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# An Evaluation of Collegians' Ethics and the Implications of This Evaluation for Personnel Selection by Business Firms

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AN EVALUATION OF COLLEGIANS' ETHICS  
AND THE IMPLICATIONS OF THIS  
EVALUATION FOR PERSONNEL SELECTION  
BY BUSINESS FIRMS

by

John P. McHale

A THESIS

Submitted to the Institute of Industrial  
Relations of Loyola University of Chicago  
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Rome, Italy  
July, 1970

John P. McHale

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## CHAPTER I

### STUDENT ATTITUDES AND THE IMAGE OF BUSINESS

#### Introduction

In recent years there has been increasing discussion of a problem which is disturbing to the American business community: the rejection, by large numbers of college graduates, of business as a career. While various reasons and solutions have been offered by individual executives and corporations, it is apparent in 1970 that youth is continuing to attack the institution of business. What are the grounds for this attack? It is the thesis of this paper that many students are repelled by what they believe to be the ethical stance of business.

Are students, however, any more ethical than businessmen? Are businessmen as unethical as students think? If so, the collegians have grounds for their rejection of business. Even if they merely believe they are more ethical, their perception of business and their career decisions will be colored by this belief. It is the purpose of this thesis, first, to discover by questionnaire whether a double ethical standard does in fact exist in the minds of most students, and secondly, to determine how companies should structure their recruiting practices, making students aware of their ethical principles and policies, in order to attract bright, honest, aware young graduates.

## Review of the Literature

### The Statistics

Much has been written regarding the strong anti-business bias of the typical college student; a number of studies present facts and figures which confirm that contemporary students have a negative concept of the business world. On the campuses themselves, enrollment in business schools and colleges is increasing only one-third as quickly as total enrollment.<sup>1</sup> A 1966 survey of college seniors across the nation determined that only 31 percent were even seriously considering a career in business; only 12 percent listed it as their first choice.<sup>2</sup> By contrast, a study by the Yale Development Board covering almost two thousand graduates of the classes of 1958 and 1959 showed that 53 percent were in business and industry.<sup>3</sup>

Numerous surveys show decreasing numbers of students contemplating business careers. In 1959, 39 percent of the graduates of Harvard College planned to seek jobs with corporations. By 1965, this figure had plummeted to four percent.<sup>4</sup> Eighty-eight percent of the students polled in a Harvard Business School

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<sup>1</sup>Philip Salisbury, "Editorial", Sales Management, June 4, 1965, p. 76.

<sup>2</sup>"The Disenchanted Campus", Newsweek, May 2, 1966, p. 85.

<sup>3</sup>E.W. Stevens, N.D. Stevens and D.L. Arnold, "What are the Attitudes of Students Toward Occupations?" Journal of College Placement, December, 1966 - January, 1967, p. 27.

<sup>4</sup>Salisbury, op. cit., p. 76.

survey of the same year said that they did not want a career in business.<sup>5</sup> In May, 1969, a Gallup Poll of 1030 students at fifty-five universities indicated that only eight percent expected to be working in a business field by age forty.<sup>6</sup> Twenty-nine percent, the largest proportion, planned to teach. Although increasing numbers of MBA's are being graduated each year, with the rise in the general college population, and although job opportunities have been increasing up to this year, graduates seem reluctant to seize opportunities in the business sphere. In 1963 an estimated 30 percent of students at Northwestern University were undecided regarding a career. A survey taken in 1969 showed an increase in the percentage of undecided to 54 percent.<sup>7</sup> Roger Blough, president of U.S. Steel, has stated:

This matter (of students not entering business) is of serious import because twentieth century business needs the young intellectual today more than it ever needed him before.... The most intense competition business faces for college seniors of today...seems to come from colleges and universities themselves in their recruitment of candidates for their graduate schools. There is evidence to indicate that the higher the degree the less likely an individual is to enter business.<sup>8</sup>

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<sup>5</sup>Rockwell, W. F. "Who's confused, the students or us?" Journal of College Placement, August, 1965, p. 35.

<sup>6</sup>Why Students Act That Way: A Gallup Study. U.S. News and World Report, June 2, 1969, p. 35.

<sup>7</sup>Time Essay, "Courage and Confusion in Choosing a Career", Time, May 30, 1969, p. 42.

<sup>8</sup>Blough, Roger. "Can Business Satisfy the Young Intellectual?" Harvard Business Review, January-February, 1966.



Business leaders must then despair of attracting many graduates of Harvard or of other top-ranking universities to their ranks, if the figures released by the Harvard Office of Graduate and Career Plans accurately portray its students. Surveys show that while 39 percent of the 1960 graduates of four year programs planned a business career, only 14 percent of the class of 1965 planned such a career.<sup>9</sup> Of the 1091 seniors of the class of 1966, only 51 were clearly headed for business careers, and the report of the Office of Graduate and Career Plans made the observation that "the lower a man's academic standing, the more likely he was to choose business as a career."<sup>10</sup> Of the 1140 graduates of the class of 1967, 93 percent planned graduate school sooner or later; 9 percent planned to complete military service immediately; and only 18 percent were going directly into jobs. Of this 18 percent, one-third planned to enter service organizations such as the Peace Corps of Vista: only 15 percent of those taking jobs planned to pursue business careers.<sup>11</sup> These figures are not encouraging to corporate college recruiters, although in schools of less exalted reputation, the percentages

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<sup>9</sup>Baumhart, Raymond, S.J. An Honest Profit. 1968, Holt, Rinehart and Winston, p. 177.

<sup>10</sup>Norton-Taylor, Duncan. "Private World of the Class of '66." Fortune, Vol. 73, February 1966, p. 129.

<sup>11</sup>Epstein, Eugene. "College Graduates: Why So Many are Wary of Business Careers." Management Review, Vol. 57, June 1968, p. 4.

of students going on to graduate school and those taking employment become more equal.<sup>12</sup>

In the February 1968 Survey of Business Opinion and Experience by the National Industrial Conference Board, which surveyed 180 manufacturing executives, it was found that two out of five companies were unable to recruit as many college graduates as they needed.<sup>13</sup> Among those graduates who do opt for a career in business, there is a "disturbingly high turnover"-- over 50 percent during the first two years of employment.<sup>14</sup> There are "embarrassing shortages in critical categories of management talent"<sup>15</sup> and business faces "increasing difficulty in finding college graduates willing to start their careers in difficult line supervisory jobs".<sup>16</sup> According to Frank S. Endicott of Northwestern University, corporate hiring goals increased 53 percent between 1966 and 1967, but corporations succeeded in hiring only two thirds of the graduates hoped for, and only one-half of the

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<sup>12</sup>Epstein, Eugene. "College Graduates: Why So Many Are Wary of Business Careers." Management Review, June 1968, p. 4.

<sup>13</sup>Habbe, Stephen and Brown, James K. "College Graduates and Business." Conference Board Record, Vol. 5, February 1968, p. 48.

<sup>14</sup>Koprowski, E. J. "College Graduates: Which Ones to Look For Where." Management Review, Vol. 56, June 1967, p. 13.

<sup>15</sup>Ibid.

