	.8033
B28	126.3023	179.6282	.4162	.8023
B29	126.6477	184.6251	.1177	.8147
B30	127.0386	180.9666	.2932	.8061
B31	126.2614	180.3621	.3661	.8037
B32	126.6864	181.6098	.3638	.8041
B33	126.0386	180.7479	.3872	.8033
C1	128.2227	188.4742	.1436	.8098
C2	128.1886	185.1876	.2036	.8088
C3	127.7250	184.2499	.2916	.8064
C4	127.7227	184.9070	.2692	.8070
C5	128.3500	183.4672	.3569	.8049
C6	128.1205	185.5595	.3102	.8065

Factor analysis was employed to determine the groupings of ethical perception's items in the study. Results of the analysis are shown in Table 2. The relatively high value of 0.799 for the Kaiser-Meyer-Olkin Measure of sampling Adequacy and Bartlett's test of Sphericity indicated that this analysis is significant.

Table 4.2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.809
Bartlett's Test of Sphericity	Approx. Chi-Square	3411.851
	df	465
	Sig.	.000

Table 4.3: Rotated Component Matrix<sup>a</sup>

	Component							
	1	2	3	4	5	6	7	8
B1			.810					
B2			.839					
B3			.695					
B4							.650	
B5	.525							
B6							.704	
B7	.518							
B8	.554							
B9								
B10	.558							
B11	.537							
B12	.587							
B13					.594			
B14	.581							
B15								.694
B16					.531			
B17								.516
B18								
B19				.661				
B20				.809				
B21								

B23					.629			
B24					.533			
B25						.651		
B26								
B27						.657		
B28						.600		
B30		.536						
B31		.686						
B32		.688						
B33		.706						

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

<sup>a</sup> Rotation converged in 11 iterations.

Eight groupings emerged from factor analysis using an Eigen value of one or greater as the criterion. The eight groupings are as follows:

Table 4. 4: Groupings of Ethical Perception Item

<b>Items</b>	<b>Label</b>	<b>Groupings</b>	<b>Reliability</b>
B5, B7, B8, B10, B11, B12, B14	G1	Personal gain	0.7243
B30, B31, B32, B33	G2	Action oriented	0.7005
B1, B2, B3	G3	Adherence to rules and regulations	0.7730
B19, B20	G4	Organization's openness	0.6747
B13, B16, B23, B24	G5	Circumstances unethical	0.5462
B25, B27, B28	G6	Reference points for behaviour	0.6236

B4, B6	G7	Honesty	0.3784
B15, B17	G8	Upholding rules	0.2958

The item analysis of the eight groupings suggested in the factor analysis revealed that the first six groups have reliability of more than 0.6. However, only Group 1 to Group 3 will be analyzed further based on suggestion by Nunally (1970). The last two groups, Honesty and Upholding rules had an unacceptable level of reliability for it to be considered a viable factor.

Table 4.5: Ethical perceptions of Malaysian Public Universities

	N	Mean	Std. Deviation
G1	443	3.6011	.64538
G2	446	2.3223	.72337
G3	445	2.2884	.69062

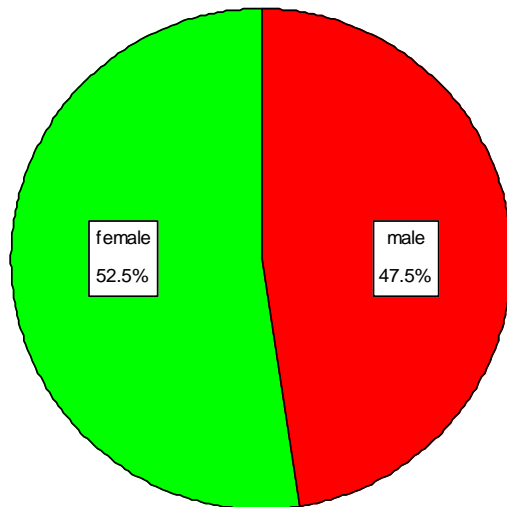
Results indicated that items related to ‘action oriented’ (G2) and ‘adherences to rules and regulations’ (G3) have lower score. Items related to ‘personal gain’ (G1), shows a rather high score indicating that students’ are less willing stick to their ethical principle.

## 4.2 RESPONDENTS PROFILE

The following pie and bar charts show on the respondents’ profile.

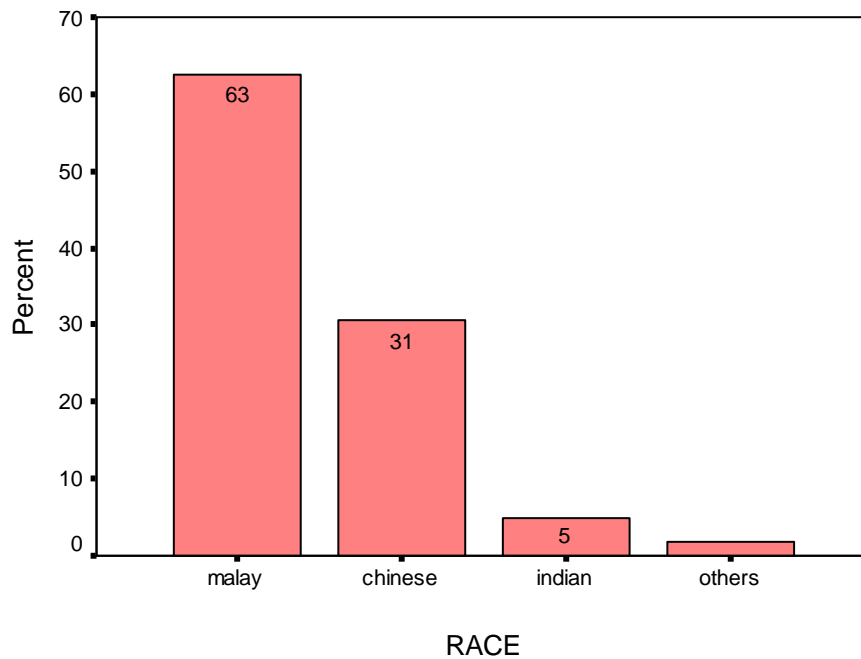


## GENDER



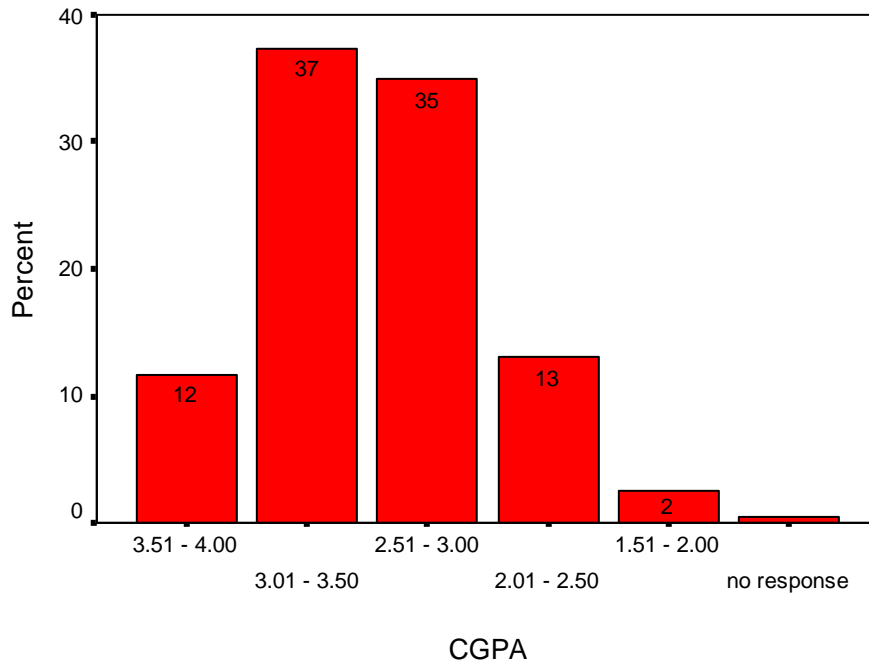
The split between male and female students was practically 50/50.