<sup>16</sup>Ibid.

needed engineers. This in spite of a seven to eight percent increase in starting salaries, compared with a usual five percent yearly increase.<sup>17</sup>

Although a 1968 survey by the Society for the Advancement of Management, of 2500 male college students on two hundred campuses, shows figures which do not agree with this trend, it must be noted that two-thirds of those interviewed were business majors, and thus the figures are predictably weighted in favor of a business career. Of all those polled, 55 percent listed business as their first choice of a career.<sup>18</sup> On the freshman level, a 1967 survey of 206,865 freshmen by the American Council on Education indicated that 18.5 percent of the male students polled planned a business career.<sup>19</sup> The College Research Center surveyed 2700, and reported figures which differ drastically from those established in the majority of surveys noted. They concluded that 58 percent were either extremely likely or fairly likely to choose a business career. According to this study,

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<sup>17</sup>"Most Frenzied Year in History: Rush by Business to Sign Up Grads." Business Week, April 8, 1967, p. 54.

<sup>18</sup>"How College Students See Business as a Career and How They View the Role of Business and Government." Advanced Management Journal, Vol. 33, April 1968, p. 4.

<sup>19</sup>Youth Gets the Truth: Informing Students about Private Enterprise." Nation's Business, Vol. 55, March 1967, p. 106.

only nine percent would definitely not go into business.<sup>20</sup>

However, the great majority of findings indicate that today's university students are, to a greater or lesser degree, disenchanted with the business world, and that a majority are rejecting careers in the field, although, according to Gallup's 1967 poll, 30 percent thought they would probably end up working for a corporation. When 450 Antioch College freshmen responded to the question, "What prominent human being who has lived during the twentieth century do you most admire?" they named not a single businessman in the list of 102 persons mentioned.<sup>21</sup> A 1966 Louis Harris survey found that while 23 percent of the general public thought that business leaders were "public-spirited", only nine percent of the college students agreed. Twice as many students as members of the general population felt that business leaders were motivated by "selfish interest" and an even greater percentage considered them "manipulators".<sup>22</sup>

The negative attitude of students toward business is a disturbing one to corporate leaders, for manpower needs are ex-

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<sup>20</sup>"College Recruiting: Four Ways to Combat Student Disenchantment with Business." Business Management, Vol. 31, March 1967, p. 58.

<sup>21</sup>Baumhart, Raymond, S.J., and Fitzpatrick, G. D. "Can Business Attract the Young?" Personnel, Vol. 44, September 1967, p. 31.

<sup>22</sup>"Most Frenzied Year in History." Business Week, April 8, 1967, p. 55.

panding rapidly. The 1966 Manpower Report of the President to the U.S. Congress stated that personnel requirements were expanding much more rapidly in the professional and technical occupations than in any other major occupational field. At the end of 1964, 8.4 million persons were employed in these occupations. By 1975, needs are estimated to be 12.7 million. But three million of those employed in such occupations in 1964 will have died by 1975, and only five million college graduates will have entered these fields between 1964 and 1975. Thus, a shortage of two million is foreseen.<sup>23</sup>

#### The Reasons Behind the Statistics

Student Motivations. What are the motivations which result in these statistics which are so disturbing to the corporate community? Why are university students seemingly rejecting business careers in such great numbers? Current literature indicates that not only are students dissatisfied with the American business world, but that many doubt that the America of their parents' generation has the ability to cope with the countless problems facing the world. They are contemporaries of the atom bomb, the cold war, the population explosion and the racial rev-

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<sup>23</sup>Norton-Taylor, Duncan. "Private World of the Class of '66." Fortune, Vol. 73, February 1966, p. 130.

olution, and they blame the existing establishment for many of the ills which confront them. According to one writer,

In their narrow campus vista they don't see very much about American society to encourage them. Business is only a part, if a large and looming part, of a whole society that badly needs doing over.<sup>24</sup>

According to John S. Morgan, writing in Management Review,

Perhaps more than any preceding generation these young adults do not look at things the same way their elders do. An unprecedented amount of change has occurred during their short lifetimes. Their frames of reference are vastly different. For one thing, their motivation is not primarily economic. More than anything, they want to do challenging and useful work and feel that their contribution counts. Many believe that their best chance to do so lies outside business.<sup>25</sup>

A recurring theme in much writing on the subject of student motivation is the radically new environment in which contemporary youth has been reared. Part of this new environment is widespread affluence, which frees young people of considering salary as the primary factor in career choice. Daniel Yankelovitch, head of a New York social science firm, has analyzed this aspect:

...the broad middle class portion of the spectrum of American youth faces hardships which are not primar-

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<sup>24</sup>Norton-Taylor, Duncan. "Private World of the Class of '66." Fortune, Vol. 73, February 1966, p. 130.

<sup>25</sup>Morgan, John S. "College Graduates: What They Want, What They Have to Offer." Management Review, Vol. 56, June 1967, pp. 4-5.

ily economic. For millions...the economic challenge takes second place to a more intangible dilemma-- how to find one's way through the complex maze of our schools, our cities and our large corporations.<sup>26</sup>

Ellison L. Hazard, president of Continental Can Company, comments on this complicated new environment and its effect on young people:

To the student particularly these changes in pace, in complexity and in impersonality tend to produce anxiety and uncertainty. The individual sees himself in danger of being swallowed up by these massive institutions and overwhelmed by a world he doesn't understand. He wonders about his personal worth and the value of his personal contributions....

The response of many students is to seek areas where computers, machines and organizational complexes have not taken over...where (the student) alone can cope with the environment...(and) where, as a result, he hopes to find the personal fulfillment that, as he sees it, is being denied him...(in) our present-day society.<sup>27</sup>

A powerful motive for students of today, as they contemplate the career offerings before them, is that of assisting in the betterment of mankind. When Fortune Magazine surveyed representative students from nine major universities, it was found that

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<sup>26</sup>Morgan, John S. "College Graduates: What They Want, What They Have to Offer." Management Review, Vol. 56, June 1967, p. 6.

<sup>27</sup>Hazard, Ellison L. "College Graduates: Why They Spurn the Challenges of Business". Management Review, Vol. 56, June 1967, pp. 8-9.

The idea of making a significant contribution to human welfare is a strong motive everywhere....It is...one motive that has taken so many...into the Peace Corps. It also accounts for the considerable turning of backs on business, since students see few opportunities there to serve mankind. They feel that corporations ...have fallen down in their responsibilities to the public welfare....The idea of making money appealed to very few young men and women....there was some questioning as to whether the whole profit motive was to be trusted.<sup>28</sup>

One graduate in honors economics from a respected eastern school told an interviewer, "If I ever go into a corporation, it'll be to make money. If I want to make a contribution, I'll go elsewhere".<sup>29</sup>

Thus, it appears that the lack of economic motivation of the college generation, and their increased social awareness, combined with the increasing remuneration available in fields outside the business sphere, do not bode well for the quotas of corporate college recruiters. According to one survey, the "average" college senior of 1966 reported that he expected that he would be earning only \$13,100 yearly after fifteen years.<sup>30</sup> However, according to a Time Essay, "the yearning for 'meaning-

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<sup>28</sup>Norton-Taylor, Duncan. "Private World of the Class of '66." Fortune, Vol. 73, February 1966, p. 130.