## Ethnicity



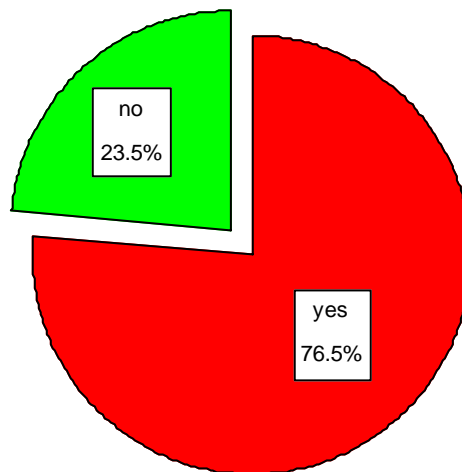
Respondents consist of 63% Malay, 31% Chinese, 5% Indian and 1.8% of other races.

### Academic Achievement



Majority of the respondents has Cumulative Grade Point Average between 3.00 to 3.50 (72%).

### Ethical Course



Majority of the students have taken ethics courses either as part of their course or as an elective subject.

### 4.3 PERCEPTIONS BASED ON DEMOGRAPHIC PROFILE

T-test was conducted to determine whether there are any significant differences between genders with regard to their ethical perception. Result of the study is shown below:

Table 4. 6: Group Statistics

	GENDER	N	Mean	Std. Deviation	Std. Error Mean
G1	male	210	60.7993	17.35430	1.19756
	female	233	68.8381	13.92403	.91219
G2	male	212	36.0849	19.13184	1.31398
	female	234	30.3152	16.65095	1.08851
G3	male	212	33.2547	18.64256	1.28038
	female	233	31.2589	15.89034	1.04101

Higher mean indicates disagreement

Table 4.7: Independent Samples Test

		Levene's	Sig.	t-test for	df	Sig. (2-	Mean	Std. Error	95% Confidence			
		Test for		Equality					tailed)	Difference	Difference	Interval of the
		Equality of		of Means					t	Difference	Difference	Difference
		F							Lower	Upper		
G1	Equal	7.372	.007	-5.401	441	.000	-8.0388	1.48852	-	-5.11334		
	variances								10.96430			
	assumed											
	Equal			-5.340	400.442	.000	-8.0388	1.50541	-	-5.07933		
	variances not								10.99830			
	assumed											
G2	Equal	9.565	.002	3.405	444	.001	5.7697	1.69468	2.43915	9.10032		
	variances											

	assumed									
	Equal variances not assumed			3.381	420.594	.001	5.7697	1.70628	2.41584	9.12363
G3	Equal variances assumed	4.106	.043	1.219	443	.224	1.9958	1.63786	-1.22316	5.21471
	Equal variances not assumed			1.209	416.598	.227	1.9958	1.65017	-1.24793	5.23948

Results of the study indicated that there are significant differences between ethical perception of the males and females with regards to ‘personal gain’, ‘action oriented’ and ‘adherence to rules and regulations’. Females seem to perform unfavorably in the area of ‘personal gain’ but are more likely to perceive the university and lecturers as ethical as well as adhering to the organizational rules and regulations.

ANOVA analysis was performed to determine whether there are significant difference between the respondent’s ethnicity and their ethical perceptions. Result of the study is as indicated below:

Table 4. 8: Ethnicity and Ethical Perceptions

		Sum of Squares	df	Mean Square	F	Sig.
G1	Between Groups	4512.248	3	1504.083	5.956	.001
	Within Groups	110350.367	437	252.518		
	Total	114862.615	440			
G2	Between Groups	5696.051	3	1898.684	5.987	.001
	Within Groups	139547.826	440	317.154		

	Total	145243.877	443			
G3	Between Groups	939.201	3	313.067	1.046	.372
	Within Groups	131362.341	439	299.231		
	Total	132301.543	442			

Table 4.9: Multiple Comparisons Tukey HSD

			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
Dependent Variable	(I) RACE	(J) RACE				Lower Bound	Upper Bound
G1	Malay	Chinese	-6.1782*	1.66797	.001	-10.4798	-1.8766
		Indian	-7.9582	3.59670	.121	-17.2339	1.3175
		Others	4.3080	5.69880	.874	-10.3889	19.0048
	Chinese	Malay	6.1782*	1.66797	.001	1.8766	10.4798
		Indian	-1.7800	3.72762	.964	-11.3934	7.8333
		Others	10.4861	5.78232	.268	-4.4262	25.3984
	Indian	Malay	7.9582	3.59670	.121	-1.3175	17.2339
		Chinese	1.7800	3.72762	.964	-7.8333	11.3934
		Others	12.2662	6.60223	.248	-4.7606	29.2929
	Others	Malay	-4.3080	5.69880	.874	-19.0048	10.3889
		Chinese	-10.4861	5.78232	.268	-25.3984	4.4262
		Indian	-12.2662	6.60223	.248	-29.2929	4.7606
G2	Malay	Chinese	-7.3771*	1.86356	.001	-12.1830	-2.5712
		Indian	-6.9551*	3.94423	.293	-17.1268	3.2166
		Others	-8.8017	6.38632	.514	-25.2712	7.6678
	Chinese	Malay	7.3771	1.86356	.001	2.5712	12.1830
		Indian	.4220	4.09245	1.000	-10.1319	10.9759
		Others	-1.4246	6.47891	.996	-18.1329	15.2837
	Indian	Malay	6.9551	3.94423	.293	-3.2166	17.1268
		Chinese	-.4220	4.09245	1.000	-10.9759	10.1319
		Others	-1.8466	7.35258	.994	-20.8080	17.1148

	Others	Malay	8.8017	6.38632	.514	-7.6678	25.2712
		Chinese	1.4246	6.47891	.996	-15.2837	18.1329
		Indian	1.8466	7.35258	.994	-17.1148	20.8080
G3	Malay	Chinese	-.6176	1.81014	.986	-5.2858	4.0506
		Indian	5.1801	3.91477	.549	-4.9157	15.2759
		Others	-6.3774	6.20324	.733	-22.3749	9.6201
	Chinese	Malay	.6176	1.81014	.986	-4.0506	5.2858
		Indian	5.7977	4.05578	.482	-4.6617	16.2572
		Others	-5.7598	6.29318	.797	-21.9893	10.4697
	Indian	Malay	-5.1801	3.91477	.549	-15.2759	4.9157
		Chinese	-5.7977	4.05578	.482	-16.2572	4.6617
		Others	-11.5575	7.18700	.375	-30.0921	6.9770
	Others	Malay	6.3774	6.20324	.733	-9.6201	22.3749
		Chinese	5.7598	6.29318	.797	-10.4697	21.9893
		Indian	11.5575	7.18700	.375	-6.9770	30.0921

\* The mean difference is significant at the .05 level.