<sup>29</sup>Epstein, Eugene. "College Graduates: Why So Many are Wary of Business Careers." Management Review, Vol. 57, June 1968, p. 6.

<sup>30</sup>"The Disenchanted Campus." Newsweek, May 2, 1966, p. 86.



ful' careers is largely confined to the upper-middle-class white students....In general the children of blue collar workers and Negro students strive to attain the very jobs that many privileged whites disdain".<sup>31</sup>

Although each ensuing generation throughout history has found fault with its elders, the postwar generation which is today attaining adulthood does not appear to be returning to traditional patterns, as have past generations. According to Sherman B. Chickering,

Younger generations in times past seem to have latched onto experiences they called their own...only to find more lasting satisfaction within the prevailing culture. The difference today is that...youth culture is a response to a totally new environment. The postwar generation has grown up in an environment radically different in degree and kind from past environments. Their culture is a...response to the demands of the new environment, which is why they can be at peace with themselves and at war with the world.<sup>32</sup>

Among the elements of this environment, Chickering, under age thirty himself, cites four as being of prime importance: lack of emotional security, for which economic security is substituted; mass communications, which "conspired to make us more sophisticated than could any amount of heritage, tutelage or erudition";

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<sup>31</sup>"Courage and Confusion in Choosing a Career." Time, May 30, 1969, p. 42.

<sup>32</sup>Chickering, Sherman B. "College Students: How They Got the Way They Are." Management Review, June 1968, p. 14.

<sup>33</sup>Ibid., p. 15

an affluent, populous, classless society, in which "we became used to fighting for our classroom, transport or theater seats"<sup>34</sup> and lastly, the Bomb, to which young people "react in at least two observable ways: we have one more reason to live for Today rather than Tomorrow; and the fact that the Bomb exists becomes ...an ultimate proof by which to consider our leaders misguided at best and, at worst, sick".<sup>35</sup> Students thus find fault with modern society as a whole, and with the corporate structure for being part of that society.

The Image of Business. But a large part of the blame for the gulf between students and business must be placed specifically with the business organizations themselves, according to a number of authors, who fault business both for its ethical posture and for its failure to publicize to young people those positive aspects of business life which would appeal to their idealism. Raymond Baumhart and George D. Fitzpatrick state that

...it is unfortunate but true that occasional highly publicized examples of illegal or unethical practices lend support to a popular notion that business "will do anything for a buck".

This suspicion has thrived on business' unwillingness or inability to appeal to the idealism of the young....While stressing economic achievements,

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<sup>34</sup>Chickering, Sherman B. "College Students: How They Got the Way They Are." Management Review, June 1968, p. 16.

<sup>35</sup>Ibid., p. 17.

business has failed to see many of its more inspiring accomplishments. Consider...how 104 business presidents answered the question, "Can you think of anyone who has achieved something in business that you greatly admire? What is it that this person has done that you admire?" Only one-tenth of the presidents identified specific men and their achievements....With the help of novels and movies and some real life business scandals, students conjure up images of powerful, ruthless, profit-hungry men who issue commands from plush executive suites away from the little people who scurry away obeying these commands.<sup>36</sup>

Of course, the practices and activities publicized need not be highly unethical or scandalous to create negative impressions of business. One can imagine that students would not react favorably to the following statement quoted in a widely read news magazine. It reported that, in the face of record interest rates and limited credit, and resulting permanent damage to small business, bank earnings for 1969 were the greatest in history, and the chairman of one large bank, which posted a 22 percent profit increase in 1969, stated that "the only justification for any company in business is to make a profit".<sup>37</sup>

Baumhart and Fitzpatrick cite a 1967 Harris Poll of eight hundred college seniors, in which only 12 percent listed business as their first choice of a career. In student comparisons

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<sup>36</sup>Baumhart and Fitzpatrick, "Can Business Attract the Young?" Personnel, Vol. 44, September 1967, pp. 31-32.

<sup>37</sup>"Bank Profits Boom-- Small Business Pines." Newsweek, January 19, 1970, p. 37.

of the attractions of a business career versus those of other careers, business ran a poor second, as Table One indicates.<sup>38</sup>

TABLE 1

## THE ATTRACTIONS OF BUSINESS AND OTHER CAREERS

<u>Career Attraction</u>	<u>Percentage Expecting It From Business</u>	<u>Percentage Expecting It From Other Careers</u>
Chance to help others	1%	42%
Intellectually stimulating	7	57
Creative	11	39
Challenging	20	51

In a Business Week article on college recruiting, it was stated that "business and engineering majors put pay first. Only 9 percent thought their work should contribute to society, against 28 percent of the other majors".<sup>39</sup>

Richard W. Pollay, writing in Personnel Journal, states that although organizations may fill an individual's financial and intellectual needs, they may be ignoring the satisfaction of the employee's emotional needs. Pollay suggests, in gleaning

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<sup>38</sup>Baumhart and Fitzpatrick, pp. 31-32.

<sup>39</sup>"The Most Frenzied Year in History." Business Week, April 8, 1967, p. 65.

from the literature of organizations and psychology and the statements made by students and recent graduates, that the following may be an individual's prime emotional needs: the desire for identity; the desire for self realization; the desire for recognition; the desire for social significance (to have one's efforts be of value to more than the corporation, to be contributing to the welfare of society); and the desire for moral cleanliness (to engage in activities that do not violate the individual's integrity or force compromise of his values). Pollay believes that business often ignores these needs of its employees, and states that although students have a stereotyped perception of the business world, "it would indeed be surprising if a stereotype, however exaggerated, did not have some basis in fact".<sup>40</sup>

Even among the ranks of business school students, there appears to be doubt about the ethical posture of business. In 1968, the Stanford University School of Business held a four day seminar on ethics for forty top MBA candidates and business executives and "the implication of immorality was a recurring theme...."<sup>41</sup> One student asked, "Can we make a reasonable living

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<sup>40</sup>Pollay, Richard W. "Diagnosis: Organizational Deficiencies Symptom: College Cynicism." Personnel Journal, Vol. 47, August 1968, pp. 573-574.

<sup>41</sup>"Top Students Sell Business Short." Business Week, September 9, 1967, p. 134.

and still satisfy our own sense of reality?" and another stated, "After all, we're not all going into business. We can find satisfying careers in administration outside the corporation".<sup>42</sup>

Peter Drucker, writing in the Harvard Business Review, states that "there is no other major discipline in which practice seems to be so unaffected by its own principles."<sup>43</sup>

It is obvious that business must be made more attractive as a career for this generation of college students. Only by knowing the student's motives and values can the business community hope to alter intelligently the face which it presents to him, and entice him to consider business as his prospective life's work.

Business Ethics. As has been demonstrated, many surveys indicate that an ambivalent attitude toward business exists in the minds of a great many university students. Those students in the liberal arts and related fields, who constitute a majority of collegians, have perhaps the greatest antipathy. The studies and surveys cited approach the problem from varying viewpoints; however, as divergent as they are, they show that there

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<sup>42</sup>"Top Students Sell Business Short." Business Week, September 9, 1967, p. 134.

<sup>43</sup>Drucker, Peter. "Is Business Letting Young People Down?" Harvard Business Review, November-December 1965, p. 49.

exists a problem, and that others have attempted to study and interpret the attitudes of students toward the corporate structure. Although the studies differ widely in focus and results, the similarity of their conclusions underlines the negative view of business which is widely held by today's young people. Among their many criticisms, they fault business for its lack of concern for the welfare of society, and hand-in-hand, for its ethical posture. Many believe that businessmen behave unethically by the very nature of our economic system, which compels them to do so through competitive pressures for profit. Perhaps these altruistic students are offended by the simply stated goal of business, which is to produce a product to fulfill a need in the marketplace for a reasonable profit. By the nature of capitalism, there is no rigidly structured procedure for attainment of these business goals, and thus most decisions are left to the individual businessman governing each economic enterprise. Hence, each decision occurs within a loose, rather fluid farmework, leaving room for both good and bad ethical decisions.

Scores of books and articles have been written on business ethics: among the most definitive is An Honest Profit, by Raymond C. Baumhart, S.J.<sup>44</sup> Father Baumhart investigates the discrepancy between businessmen's behavior and the cynical image of

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<sup>44</sup>Baumhart, Raymond, S.J. An Honest Profit. Holt, Rinehart and Winston, New York, 1968.

business ethics held by many people. He states that "the popular image of businessmen's ethics, especially that held by students, seems prejudiced; it probably gives insufficient weight to the many responsible decisions made by managers".<sup>45</sup>

If students do look down on the ethical decisions of businessmen, then they must think of themselves as more ethical than businessmen. Perhaps they actually do possess higher ethical standards, or perhaps, in their idealism they only think that they do. In Baumhart's words,

With so many collegians admitting that they cheat on examinations for the stated reason of competing for grades, why is it that students have so little empathy with the businessman who acts unethically because of competitive pressure?<sup>46</sup>

Perhaps students regard cheating on examinations as less reprehensible than behaving unethically in economic matters. If students regard cheating on examinations as less reprehensible, how do they judge the ethical gravity of their actions? By posing to students ethical dilemmas similar to those presented to businessmen by Baumhart in the questionnaire which forms the basis of his book, it should be possible to compare the ethical framework of collegians to that of businessmen, and determine whether students really are more ethical and thus justified in censuring businessmen on ethical grounds.

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<sup>45</sup>An Honest Profit, p. 19. Italics mine.

<sup>46</sup>An Honest Profit, p. 214.



This comparison has already been made between businessmen and students of business. Robert M. Fulmer applied Baumhart's questionnaire to 1158 Master of Business Administration candidates from forty-five schools. He concluded that the business students generally reported lower ethical standards than the businessmen; that most were however, socially sensitive and aware of ethical shortcomings in their chosen profession; that they applied less definitive standards and were more tolerant of various unethical practices than businessmen; and that business students predictably had a better image of the institution of business than did the general college population.<sup>47</sup> In his words,

It could be reasoned that only students with a low ethical threshold choose a business career. While it is hoped that this assumption is erroneous, additional research is needed to compare the ethical opinions of business majors with the attitudes of liberal arts majors, student leaders, or some comparable group.<sup>48</sup>

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<sup>47</sup>Fulmer, Robert M. "An Investigation into the Ethical Standards of Graduating MBA's." December, 1967, Florida State University, pp. 21-22.

<sup>48</sup>Ibid.

## CHAPTER II

### THE SURVEY

In order to examine student ethics and student views of business practices, an empirical approach was employed, with data collected by questionnaire from a sample of 373 male university students.

#### Preliminary Questionnaire

The first task was the design and testing of a questionnaire to measure effectively the ethical standards and attitudes toward business of collegians. During the pretesting stage, the questionnaire was scrutinized by Andrew Varga, S.J., Ph.D., professor of ethics at Loyola University of Chicago. Also helpful was Leo V. Ryan, C.S.V., Ph.D., former chairman of the Department of Management of Loyola University.

A pilot questionnaire was administered to a sample group of twenty students at Loyola's Rome Center. The resulting data were evaluated in terms of a number of factors: these included the understanding of business terminology by nonbusiness students; the difference in grasp of business situations by male and female students; the clarity of questions; and finally, the relevance of each question to the aim of the study.

As a result of this evaluation, the questionnaire was mod-

ified. Certain questions were eliminated; others were adjusted. For example, it was found that some business terms and situations were not fully understood by the nonbusiness students who formed the majority of the sample. Therefore situations were simplified and technical terms replaced where possible by synonyms or descriptive phrases. It was also determined that a number of female students misinterpreted questions which employed rather basic business terminology. For this reason, and because the whole problem is more relevant to the hiring of men than of women, it was decided to administer the final questionnaire to male students only. This eliminates from consideration a significant portion of the potential labor force, but it was felt that for the type of problem under study here, an all-male sample would suffice to give an accurate picture of student ethics and views of business. Business is still more concerned with the hiring of men than of women.

Many questions were adapted from the questionnaires which formed the basis of An Honest Profit.<sup>1</sup> Some questions were taken directly from Baumhart's Project Two and Project Three questionnaires; some have been revised as previously stated so as to be better understood by students; others pose collegiate situations parallel to business situations used by Father Baumhart.

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<sup>1</sup>Baumhart, Raymond, S.J. An Honest Profit. New York, Holt, Rinehart and Winston, 1968.

### The Student Sample

The respondents are drawn principally from the student body of the Loyola University Rome Center of Liberal Arts, from the academic years 1968-1969 and 1969-1970. Although the student body of the Rome Center is small, the home universities of the students in attendance number approximately 110. Thus, the geographical distribution is very wide; students attend state, private-religious and private-secular institutions; and because government scholarships are applicable for study at the Center, students of the lower economic strata are in attendance, as well as those more easily able to afford a year of study in Europe.

To expand and racially balance the sample, a number of Teacher Corps and Urban Corps students were included. Many of these students were black; many were from the lower income levels. Although a large number of these graduate students were committed to the teaching profession, a significant proportion were involved in these government programs because of the draft deferment offered. Most were open to the possibility of occupations other than teaching, if presented with the proper alternatives. The business alternative, however, was not the proper one, according to most of this segment of the sample. Some of the most strongly anti-business respondents came from this group. Although not a principle aim of this study, further research into the attitudes of such groups could shed light on recruiting approaches among lower income groups. Given their extremely neg-

ative views of business, one surmises that those who do remain in the teaching profession will instill in their pupils some of their anti-business attitudes.

While the sample does not parallel exactly the U.S. university population, it is more balanced than the samples used in some business studies, as cited in Chapter One. These studies are based on business-oriented students. It is expected that business students would be more sympathetic to the problems faced by business: but corporations seek to draw employees from the wider ranks of college graduates, including liberal arts majors. In order to include the business student viewpoint, a sample of business students was included from Loyola of Chicago, which when combined with the business students attending the Rome Center, comprised twelve percent of the total sample group. While close to half of the sample group is Roman Catholic, it is felt that Catholic students are no more or less ethical than students of other persuasions.

Included in the questionnaire was a section on personal data. Table Two is a summary of statistical data on the student sample.