Only items related to ‘personal gain’ and ‘action oriented’ show that there are significant differences between the ethnic groups. Results of HSD Tukey analysis indicated that the Chinese students score higher than the Malay students in these two areas.

Analysis on the respondents’ place of residence during their secondary school was conducted to determine whether there is any difference them and their ethical perception. The result of the analysis is as indicated.

Table 4.10: Place of residence and Ethical Perceptions

		Sum of Squares	df	Mean Square	F	Sig.
G1	Between Groups	1840.838	3	613.613	2.379	.069
	Within Groups	113221.585	439	257.908		
	Total	115062.422	442			

G2	Between Groups	1689.644	3	563.215	1.731	.160
	Within Groups	143845.057	442	325.441		
	Total	145534.701	445			
G3	Between Groups	754.169	3	251.390	.842	.471
	Within Groups	131600.700	441	298.414		
	Total	132354.869	444			

ANOVA analysis indicated that there are no significant difference between the respondents' place of residence during their secondary school and their ethical perceptions.

T-test was performed to identify whether there is significant difference between the respondents' exposure to ethical courses while they are in university and their ethical perception. Result of the analysis is as shown:

Table 4.11: Ethical Courses and Ethical Perceptions

	Ethical Subject	N	Mean	Std. Deviation	Std. Error Mean
G1	Yes	338	64.5499	16.25746	.88429
	no	105	66.5646	15.70963	1.53310
G2	Yes	341	31.7449	18.05979	.97799
	no	105	37.3214	17.58088	1.71572
G3	Yes	340	31.5441	17.09939	.92734
	no	105	34.3651	17.70391	1.72772

Higher mean score indicates disagreement

Table 4.12: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					
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		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
G1	Equal variances assumed	.004	.949	-1.118	441	.264	-2.0148	1.80211	-5.55655	1.52704
	Equal variances not assumed			-1.138	178.611	.256	-2.0148	1.76985	-5.50726	1.47776
G2	Equal variances assumed	.009	.923	-2.784	444	.006	-5.5766	2.00323	-9.51354	-1.63958
	Equal variances not assumed			-2.824	176.852	.005	-5.5766	1.97488	-9.47393	-1.67919
G3	Equal variances assumed	.233	.630	-1.465	443	.144	-2.8210	1.92515	-6.60452	.96260
	Equal variances not assumed			-1.439	168.271	.152	-2.8210	1.96087	-6.69203	1.05011

Result indicated that students who haven't undergone ethical courses in university have better ethical perceptions as compared to their counterpart who have in all the three areas of 'personal gain', 'action oriented' and 'adherence of rules and regulations'.

ANOVA with HSD Tukey was performed to determine respondents' academic ability and their ethical perceptions. In the area of 'personal gain' (G1) there is significant difference between students with lower academic achievement as compared those with higher academic achievement. Students with lower CGPA seems to have lower scores with regards to 'personal gain' as compared to students with higher CGPA. However, there is no significant differences at all between these two groups in the area of 'action oriented', (G2) and 'adherence to rules and regulations' (G3).



Table 4.13: Academic Ability and Ethical Perceptions

		Sum of Squares	df	Mean Square	F	Sig.
G1	Between Groups	10956.147	5	2191.229	9.157	.000
	Within Groups	104090.187	435	239.288		
	Total	115046.335	440			
G2	Between Groups	1509.533	5	301.907	.920	.468
	Within Groups	143800.504	438	328.312		
	Total	145310.037	443			
G3	Between Groups	2023.483	5	404.697	1.358	.239
	Within Groups	130226.956	437	298.002		
	Total	132250.439	442			

Table 4.14: Multiple Comparisons Tukey HSD

			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
Dependent Variable	(I) CGPA	(J) CGPA				Lower Bound	Upper Bound
G1	3.51 - 4.00	3.01 - 3.50	2.1274	2.46186	.955	-4.9196	9.1744
		2.51 - 3.00	9.6261*	2.48103	.002	2.5242	16.7280
		2.01 - 2.50	12.6705*	2.95421	.000	4.2142	21.1268
		1.51 - 2.00	19.0185*	5.13372	.003	4.3234	33.7136
		No response	-3.7088	11.14655	.999	-35.6155	28.1979
	3.01 - 3.50	3.51 - 4.00	-2.1274	2.46186	.955	-9.1744	4.9196
		2.51 - 3.00	7.4986*	1.73577	.000	2.5301	12.4672
		2.01 - 2.50	10.5431*	2.36320	.000	3.7785	17.3077
		1.51 - 2.00	16.8910*	4.81794	.007	3.0998	30.6822

		No response	-5.8362	11.00468	.995	-37.3368	25.6643
	2.51 - 3.00	3.51 - 4.00	-9.6261*	2.48103	.002	-16.7280	-2.5242
		3.01 - 3.50	-7.4986*	1.73577	.000	-12.4672	-2.5301
		2.01 - 2.50	3.0444	2.38316	.797	-3.7773	9.8662
		1.51 - 2.00	9.3924	4.82776	.376	-4.4269	23.2117
		No response	-13.3349	11.00898	.831	-44.8478	18.1780
	2.01 - 2.50	3.51 - 4.00	-12.6705*	2.95421	.000	-21.1268	-4.2142
		3.01 - 3.50	-10.5431*	2.36320	.000	-17.3077	-3.7785
		2.51 - 3.00	-3.0444	2.38316	.797	-9.8662	3.7773
		1.51 - 2.00	6.3480	5.08715	.813	-8.2138	20.9098
		No response	-16.3793	11.12518	.682	-48.2248	15.4662
	1.51 - 2.00	3.51 - 4.00	-19.0185*	5.13372	.003	-33.7136	-4.3234
		3.01 - 3.50	-16.8910*	4.81794	.007	-30.6822	-3.0998
		2.51 - 3.00	-9.3924	4.82776	.376	-23.2117	4.4269
		2.01 - 2.50	-6.3480	5.08715	.813	-20.9098	8.2138
		No response	-22.7273	11.89106	.397	-56.7651	11.3105
	No response	3.51 - 4.00	3.7088	11.14655	.999	-28.1979	35.6155
		3.01 - 3.50	5.8362	11.00468	.995	-25.6643	37.3368
		2.51 - 3.00	13.3349	11.00898	.831	-18.1780	44.8478
		2.01 - 2.50	16.3793	11.12518	.682	-15.4662	48.2248
		1.51 - 2.00	22.7273	11.89106	.397	-11.3105	56.7651

\* The mean difference is significant at the .05 level.

## 4.4 PROPENSITY

### 4.4.1 OVERVIEW OF RESPONDENTS' ETHICAL PROPENSITY

In order to obtain an overview of the students' propensity to act ethically, analysis on all the six scenarios (C1 to C6) were conducted. The summary of the results are as shown:

Table 4.15: Summary of Result

		Frequency	Percent	Valid Percent	Cumulative Percent
C1	accept	51	11.4	11.4	11.4
	refuse	373	83.6	83.6	95.1
	share	20	4.5	4.5	99.6
	No response	2	.4	.4	100.0
	Total	446	100.0	100.0	
		Frequency	Percent	Valid Percent	Cumulative Percent
C2	chance	156	35.0	35.0	35.0
	resign	149	33.4	33.4	68.4
	inform	139	31.2	31.2	99.6
	No response	2	.4	.4	100.0
	Total	446	100.0	100.0	
		Frequency	Percent	Valid Percent	Cumulative Percent
C3	accept	47	10.5	10.5	10.5
	resign	160	35.9	35.9	46.4
	inform	237	53.1	53.1	99.6
	No response	2	.4	.4	100.0
	Total	446	100.0	100.0	
		Frequency	Percent	Valid Percent	Cumulative Percent
C4	accept	40	9.0	9.0	9.0
	resign	174	39.0	39.0	48.0
	inform	230	51.6	51.6	99.6
	No response	2	.4	.4	100.0
	Total	446	100.0	100.0	
		Frequency	Percent	Valid Percent	Cumulative Percent
C5	accept	125	28.0	28.0	28.0
	decline	282	63.2	63.2	91.3
	inform	37	8.3	8.3	99.6
	No response	2	.4	.4	100.0
	Total	446	100.0	100.0	
		Frequency	Percent	Valid Percent	Cumulative Percent
C6	accept	32	7.2	7.2	7.2
	decline	364	81.6	81.6	88.8
	inform	48	10.8	10.8	99.6

	No response	2	.4	.4	100.0
	Total	446	100.0	100.0	

The results indicated that generally the students' show the propensity to act ethically.

Scenario 1 test the tendency of respondents to accept bribes from customers and results indicated that majority of the respondents (83.6%) will refuse the offer/bribe. Scenario 2 assesses the respondent's tolerance/reaction to their subordinates in accepting bribes. Results indicated that majority of the respondents (68.4%) are less tolerant to the accepting of bribes by their subordinates by instituting some form of actions (formally or informally). Scenario 3 indicates respondents' reactions towards a tax evasion schemes in a company they are employed. Results seem to indicate that a significant majority (53.1%) choose to inform the relevant authority about the wrongdoing. Scenario 4 is the same as Scenario 3 except that there is chance that the wrongdoing will be caught. Results indicated that there is a decline in the percentage of acceptance of the bribe as well as the tendency to inform the relevant authority about the wrongdoing. Scenario 5 tests the willingness of the students to cheat in the final examination to ensure job placement. Results indicated that almost one third (28%) choose to cheat in the final examination. However, in Scenario 6 when the risk of being caught in the act is present, the percentage of students willing to cheat dropped significantly to 7.2%.

#### 4.4.2 RELATIONSHIPS BETWEEN RESPONDENT'S PROFILE AND ETHICAL PROPENSITY

This analysis involves looking at the relationship of more than one variable using both parametric and nonparametric methods.

##### 4.4.2.1 RESPONDENT'S GENDER AND ETHICAL SCENARIOS

Chi-square test was conducted to see whether there is significant difference between gender of the respondents across the six scenarios. The results of this test are as shown:

Table 4.16: Chi-Square Tests

Items		Value	df	Asymp. Sig. (2-sided)
Gender and Scenario 1	Pearson Chi-Square <sup>a</sup>	27.888	3	.000
		Value	df	Asymp. Sig. (2-sided)
Gender and Scenario 2	Pearson Chi-Square <sup>a</sup>	3.299	3	.348
		Value	df	Asymp. Sig. (2-sided)
Gender and Scenario 3	Pearson Chi-Square <sup>a</sup>	16.913	3	.001
		Value	df	Asymp. Sig. (2-sided)
Gender and Scenario 4	Pearson Chi-Square <sup>a</sup>	22.367	3	.000
		Value	df	Asymp. Sig. (2-sided)
Gender and Scenario 5	Pearson Chi-Square <sup>a</sup>	17.301	3	.001
		Value	df	Asymp. Sig. (2-sided)
Gender and Scenario 6	Pearson Chi-Square <sup>a</sup>	18.779	3	.000
N of Valid Cases		446		

a The minimum expected count is .95.

Table 4.17: Chi-Square Analysis between Gender and The Six Ethical Scenarios

SCENARIO 1								
Decisions			accept	refuse	share	No response	Total	
GENDER	Male	Count	37	157	16	2	212	
		% within GENDER	17.5%	74.1%	7.5%	.9%	100.0%	
		% of Total	8.3%	35.2%	3.6%	.4%	47.5%	
	female	Count	14	216	4		234	
		% within GENDER	6.0%	92.3%	1.7%		100.0%	
		% of Total	3.1%	48.4%	.9%		52.5%	
	Total		Count	51	373	20	2	446
			% of Total	11.4%	83.6%	4.5%	.4%	100.0%
	SCENARIO 2							
Decisions			chance	resign	inform	No response	Total	

GENDER	Male	Count	79	68	63	2	212
		% within GENDER	37.3%	32.1%	29.7%	.9%	100.0%
		% of Total	17.7%	15.2%	14.1%	.4%	47.5%
	female	Count	77	81	76		234
		% within GENDER	32.9%	34.6%	32.5%		100.0%
		% of Total	17.3%	18.2%	17.0%		52.5%
Total	Count	156	149	139	2	446	
	% of Total	35.0%	33.4%	31.2%	.4%	100.0%	
<b>SCENARIO 3</b>							
Decisions			accept	resign	inform	No response	Total
GENDER	Male	Count	34	65	111	2	212
		% within GENDER	16.0%	30.7%	52.4%	.9%	100.0%
		% of Total	7.6%	14.6%	24.9%	.4%	47.5%
	female	Count	13	95	126		234
		% within GENDER	5.6%	40.6%	53.8%		100.0%
		% of Total	2.9%	21.3%	28.3%		52.5%
Total	Count	47	160	237	2	446	
	% of Total	10.5%	35.9%	53.1%	.4%	100.0%	
<b>SCENARIO 4</b>							
Decisions			accept	resign	inform	No response	Total
GENDER	Male	Count	32	71	107	2	212
		% within GENDER	15.1%	33.5%	50.5%	.9%	100.0%
		% of Total	7.2%	15.9%	24.0%	.4%	47.5%
		Count	8	103	123		234
		% within GENDER	3.4%	44.0%	52.6%		100.0%