TABLE 2  
THE STUDENT SAMPLE: STATISTICAL DATA  
(N = 373)

<u>Age</u>		<u>Major Subject (Undergraduate)</u>	
18	1%	History	22%
19	6	Political Science	15
20	26	English	13
21	32	Psychology	12
22	16	Business Related	12
23+	19	Sciences	4
<u>Race</u>		Sociology	4
White	90	Art	4
Black	9	Philosophy	3
Other	1	Education	3
<u>Geographical Distribution</u>		Other	8
Midwest	50	<u>Academic Average</u>	
East	23	A	11
West	17	B	64
South	8	C	25
Non-U.S.A.	2	D	0
<u>Year of University</u>		<u>Father's Occupation</u>	
Freshman	1	Professional	8
Sophomore	5	Executive	36
Junior	52	White Collar	17
Senior	13	Skilled Laborer	10
Graduate	29	Unskilled Laborer	15
<u>Religion</u>		No Answer	14
Protestant	15	<u>Annual Income of Parents</u>	
Catholic	49	(in \$1,000's)	
Jewish	6	Under 5	3
Unaffiliated	25	5 - 10	21
Other	5	10 - 15	25
<u>Type of University Attended</u>		15 - 20	16
Public	24	20 - 30	18
Private Religious	60	30 - 50	9
Private Secular	16	Over 50	8
<u>Course in Ethics</u>		<u>Educational Level of Father</u>	
Yes	42	Some schooling	18
No	58	High School Degree	25
		Some College	21
		Bachelor's Degree	18
		Graduate Level	18

TABLE 2 (Continued)

## THE STUDENT SAMPLE: STATISTICAL DATA

<u>Educational Level of Mother</u>		<u>Number of Siblings</u>	
Some Schooling	13%	0	8%
High School Degree	37	1	24
Some College	27	2	26
Bachelor's Degree	17	3	18
Graduate Level	6	4	11
		5	5
		6+	8
<u>College Education Financed By:</u>		<u>Locale Raised In</u>	
Entirely by Self	21	City	43
Some Parental Help	45	Suburban	44
Entirely by Parents	26	Rural	13
Scholarship	28		
Other	3		

Administration and Tabulation of the Questionnaire

For the Loyola University Rome Center students, the administration of the questionnaire was very simple. All male students were given a copy of the questionnaire in their mailboxes, and were asked to return the completed questionnaires to the author's mailbox. Because of the author's position as Dean of Students at the Center, it was strongly emphasized in a brief cover letter that completion of the questionnaire was entirely voluntary.

Teacher Corps and Urban Corps groups were contacted during the summer of 1969 on a brief trip to Chicago. The author appeared at a weekly meeting of each group. The purpose of the study was explained, and the questionnaires were distributed. They were collected at the following weekly meeting by the sponsoring professors. Care was taken to provide only the in-

formation necessary to the adequate completion of the questionnaire, so as not to prejudice results. The sample of Loyola business students was approached in the same way.

Percentage response was gratifyingly high at the Rome Center, and somewhat lower among the groups surveyed in Chicago. On a total of 758 questionnaires distributed, response was 48 percent.

Because the greater part of the work on the questionnaire and thesis was done in Rome computer time was not available to the author for the tabulation of results, and thus all computations were performed by hand. Many more correlations would have been possible through the use of data processing; however, it is felt that the statistics gathered are sufficient to provide an accurate portrait of the contemporary college student and his view of business.



CHAPTER III  
THE RESULTS OF THE SURVEY

An Overview

The questionnaire consists of twenty-five questions which call for thirty-nine specific answers. There are three broad sections: the first investigates student responses to ethical dilemmas, both abstract and specific, which are relevant to a university situation (questions 1 to 11); the second section studies student opinions of businessmen and business practices (questions 12 to 16); and the third part, concerned with occupational choice, will hopefully shed light on the motivations of students to choose or shun a business career (questions 17 to 25).

Section 1

Question 1 seeks student agreement or disagreement with abstract statements on ethics which are, however, relevant to college situations. The basic ethical situations are parallel to those presented by Baumhart in a business context. For example, Baumhart asked his sample of businessmen to agree or disagree with the following statement:

Competition today is stiffer than ever. As a result, many businessmen find themselves forced to resort to practices which are considered shady, but which appear necessary to survive.<sup>1</sup>

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<sup>1</sup>An Honest Profit, p. 219, question 1(g).

The student questionnaire reads:

Competition for good grades is stiffer than ever. As a result, many students find themselves forced to resort to practices which are considered shady, but which appear necessary to maintain a decent average.

Then, to determine how the student would react himself when faced with a specific situation posing an ethical dilemma, the questionnaire includes certain "ethical test situation" questions. By a forced choice method, the respondents are given specific alternate choices of action to choose from, in order to resolve the ethical dilemma: thus, the ethical frame of reference of each student and his degree of ethical awareness can be determined. Although the seven questions of this type (2 to 5, 7 to 10) are of varying degrees of ethical gravity, they are placed in the questionnaire in random order. They include situations typical of those encountered by students during their university careers.

## Section 2

This section probes for student views of businessmen and business practices, in order to determine how these attitudes are formed. Statements by Baumhart and others are tested for agreement.

## Section 3

The third section, using various types of questions, looks for student motivations in career choice, in order to determine

means by which business might make itself more attractive to college graduates. There is special emphasis on the bright student, who seemingly feels the greatest antipathy toward business.

Whenever relevant, the findings of the Fulmer study of graduate business students are included in the comparisons between student and business ethics and attitudes. Although the statistical findings of the three primary data sources (Baumhart, Fulmer and this study) cannot be directly compared because of the modification of questions in this study, they can be used to compare the attitudinal and ethical frameworks of businessmen, business students and nonbusiness students.

#### Section 1 - The Ethical Framework

The statement, "Sound ethics is good business in the long run", was agreed with by the vast majority both of the businessmen surveyed (98 percent) and the MBA candidates polled (98 percent).<sup>2</sup> The statement was modified only slightly in the student questionnaire, so as to remove it from a business context, and a similar proportion of students agreed with the statement. Ninety-four percent agreed that "sound ethics is good policy in the long run" (Question 1a). Similarly, there was no significant difference in response to question 1c. Whereas 15 percent of the

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<sup>2</sup>An Honest Profit, p. 48, and Fulmer, Robert M., "An Investigation into the Ethical Standards of Graduating MBA's." Appendix, p. 1. Hereafter referred to as Baumhart, and Fulmer.

executives and 15 percent of the business students agreed with the statement, "Whatever is good business is good ethics", nine percent of the students agreed with a similar statement, again removed from a business framework, that "Whatever means achieves good grades is good ethics".

There is considerable difference in agreement between business and nonbusiness students in the next pair of correlative statements. In judging their future colleagues, 40 percent of the MBA candidates agreed that "Competition today is stiffer than ever. As a result, many businessmen find themselves forced to resort to practices which are considered shady, but which appear necessary to survive". Liberal arts students seemingly show a lower opinion of their fellow students, as 62 percent agreed with the statement, "Competition for good grades is stiffer than ever. As a result, many students find themselves forced to resort to practices which are considered shady, but which appear necessary to survive" (question 1d).

Question 1b also uncovered differences between those committed to business, and those not thus committed. One-half of Baumhart's executive sample and 42 percent of Fulmer's business majors agreed with a statement made by Rabbi Louis Finkelstein, that "The American business executive tends to ignore the great ethical laws as they apply immediately to his work; he is pre-occupied chiefly with gain".<sup>3</sup> The students surveyed for this

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<sup>3</sup>Baumhart, p. 24.