	female	% of Total	1.8%	23.1%	27.6%		52.5%
Total	Count		40	174	230	2	446
	% of Total		9.0%	39.0%	51.6%	.4%	100.0%
<b>SCENARIO 5</b>							
Decisions			accept	decline	inform	No response	Total
GENDER	Male	Count	77	115	18	2	212
		% within GENDER	36.3%	54.2%	8.5%	.9%	100.0%
		% of Total	17.3%	25.8%	4.0%	.4%	47.5%
	female	Count	48	167	19		234
		% within GENDER	20.5%	71.4%	8.1%		100.0%
		% of Total	10.8%	37.4%	4.3%		52.5%
Total	Count		125	282	37	2	446
	% of Total		28.0%	63.2%	8.3%	.4%	100.0%
<b>SCENARIO 6</b>							
Decisions			accept	decline	inform	No response	Total
GENDER	Male	Count	26	160	24	2	212
		% within GENDER	12.3%	75.5%	11.3%	.9%	100.0%
		% of Total	5.8%	35.9%	5.4%	.4%	47.5%
	female	Count	6	204	24		234
		% within GENDER	2.6%	87.2%	10.3%		100.0%
		% of Total	1.3%	45.7%	5.4%		52.5%
Total	Count		32	364	48	2	446
	% of Total		7.2%	81.6%	10.8%	.4%	100.0%

Result of this analysis indicated that, with the exception of scenario 2, there were significant differences (at 99% significance level) between males and females with regards to their propensity to act ethically. In Scenario 1, Scenario 3 and Scenario 4, the males are three times more likely to act unethically as compared to the female.

In comparing scenario 5 and scenario 6, once the risk of being caught is introduced, the percentage dropped drastically especially for the female respondents (from 20.5% to 2.6%). This indicated that Malaysian university students are less likely to act unethically if the consequences of their actions will cause hardship to someone that they know. This observation is supported by scenario 2 where one third of the respondents are willing to forgive a subordinate who cheats.

#### 4.4.2.2 RESPONDENT’S ETHNICITY AND ETHICAL SCENARIOS

Table 4.18: Ethnicity and Ethical Scenarios

Items		Value	df	Asymp. Sig. (2-sided)
Ethnicity and Scenario 1	Pearson Chi-Square	20.638	6	.002
		Value	df	Asymp. Sig. (2-sided)
Ethnicity and Scenario 2	Pearson Chi-Square	16.094	6	.013
		Value	df	Asymp. Sig. (2-sided)
Ethnicity and Scenario 3	Pearson Chi-Square	27.872	6	.000
		Value	df	Asymp. Sig. (2-sided)
Ethnicity and Scenario 4	Pearson Chi-Square	20.113	6	.003
		Value	df	Asymp. Sig. (2-sided)
Ethnicity and Scenario 5	Pearson Chi-Square	11.964	6	.043
		Value	df	Asymp. Sig. (2-sided)
Ethnicity and Scenario 6	Pearson Chi-Square	13.443	6	.037
N of Valid Cases		436		

The results of the study indicated that there are significant differences (at 95% level of confidence) between the three major races in their propensity to act ethically in all the scenarios. Results of the crosstabulation with ethnicity are as shown:



Table 4.19: Crosstabulation between Ethnicity and the Six Ethical Scenarios

SCENARIO 1							
Decisions			accept	refuse	share	No response	Total
ethnicity	Malay	Count	28	242	8		278
		% within ethnicity	10.1%	87.1%	2.9%		100.0%
		% of Total	6.4%	55.5%	1.8%		63.8%
	Chinese	Count	15	110	10	1	136
		% within ethnicity	11.0%	80.9%	7.4%	.7%	100.0%
		% of Total	3.4%	25.2%	2.3%	.2%	31.2%
	Indian	Count	6	14	1	1	22
		% within ethnicity	27.3%	63.6%	4.5%	4.5%	100.0%
		% of Total	1.4%	3.2%	.2%	.2%	5.0%
Total		Count	49	366	19	2	436
		% of Total	11.2%	83.9%	4.4%	.5%	100.0%
SCENARIO 2							
Decisions			chance	resign	inform	No response	Total
ethnicity	Malay	Count	91	90	97		278
		% within ethnicity	32.7%	32.4%	34.9%		100.0%
		% of Total	20.9%	20.6%	22.2%		63.8%
	Chinese	Count	51	47	37	1	136
		% within ethnicity	37.5%	34.6%	27.2%	.7%	100.0%
		% of Total	11.7%	10.8%	8.5%	.2%	31.2%
	Indian	Count	7	11	3	1	22
		% within ethnicity	31.8%	50.0%	13.6%	4.5%	100.0%
		% of Total	1.6%	2.5%	.7%	.2%	5.0%
Total		Count	149	148	137	2	436
		% of Total	34.2%	33.9%	31.4%	.5%	100.0%
SCENARIO 3							
Decisions			accept	resign	inform	No response	Total
		Count	21	91	166		278
		% within ethnicity	7.6%	32.7%	59.7%		100.0%

ethnicity	Malay	% of Total	4.8%	20.9%	38.1%		63.8%
		Count	21	61	53	1	136
		% within ethnicity	15.4%	44.9%	39.0%	.7%	100.0%
	Chinese	% of Total	4.8%	14.0%	12.2%	.2%	31.2%
		Count	4	6	11	1	22
		% within ethnicity	18.2%	27.3%	50.0%	4.5%	100.0%
	Indian	% of Total	.9%	1.4%	2.5%	.2%	5.0%
		Count	46	158	230	2	436
		% of Total	10.6%	36.2%	52.8%	.5%	100.0%
<b>SCENARIO 4</b>							
Decisions			accept	resign	inform	No response	Total
ethnicity	Malay	Count	22	98	158		278
		% within ethnicity	7.9%	35.3%	56.8%		100.0%
		% of Total	5.0%	22.5%	36.2%		63.8%
	Chinese	Count	13	67	55	1	136
		% within ethnicity	9.6%	49.3%	40.4%	.7%	100.0%
		% of Total	3.0%	15.4%	12.6%	.2%	31.2%
	Indian	Count	3	7	11	1	22
		% within ethnicity	13.6%	31.8%	50.0%	4.5%	100.0%
		% of Total	.7%	1.6%	2.5%	.2%	5.0%
Total	Count	38	172	224	2	436	
	% of Total	8.7%	39.4%	51.4%	.5%	100.0%	
<b>SCENARIO 5</b>							
Decisions			accept	decline	inform	No response	Total
ethnicity	Malay	Count	84	171	23		278
		% within ethnicity	30.2%	61.5%	8.3%		100.0%
		% of Total	19.3%	39.2%	5.3%		63.8%
	Chinese	Count	33	91	11	1	136
		% within ethnicity	24.3%	66.9%	8.1%	.7%	100.0%
		% of Total	7.6%	20.9%	2.5%	.2%	31.2%
		Count	4	15	2	1	22

	Indian	% within ethincity	18.2%	68.2%	9.1%	4.5%	100.0%
		% of Total	.9%	3.4%	.5%	.2%	5.0%
Total	Count		121	277	36	2	436
	% of Total		27.8%	63.5%	8.3%	.5%	100.0%
SCENARIO 6							
Decisions			accept	decline	inform	No response	Total
ethnicity	Malay	Count	22	222	34		278
		% within ethincity	7.9%	79.9%	12.2%		100.0%
		% of Total	5.0%	50.9%	7.8%		63.8%
	Chinese	Count	10	113	12	1	136
		% within ethincity	7.4%	83.1%	8.8%	.7%	100.0%
		% of Total	2.3%	25.9%	2.8%	.2%	31.2%
	Indian	Count		20	1	1	22
		% within ethincity		90.9%	4.5%	4.5%	100.0%
		% of Total		4.6%	.2%	.2%	5.0%
Total	Count		32	355	47	2	436
	% of Total		7.3%	81.4%	10.8%	.5%	100.0%

Amongst the respondents in Scenario 1, the Indians have the greatest propensity to accept bribes from customers whilst the Malays seem to have the greatest propensity to refuse the bribes from customers. However, the Chinese have greatest inclination to share the bribes with their superior.

In Scenario 2, the Malays have the lowest tolerance/reaction to their subordinates in accepting bribes whereas the Chinese shows the highest tolerance. The Indians seem to have the highest inclination to resign in that situation.

Scenario 3 indicates respondents' reactions towards a tax evasion schemes in a company they are employed. The Malays tend to have the highest propensity to inform the relevant authority about the wrongdoing whereas the Chinese have the highest tendency to resign whilst the Indians have the highest tendency to become the joint

accomplice in the tax evasion scheme. When the chance of being caught is being introduced (Scenario 4) the results remain.

The results seem to indicate that the Malays have the highest propensity towards cheating in the examination to ensure job placement (Scenario 5). The Indians tend to have the highest propensity to resist the temptation to cheat in the examination to ensure job placement. Even with the risk of being caught (Scenario 6), the Malays still have the highest tendency to cheat and the Indians still have the highest tendency to decline the temptation. However, the inclination to inform about the act of cheating in the examination is the highest in the Malays.

#### 4.4.2.3 ETHICAL PROGRAM AND PROPENSITY TO ACT

Chi-square was used to determine whether there is any significant difference between those students' who have taken ethical course and their propensity to act ethically.

Table 4.20: Ethical Program and Propensity to Act

Items		Value	df	Asymp. Sig. (2-sided)
C1	Pearson Chi-Square	2.195	3	.533
	N of Valid Cases	446		
		Value	df	Asymp. Sig. (2-sided)
C2	Pearson Chi-Square	2.092	3	.554
	N of Valid Cases	446		
		Value	df	Asymp. Sig. (2-sided)
C3	Pearson Chi-Square	3.875	3	.275
	N of Valid Cases	446		
		Value	df	Asymp. Sig. (2-sided)
C4	Pearson Chi-Square	2.739	3	.434
	N of Valid Cases	446		

		Value	df	Asymp. Sig. (2-sided)
C5	Pearson Chi-Square	5.905	3	.116
	N of Valid Cases	446		
		Value	df	Asymp. Sig. (2-sided)
C6	Pearson Chi-Square	5.855	3	.119
	N of Valid Cases	446		

Result indicated that there is no significant difference between respondents' exposure to ethical course and their propensity to act ethically.

#### 4.4.2.4 RESPONDENTS' ACADEMIC ACHIEVEMENT AND PROPENSITY TO ACT

Chi-square was used again to identify whether there is a significant difference between the respondents' academic achievement (based on their CGPA) and their propensity to act ethically. The result indicated that there is no significant difference between academic achievement and their propensity to act with the exception only in Scenario 5.

Table 4.21: Academic Ability and Ethical Scenarios

		Value	df	Asymp. Sig. (2-sided)
C1	Pearson Chi-Square	8.730	15	.891
		Value	df	Asymp. Sig. (2-sided)
C2	Pearson Chi-Square	12.987	15	.603
		Value	df	Asymp. Sig. (2-sided)
C3	Pearson Chi-Square	18.655	15	.230
		Value	df	Asymp. Sig. (2-sided)
C4	Pearson Chi-Square	11.398	15	.724
		Value	df	Asymp. Sig. (2-sided)

C5	Pearson Chi-Square	29.656	15	.013
		Value	df	Asymp. Sig. (2-sided)
C6	Pearson Chi-Square	11.961	15	.682
	N of Valid Cases	444		

Table 4.22: Crosstab between Scenario 5 and Propensity to Act Ethically

C5							Total
			accept	decline	inform	No response	
CGPA	3.51 - 4.00	Count	11	38	3		52
		% within CGPA	21.2%	73.1%	5.8%		100.0%
		% of Total	2.5%	8.6%	.7%		11.7%
	3.01 - 3.50	Count	29	122	14	1	166
		% within CGPA	17.5%	73.5%	8.4%	.6%	100.0%
		% of Total	6.5%	27.5%	3.2%	.2%	37.4%
	2.51 - 3.00	Count	54	86	14	1	155
		% within CGPA	34.8%	55.5%	9.0%	.6%	100.0%
		% of Total	12.2%	19.4%	3.2%	.2%	34.9%
	2.01 - 2.50	Count	28	25	5		58
		% within CGPA	48.3%	43.1%	8.6%		100.0%
		% of Total	6.3%	5.6%	1.1%		13.1%
	1.51 - 2.00	Count	3	7	1		11
		% within CGPA	27.3%	63.6%	9.1%		100.0%
		% of Total	.7%	1.6%	.2%		2.5%
	No response	Count		2			2
		% within CGPA		100.0%			100.0%
		% of Total		.5%			.5%
Total		Count	125	280	37	2	444
		% of Total	28.2%	63.1%	8.3%	.5%	100.0%

Result indicated that students with a Cumulative Grade Point Average, CGPA of between 2.01 to 2.50 have higher propensity to act unethically with regards to obtaining examination paper ahead of the examination's date.

## **CHAPTER 5**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 INTRODUCTION**

This chapter will interpret the result of the study and make conclusions based on the objectives developed. This study will then conclude and offer some recommendations on the topic discussed.

#### **5.1 INTERPRETATION OF RESULT**

The overall results show that ethical perceptions amongst Malaysian public universities' students are rather alarming. When it comes to issue on 'personal gain' (G1), most of Malaysian public universities students perceived acting unethically as acceptable i.e. they perceived it is acceptable to act unethically where there is an element of personal gain.

In the area of 'action oriented' (G2) the students perceived that most universities should go beyond paying lip service to ethics i.e. they not only want an exposure to the ethical standing and practices of the university but also the ethics policies and procedures of their future profession. It is also noteworthy to indicate that the perceptions of students on the practice of ethics of leaders (lecturers) of the university are positive wherein they perceived lecturers' daily actions as consistent to their preaching. This finding is significant since it proves that the values and ethics of



leaders can impact and/or raise the ethical behavior of a community (Carlson and Perrewe, 1995).