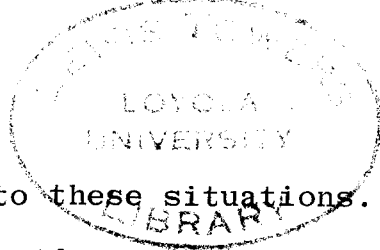
study had a significantly lower opinion of their peers: 70 percent agreed that "The typical college student tends to ignore the great ethical laws as they apply immediately to his studies. He is preoccupied, in academic matters, chiefly with obtaining good grades".

It is difficult to reconcile this opinion with the results of question 1e. Although the majority stated that their fellow students tended to ignore ethical principles in academic matters, a majority, 54 percent, agreed or partially agreed that "The only reasonable means of giving an examination at the university level is by means of the 'honor system'".

#### Ethical Test Situations

Leaving the general statements, the questionnaire proceeds to seven specific "ethical test situations", the purpose of which is to measure the degree of ethical awareness of the student respondents. The situations typify the ethical dilemmas faced by students during their college careers. Although not empirically verifiable, it can be assumed that students will face situations in their future careers which will call for decisions of similar ethical gravity. It is likely that they will respond in a similar manner.

Questions 3, 4, 7 and 9 may be considered typical of ethical dilemmas of lesser import than those presented in questions 5, 8 and 10, as the latter involve a direct form of stealing. Fol-



lowing is a summary of student response to these situations.

Sixty-nine percent indicated they would regularly copy a friend's exercises for an economics class, at least under some circumstances, and turn them in as their own to count toward their grade. Only 31 percent found this practice unacceptable. A similar proportion, 68 percent, would give a professor a false excuse for missing required classes. Sixty-six percent would, at least under some circumstances, turn in as their own the term paper of a friend. Eighty-three percent, however, say that they usually take care to acknowledge ideas which are not their own in footnotes to essays.

In situations involving more serious breaches of ethics, results show greater sensitivity on the part of students. Still, more than half, 54 percent, would purchase, at least under some circumstances, copies of an examination they are taking a week later. On the other hand, only 30 percent would take a copy of the exam if it were inadvertently left on an academic office counter. And in a situation involving money, 67 percent said they would return extra change received as a result of a sales-clerk's error. These statistics indicate that many students would commit minor breaches of ethics on a regular basis; fewer would put themselves into situations where stealing was involved.

#### Ethical Motivation

In Baumhart's survey of businessmen, he found that most respondents "felt that the chief executive had a 'significant' in-

fluence on their outlook", and that Ralph Waldo Emerson's statement, "An institution is the lengthened shadow of one man", holds true according to many.<sup>4</sup> Question 2 of the student questionnaire presents a similar situation, but in an academic context. Fifty percent of the sample said they would give an opinionated professor the answers he wanted to hear in order to ensure a good grade, whether or not they agreed with him. The shadow of the teacher is, for many students, a long one. One can probably assume that, faced with similar circumstances in a job, they would probably submerge their own opinions and agree with those of their superiors. Thus, for half, behavior would be at least partially based on external opinion rather than on inner conviction.

This statement is supported in the response to question six, which probes for student motivation to remain honest in academic endeavors. Fifty-three percent felt that their fellows refrained from cheating for moral or ethical reasons; 47 percent, almost half, felt that the fear of being caught was a more powerful deterrent. This view is difficult to reconcile with the previously expressed faith in the honor system. Response was almost evenly divided between those who thought internal conscience was dominant, and those who believed external control dominated behavior.

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<sup>4</sup>Baumhart, p. 86.

### Definitions of "Ethical"

Question 11 provides an interesting comparison between students' and businessmen's definitions of "ethical". Table Three lists the answers of both Baumhart's sample of executives and the student sample. From a choice of nine definitions or descriptions of the term "ethical", respondents were asked to choose the one which most closely matched their own concept of the term. Students were provided with space to enter a description of their own, but almost all answers given under "other" were variations of one of those listed.

TABLE 3  
THE MEANING OF "ETHICAL"

<u>Description</u>	<u>Businessmen</u> <sup>5</sup>	<u>Students</u>
What my feelings tell me is right	50%	49%
In accord with my religious beliefs	25	7
Conforms to the "Golden Rule"	18	6
Whatever does the most good for the most people	3	8
Customary behavior in our society	3	11
Corresponds to my self-interest	1	3
About the same as what is legal	0	2
Contributes most to personal liberty	0	5
What I want in that particular situation	0	3
Other	-	6

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<sup>5</sup>Baumhart, p. 13.



Although a number of students listed second, third and even fourth choices, finding any single definition too restrictive, the first choices probably indicate most accurately their ethical attitudes. In both groups, about half said that they based their ethical standards on "what my feelings tell me is right". As did Baumhart's group, the students often added comments qualifying their feelings as being based on reason and conscience rather than on emotion. Students appear to have just as subjective a definition of ethics as businessmen. The definitions, "what my feelings tell me is right", "corresponds to my self-interest", and "what I want in a particular situation", account for 51 percent of the business responses, and 55 percent of the collegiate responses. The two groups differ widely, however, in their expressed dependence on religion as the basis of their ethical standards. Forty-three percent of the businessmen said they defined "ethical" either as "in accord with my religious beliefs" or as "conforming to the Golden Rule", which itself has religious origins. Only 13 percent of the students chose either of these responses.

### Section 2: Student Views of Business

In the light of the responses to the preceding questions on student ethics, it is interesting to see how the student sample views business. Questions 12 through 16 attempt to uncover student perceptions of business practices, businessmen, business ethics, and student sympathies with the problems business faces.

It is recognized that students lack sufficient information and experience to make fully accurate judgments on these business matters.

Question 12 consists of a variety of statements which present various business practices, and common opinions of business. Students were asked to indicate their degree of agreement or disagreement with each statement. Question 12a is concerned with competitive pressure, in a business context. Sixty-nine percent, more than two out of three, of the student sample agreed that "In the business world it is difficult to make ethically sound decisions because of the high degree of competitive pressure". This is close to the sixty-two percent who agreed that competition for good grades forced many students to resort to unethical practices. Students, one could conclude, think that competition, both in the university and in industry, spawns unethical behavior.

Question 12b is a paraphrase of a statement by Peter Drucker, quoted by Baumhart, to the effect that "most business executives do not feel compelled to act according to their consciences".<sup>6</sup> More than half of the student respondents, 53 percent, agreed with this appraisal of business behavior. A similarly

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<sup>6</sup>Baumhart, p. 18. See also Drucker, Peter, "Is Business Letting Young People Down?" Harvard Business Review, November-December, 1965, p. 54.

low opinion of business was expressed in the response to question 12c: only 20 percent agreed that "American business has a reputation for high ethical standards". Even fewer, 16 percent, agreed with question 12d, which states that the average student perceives the typical businessman as possessing high integrity.

Question 12 e is a paraphrase of a supposedly popular opinion of businessmen. However, only 37 percent of the students agreed that "the average businessman must have two ethical standards: one for his personal life and another for his professional life". (Compared with an even lower 30 percent agreement by businessmen with a similar statement presented by Baumhart.)<sup>7</sup> The student response does not agree in spirit with the response to the preceding statements: must we therefore conclude that a good number of students have low opinions of the integrity of businessmen in their personal lives as well as in their professional lives?

A further reinforcement of the negative student image of business is found in the response to question 12f. Over half of those queried, 56 percent, agreed that "Most companies seek profit with little regard for the welfare of others". In 1961, over one-quarter of the participants in a student opinion panel at Purdue University agreed that "Most business concerns are out to

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<sup>7</sup>Baumhart, p. 228, question 6a.

make all the money they can, no matter who gets hurt".<sup>8</sup> Student views have become considerably more negative through the sixties; many students apparently perceive business as possessing few or no goals other than to make money.

Since so many students believe business' prime concern to be profit, what type of man do they think is attracted to a business career? Not one who is concerned for the welfare of society, according to more than half the responses to question 12g. Fifty-three percent agreed that "a person who is highly motivated by a social concern for serving others is not likely to be happy pursuing a career in business". Baumhart suggests that part of the reason for student belief that social awareness and a business career are inimical may lie with student counselors and their interpretation of vocational tests, especially at the high school level.

For example, a student who shows an unusual interest in serving others is usually advised not to go into business. The contents of these tests and the interpretations given their results by counselors may be leading students to conclude that businessmen are less interested in socially responsible behavior than are persons in other occupations.<sup>9</sup>

Baumhart adds further however, that

Counselors' evaluations of these tests may be based on replies given to the questions by persons who are successful in various occupations....In this event, businessmen themselves must share the blame for the asocial image conveyed.<sup>10</sup>

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<sup>8</sup>Baumhart, p. 18.

<sup>9</sup>Baumhart, p. 19.

<sup>10</sup>Ibid.

If social and ethical awareness are correlatives, and are antithetical to a business career, then, according to the response to question 12h, many university students are unlikely to choose business. Forty percent thought students were more ethically oriented than businessmen. And although 40 percent agreed with question 12i, that university students merely think of themselves as more ethical than businessmen, surely one's career choice is influenced to a great extent by one's perception of oneself, whether that image is correct or false.

Two-thirds of the student participants apparently think that the business view of them is reciprocal, for 70 percent agreed that "businessmen generally view university students as naive and unknowledgeable of the pressures of business". (Question 12j.)

Question 12k shows results which indicate that negative student views of businessmen are not entirely based on more ethical student attitudes. It is a paraphrase by Baumhart of a statement of Marquis Childs and Douglass Cater. It states:

The first responsibility of a businessman is to keep his business solvent for if his business is bankrupt, it will no longer provide a living for himself and jobs for others. Therefore, it is ethical for a businessman, in times of financial distress or severe competition, to make decisions directly opposed to those which his conscience dictates. Do you agree or disagree?<sup>11</sup>

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<sup>11</sup>Baumhart, p. 59.

When this question was asked of the one hundred participants in Baumhart's Project Three, only eleven agreed. When it was asked of the student group, an almost three times greater proportion, 31 percent, agreed with the statement. Many of the businessmen interviewed felt strongly that insolvency was a lesser evil than unethical behavior.<sup>12</sup> How is it, then, that students, who in the main consider themselves more ethical than businessmen, and who condemn unethical business behavior, are able to condone in much greater numbers action which is clearly stated to be against the conscience. From the response to this, and to the preceding parts of question 12, it seems that students are aware of business pressures and condemn the unethical behavior which may result, although their own ethical basis for condemnation of businessmen may not be solidly grounded.

#### Student Views versus Business Views

Questions 13 through 16 approach student views of business practices on a more concrete level. They present four specific situations: students were asked to judge how the "typical" businessman would react. The four examples are taken directly from An Honest Profit. The answers to 13, 14 and 15 can be compared with those given by Baumhart's business sample,<sup>13</sup> as well as with

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<sup>12</sup>Baumhart, p. 60.

<sup>13</sup>Baumhart, pp. 21-22 and p. 221, questions 3 to 6.

those of Fulmer's graduate business students.<sup>14</sup> Questions 13 and 15 have been modified slightly in wording for easier understanding of the business situations by students.

One-half of Baumhart's respondents were asked to respond as they personally would resolve the situation, and one-half were asked to indicate how they thought the average executive or businessman would respond; nine-tenths of Fulmer's MBA group were asked to respond for themselves, and the remainder as they thought the average MBA candidate would respond. In the general student questionnaire, however, students were asked to respond only as they thought the average businessman would. Both Baumhart and Fulmer establish clearly that the majority of respondents consider themselves more ethical than their peers.<sup>15</sup> The student was not asked to respond according to what he thought he himself would do in the situation, as it was felt that, in general, he would not possess the knowledge or experience to know what he would do in such circumstances. It has been previously established that students consider themselves more ethical than both businessmen and their fellow students.

Table Four reveals the differences among the answers of each of the three groups. The business majors are included to show the difference in attitudes of business and nonbusiness majors.

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<sup>14</sup>Fulmer, Appendix, p. 2, question 3-6, and pp. 6-9.

<sup>15</sup>Baumhart, pp. 20-22, and Fulmer, p. 7a.

TABLE 4

## STUDENT, EXECUTIVE AND MBA RESPONSE TO BUSINESS DILEMMAS

## CASE I

The president of a company in a highly competitive industry learns that a competitor has made an important scientific discovery that will reduce the profits of the president's own company. Would the average company president try to hire one of the competitor's employees who knew the details of the discovery?<sup>16</sup>

	<u>Student Response</u> Average executive would	<u>Executive Response</u> I would		<u>MBA Response</u> I would	
			Average executive would		Average MBA would
Probably hire him	87%	49%	69%	62%	66%
Probably not hire him	13	51	31	38	34

## CASE II

An executive earning \$10,000 a year has been padding his expense account by about \$500 a year.<sup>17</sup>

	<u>Student Response</u> Average business-man thinks	<u>Executive Response</u> I think		<u>MBA Response</u> I think	
			Average business-man thinks		Average MBA thinks
Acceptable if other executives in the company do the same thing	51%	6%	25%	15%	22%
Acceptable if executive's superior knows about it and says nothing	45	12	28	23	31
Unacceptable	17	85	62	70	56



TABLE 4 (Continued)

## CASE III

A company is seeking new advertising ideas to increase sales. The marketing department has presented two programs, each of which would help increase sales. PROGRAM A employs an advertising theme portraying ownership of the product as a symbol of the purchaser's superiority. PROGRAM B uses an advertising theme emphasizing the quality of the product. Which would the average executive choose?<sup>18</sup>

	<u>Student Response</u>	<u>Executive Response</u>		<u>MBA Response</u>	
	Average executive would	I would	Average executive would	I would	Average MBA would
Emphasize product quality	22%	65%	52%	66%	50%
Emphasize purchaser's superiority	63	12	32	11	33
No reason to make a choice here	15	23	16	23	17

<sup>16</sup>Question 13 of student questionnaire; paraphrase of question 3 of Baumhart's Project Two questionnaire; paraphrase of question 3 of Fulmer's questionnaire.