Rules and regulations don't appear to have much impact on students' ethical perceptions. This could be due to the skepticism on the practicality of ethics into everyday lives by the students. This corresponds with Vogel's (1992) study which indicates that there remains considerable skepticism amongst German business people about business ethics, particularly the notion that ethics and profitability are compatible. However, studies by Weeks and Nantel (1992); Ford and Richardson (1994) and Gray (1996) found evidence that a well understood code of ethics is linked to more ethical behavior and may serve as a vehicle in helping individuals avoid ethically compromising situations.

Majority of the Malaysian public universities' students have taken ethical course either as part of their course or as an elective subject. Taken as face value, it would seem that the ethical courses currently available is not effective since students do not perceive it favorably. This is consistent with Solberg et al. (1995) and de Rond (1996) study which indicates that students do not see the practicality of studying ethics. Luoma's (1989) study on accounting students discovered that requiring students to learn the rules and guidelines of a particular profession to achieve a certification or license does not necessarily lead to more ethical behavior. Similarly, the Wynd and Mager (1989), longitudinal study over a period of two-and-a half year concluded that there was no significant effect on students' attitude towards ethics resulting from ethics class. They concluded that a single class focusing on ethical dilemmas in business is not sufficient to bring about changes in students' perspectives. Study by Davis and Welton (1991) to determine whether class standing affected attitudes about ethics in business also came to the same conclusion.

The next most interesting finding relates to the difference in ethical attitudes between students who were exposed to ethical courses in university and those who have not. Results indicated that there was a significant difference between them on two main areas i.e. 'personal gain' and 'action oriented'. Surprisingly, students who have undergone ethical course while in university perform poorly in these two areas. Ethical courses in university, if any only serve to worsen their ethical perceptions. Why

students with ethical knowledge are more likely to act unethically is a matter for conjecture but it maybe due to the fact that teaching of ethics has remained far too theoretical rather than providing students with something tangible to use in day-to-day decisions (Stark, 1993). In other words, the teaching of ethics has been too absorbed with solving moral dilemmas as opposed to cultivating moral character (Freeman, 1991) and the tendency of teachers to enter into a depressingly typical mode of “business bashing”. Instead of providing students with cases which will encourage them to articulate their individual moral frameworks, the message that is conveyed to them is that their chosen profession is no good (Solberg et al., 1995).

Findings related to the difference in ethical perceptions between the sexes indicated that the females tend to perceive factor related to ‘personal gain’ as unacceptable. In short, they are less willing to act unethically like falsifying their resume or entertaining their professors or lecturer just to get ahead. However, they are also more skeptical about the ethical course available and university and/or lecturers action with regards to ethics. The female students also appeared more ready to break the rules and regulations than the males. This is contrast with the Betz, O’Connell & Shepard (1989) study where they discovered that men are at least twice as likely to participate in unfair practices as are women.

There is also a significant difference between student’s perceptions and ethnicity on items related to ‘personal gain’ and ‘action oriented’. The Malay students seem to perform poorly on both factors as compared to the Chinese students. In other words, the Malay students perceived as acceptable to act unethically in order to get ahead and they basically view university and/or lecturer’s action as less ethical as compared to the Chinese students. The Malay students are also more skeptical about the usefulness of ethical guidelines, ethical orientation and training in helping students to act ethically as compared to the Indian students. Results of this study indicate that students with different culture tend to perceive ethical issues differently. This is consistent with studies made by Dykxhoorn and Sinning (1981), Hofstede (1980, 1983), Karnes et al. (1990), Cohen et al. (1995) and O’Leary and Cotter (2000).

The findings of this study also indicate that students who performed better tend to perceive that it is unacceptable to compromise their ethics. This is in line with the

Goode study (1999) which indicates that less-academically oriented students are most likely to cheat. However, recent studies show that the best students are doing the cheating, those who are eager to line up A's and B's to improve their grade point average further. A Gallup survey in 2002 found that two-thirds of high-school students see significant amounts of cheating at school. This is attributed to higher attention given to academic performance coupled with the increased distractions that students faced nowadays. Combination of more testing and greater pressure for grades with less studying and increasing distractions, would result in a perfect breeding ground where impressionable seedlings become flourishing cheaters in universities (Kidder, 2003). Studies by Steven Davis (1991), a psychologist at Emporia State University in Kansas, indicate that most students justify their own easy attitude toward dishonesty by pointing to well-known figures in government, sports and other facets of life whose ethics are questionable.

In scenario 1, majority of the respondents will refuse the offer/bribe. This indicated that the respondents would try their best to protect their customer's interest without sacrificing their ethical principles. Once any risk of being caught was introduced, in scenarios 4 and 6, the percentage of potential fraud participants fell significantly. Students were not informed of the penalties if caught (custodial and/or fines). However they obviously considered them serious enough to significantly dissuade them from their initial choice of behaviour.

The findings of this study with regards to propensity to act indicate that generally students' show the propensity to act ethically. In scenario 1, 83.6% of the respondents choose not to accept the bribe. In terms of reporting unhealthy practices, half of the respondents indicated that they are willing to whistle blow. However, if their friends or persons known to them are involved, then the tendency for whistle blowing is significantly reduced as shown in scenario 5 where the respondents choose to keep quiet rather than informed the appropriate authority. This is consistent with the finding by Silver and Valentine (2000), where they discovered that proximity i.e. the "nearness" the moral agent feels towards the target of the unethical act, affect college students' moral intensity in an inverse relationship.

Chi-square conducted shows that there are significant differences between the genders with regard to their propensity to act ethically. Results of the study indicated that male are more likely to accept the bribe/offer as compared to the female with the exception of scenario 2. In scenario 1 and scenario 3, male respondents were found to be three times more likely to participate in bribery / cheating as compared to the female. The result is consistent with Betz, O'Connell, & Shepard, J.M. (1989) study which reported that among business school students, the male students reported that career advancement was more important than relationships or helping others. Similarly, Malinowski and Berger (1996) found that undergraduate women responded more ethically than men when faced with marketing dilemmas. However, the number of students who are willing to cheat or participate in bribery, even if there was no risk of being caught in this study is rather low (Scenario 3 – 10.5%, Scenario 5 – 28.0%) in this study. This is in contrast with the 1990 study by Cree and Baring (1991) which discovered 61 per cent of Australian students were open to an insider trading proposition as well as Haswell and Jubb (1995) study who noted that almost 50 per cent of male and 25 per cent of female students would accept a bribe if there was no risk of being caught.

In term of cheating in an examination (scenario 5), the males are twice more likely to act unethically as compared to the females. These differences were expected based on previous ethics research. The extensive literature investigating the effect of gender generally concludes that female students are more ethically sensitive than their male counterparts (Barnett, Brown & Bass, 1994; Beltramini, Peterson & Kozmetsky, 1984; Singhapakdi, Vitell and Franke, 1999).

Women are also more likely to form intentions to whistle-blow than men (Wise, Barnett & Brown, 1997). This is true with regards to Scenario 3 and scenario 4, where female students are more likely to inform the tax office of any defraud. However in scenario 5 and scenario 6, where it involves a friend, the male students are more likely to whistle blow than the female students. The ethics gender literatures offer several possible explanations for this finding. One is that the moral development of males be slower than that of females (Silver & Valentine, 2000). It has also been speculated that males are more pragmatic about ethical judgements in business than are females (Barnett, Brown & Bass, 1994). This explains why the males are more inclined to

cheat the tax office. In trying to explain the intention of whistle blowing between genders when it involves a friend (scenario 5 and scenario 6), Gilligan (1997) argued that women are oriented toward caring for others, whereas men prefer seeing justice served. Similarly, Ruegger and King (1992) claimed that women are more into caregiving and supportive roles. Studies have also found men subjects to be more concerned with advancement in their careers, whereas women subjects more interested in building relationships (Betz & Connell, 1987; Betz, O'Connell & Shepard, 1989). As such women are more incline to cover up for their friends than the men.

Result of this study indicated that there is no significant difference between students who have taken ethical courses and their propensity to act ethically. This is consistent with studies by Luoma (1989), Wynd and Mager (1989) and Davis and Welton (1991) which discovered that that classes do not influence ethical behavior. However, studies by Hildebeitel and Jones (1992) and Eynon, Hill and Stevens (1997) found that students who had taken a course in ethics had significantly different attitudes toward ethics than those who had not. Despite these mixed results, study by Shannon and Berl (1997) shows that students themselves seem to feel that the teaching of ethics is important. It is also discovered that students not having taken a course felt similarly, but significantly less strongly about ethical decisions. It appears that a course in ethics might heighten awareness of ethics without changing basic attitudes about ethics values (Peppas & Peppas, 2000). Therefore, it is prudent to continue incorporating teaching of ethics into Malaysian universities' curriculum.

Ethnicity influences on ethical decision have not received much attention and the results reported have been mixed. Studies by Tsalikis and Nwachukwu (1988) and McCuddy and Perry (1996) found that racial groups differed in their ethical standards and perceptions. On the other hand, Stead et al. (1987) did not find any relationship between ethnicity and ethical decision. However, results of this study indicated that there is significant difference between the three major races in Malaysia and their propensity to act ethically. It was found that Indians are three times more likely to accept bribe than the Malays (Scenario 1). With regards to taking action against an unethical employee (Scenario 2), there is an interesting mix of response among the three major races in Malaysia. The majority of the Malays choose to report it to the relevant authority whereas the Chinese tends to be more forgiving. Half of the Indian

respondents choose to force the said employee to resign and seek employment elsewhere. When it came to defrauding shareholders (Scenario 3), about half of the Malay and Indian students choose to inform the appropriate authority immediately whereas majority of the Chinese students choose to resign immediately and tell no one. In terms of accepting the bribe, the Indian students are more inclined to accept bribe followed by the Chinese students. Less than 10 percent of Malay students choose to accept the bribe. However, when the risk of getting caught is introduced (Scenario 4), there is no significant dropped in the number of would be participant of a fraud among the Malay and Indian students. When it came to cheating in exam, one third of the Malay respondents appeared willing to do so if there is no risk of being caught. However, when the risk of being caught is introduced (Scenario 6), there is a significant drop in the percentage of would be cheats. None of the Indian students are willing to cheat if there is a risk of being caught together with their friends. Interestingly, if the similar situation were presented to the Malay students, the percentage who will report to the relevant authorities of the possibility of cheats increased. The results of this study demonstrated that there is a diverse range of action amongst the different ethnic groups in the Malaysian universities' students. This is consistent with the Karnes et al. (1990) and Hofstede (1980, 1983) studies which demonstrated how different cultural dimensions influence ethical decision making. Similarly, Cohen et al. (1995) study on the ethical decision-making processes of auditors from three different cultural backgrounds, Latin America, Japan and the USA also revealed significant differences between the groups as to their ethical evaluations and the likelihood of performing certain unethical actions.

Respondent's academic ability and propensity to act unethically has been the interest of Goode (1999) and Davies. Though the result of studies has been mix – with some pointing towards more academically superior students and the others toward the less academically able students. Results of this study seems to indicate that the moderate academically students are more inclined to cheat in the examination. Almost half of the students with cumulative grade point average (CGPA) between 2.01 to 2.50 choose to cheat in an examination. This could be attributed to the greater emphasis society placed on educational success wherein students with good academic results are revered and awarded.

Any study such as this has limitations. Whether or not students would actually act as they say they would in the comfort of an anonymous questionnaire is always debatable. However the percentages appeared large enough to warrant consideration that at least a fair proportion of respondents would act as they have indicated.

## **5.2 CONCLUSION**

The cornerstone of any society is the ethical standing of its members. Commenting on the results of the study, though the Malaysian public universities' students' ethical perceptions and the propensity to act unethically appears to be in checked, the people in charge can hardly be satisfied with the outcome. The perception gauged from students' attitudes is that acting ethically does not appear paramount in their decision making. The only factor that appeared capable of influencing students to act ethically was the fear of getting caught especially when their friends are also involved. Other issues that also appear in need of attention include:

1. Why do students choose to remain silent when face with ethical dilemmas?
2. Why are male students so significantly more likely to act unethically as opposed to their female counterparts?
3. Why do students of both sexes still appear so reluctant to become whistleblowers?
4. Why do different ethnic groups react differently even though they have gone through the same curriculum since day one in school?
5. Is the type of ethics training currently in employed by the Malaysian education programme appropriate and is the message really getting across?

Yet it cannot be denied that placing more emphasis on education does appear to make students more conscious of the importance of ethical issues. Thus, it would appear that those in charge of training the future minds of the country still have a long way to go in the area of ethics education. Not only would more emphasis in the area appear appropriate but also more research to ascertain if the type of ethics education is being provided is effective.

The findings of this study also revealed the sad situation students on today's campuses for which they are often ill prepared by experience or individual development with regards to ethics. With the emphasis of today's issues on materialism, terrorism, patriotism, personal fulfillment, economic responsibility; today's students are having their hands full. But they've yet to be given the ethical frameworks through which to address these questions (Kidder, 2003). The reason why today's students face greater temptations is because the elder generations failed to emphasize that ethics matters and that they will need responsibility and fairness to survive in a complicated world.

### **5.3 RECOMMENDATIONS**

This paper has outlined the following recommendations in improving ethical awareness, ethical perceptions and hence, the ethical climate of the University. Both University and faculty have to seriously play the role in promoting ethics, code of ethics is just inadequate.

In the faculty level, there should be more effective monitoring of faculty conduct and appropriate strategies for personal and professional development. A disciplinary committee should be established. In addition, the faculty should set a good example (role model) to students in relation to ethical values and practice. And most importantly, there must be frequent reinforcement including punishment.

On the other hand, the University should develop and communicate ethical values through ethics seminar, training, and colloquium. University should also focus on the quality of personnel and professional development programs for both students and faculty. University administrators should set a good example or role modeling to faculty members and students as a whole. The curriculum should emphasize in integrating ethics in all subjects taught. Code of ethics has to be made more aware to all University members. Vague areas in the code must be made clearer so that it does not only serve as a general guidelines but also a specific reference when ethical concerns arise.



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