<sup>17</sup>Question 14 of student questionnaire; question 4 of Baumhart's Project Two questionnaire; question 4 of Fulmer's questionnaire. Answers total more than 100 percent as the first two alternatives are not mutually exclusive.

<sup>18</sup>Question 15 of student questionnaire; paraphrase of question 5 of Baumhart's Project Two questionnaire; paraphrase of question 5 of Fulmer's questionnaire.

In comparing student views of businessmen's actions with what businessmen say they would do, one finds vast divergence. Only 13 percent of the student respondents thought the average company president would refrain from hiring away from a competitor, an employee who possessed important company secrets; more than half the business respondents said they would not seek to hire such a man. Just 17 percent of the student sample thought businessmen would find expense account padding unacceptable: a five times greater percentage of businessmen said they found it unacceptable. Almost two-thirds of the students thought the typical company president would choose a marketing program emphasizing purchaser superiority over product quality. Only 12 percent of the business sample said they would choose such a program. Question 16 is identical to question 6 of Baumhart's Project Two questionnaire, but the results of the executive response to this question are not available in An Honest Profit. The student responses to the question are worthy of note however.

Some businessmen give gifts to buyers, managers or other executives with whom they regularly do business. How do you think the average businessman would feel about this?

Only eight percent thought the average businessman would consider this practice unethical. Clearly, there is an image problem here; or the alternative is that the students are correct in their views of business practices, and the businessmen were fooling themselves or the interviewers.

Within business itself, there appears to be a problem of image. As Baumhart points out, and as the percentages listed under "Executive Response" in Table Four indicate, businessmen have a low opinion of their colleagues. In each of the three examples cited, businessmen themselves expressed a lower opinion of their fellows than of themselves. "The differences clearly reflect the view that 'I'm more ethical than he'", according to Father Baumhart,<sup>19</sup> who asks, "Would such distrust of their fellows be true of physicians, lawyers or professors?"<sup>20</sup>

### Section 3 - Career Choice

The final section of the questionnaire deals with the career plans of the student sample and the factors they consider important in a career.

Questions 17 and 18 are related questions. Students were asked to place in order of importance a number of factors characterizing a career, as they thought the average businessman would place them. For comparison, they were then asked to place in order of importance the same factors, as they themselves would place them. Table Five indicates the divergence between student values and what students perceive as businessmen's values.

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<sup>19</sup>Baumhart, p. 20.

<sup>20</sup>Baumhart, pp. 23-24.

TABLE 5  
 SELECTED CAREER FACTORS: THEIR IMPORTANCE TO STUDENTS  
 AND STUDENT VIEWS OF THE IMPORTANCE OF THE SAME FACT-  
 ORS TO BUSINESSMEN

<u>Career Factors</u>	Percentage of stu- dents who thought average businessman would place factor:		Percentage of stu- dents personally placing factor:	
	<u>First</u>	<u>Last</u>	<u>First</u>	<u>Last</u>
Salary and fringe benefits	42%	0%	15%	3%
Opportunity to use talents and training	11	1.5	47	1
Social status of position	6	5.5	1.5	43
Ethical reputation of employer	.5	27	1.5	19
Opportunity for advancement	11	0	7	5
Security	29	2	15	9
Opportunity to serve mankind	.5	64	13	20

A total of 71 percent thought businessmen would place most value on salary, fringe benefits and security; only 30 percent of the students said they would personally put these factors first in choosing a career. On the other end of the scale, a mere one-half percent thought the average businessman would consider the opportunity to serve mankind of prime importance; 64 percent thought he would consider it least important. Somewhat surprisingly, only 13 percent of the students said they considered this factor most important. The factor placed first by most students, almost half, was the opportunity to use talents and training; only 11 percent thought the businessman would place the same factor first. Students do not believe that businessmen consider the ethical reputation of their employers very important; a mere half of a percent placed this factor first. Neither, apparently, do students themselves consider ethical reputation of prime importance. Only one and a half percent placed it first. It appears that student criticism of business for its poor ethical posture is not based on a belief in the primacy of ethical behavior.

Question 19 gave students an opportunity to mention other factors which they considered important elements of their future careers. Many were rephrasings of one or more of the factors listed in the previous questions. Those noted frequently included the following: opportunity for independence, responsibility and creativity; personal contact; work environment, including

co-workers; recognition; self-employment; and geographical considerations.

Students were then asked specifically whether they planned a career in business. Twenty-one percent replied affirmatively; 57 percent said they did not plan such a career; and 22 percent were undecided. It should be remembered that included in the 21 percent choosing business were business undergraduates comprising 12 percent of the respondents. When subsequently asked if there were a possibility of reversing their decision, many stated unconditionally, "no". Some of the reasons given by those who said they might reverse their decisions included the following: "if I could find a business career that would let me serve others"; "if teaching is boring"; "business must show interest in community problems"; "if business were human-oriented". Typical of the answers of those planning a career in business, and foreseeing a possible change in their decision, were these: "if I can find the same challenge elsewhere that I expect from business"; "if I can find another way to reach my financial aspirations". When asked specifically what career they planned to pursue, close to half of those planning careers outside of business said they planned to teach.

From the attitudes toward business expressed by the majority of students polled, and from the small percentage planning careers in business, it is obvious that the business community is

not reaching the academic community. Where do students gather their impressions of business? According to the responses to question 23, the most important source for 28 percent of students is the news media: television, radio, newspapers and magazines. As Baumhart states,

What is news? The unusual, the atypical, the unexpected. Wrongdoing is usually news. One businessman who absconds with \$10,000 gets more news coverage in a single day than 10,000 businessmen who are scrupulously honest all their lives....In short, with the important exception of personal experience, the content of the average person's image of the businessman probably comes from sources that select information according to criteria which are likely to make the businessman appear somewhat unethical."<sup>21</sup>

The largest number, 41 percent, cited family and friends as their prime sources of information about business; summer jobs were listed first by 19 percent. Thus, 60 percent said that either firsthand experience or the experience of people they knew well constituted the greatest source of their impressions of business. Therefore, it must be not only in the area of the news media that the image of business suffers, for it has been established that considerably more than the 28 percent citing the media as first have a negative perception of business.

Predictably, a high percentage responded affirmatively when asked if an ethical corporate image would be a significant factor in attracting college graduates. Eighty-three percent

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<sup>21</sup>Baumhart, p. 18.

answered affirmatively, compared to a similar seventy percent of Baumhart's Project Three subjects who were asked a similar question.<sup>22</sup> However, according to Baumhart, almost all of his respondents agreed that salary, title and economic security were more important factors in job choice.<sup>23</sup>

The final question is based on a recruiting practice of a few New York City law firms, which allow time off with pay to some young attorneys for work in poverty. The program is apparently successful in attracting well-qualified, able, socially aware young graduates. In order to determine whether students thought a similar practice would attract well-qualified socially conscious graduates to business careers, the question was asked of them. The majority, 62 percent, agreed, although a substantial minority made comments that indicated that they thought that "business and welfare don't mix".

#### Evaluation

From the statistical results of the questionnaire, a broad portrait of the typical college student can be painted. First, his ethics. While he finds it easy to respond in an ethical mode to questions involving abstract situations, as the 94 per-

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<sup>22</sup>Baumhart, p. 106.

<sup>23</sup>Ibid.



cent agreement with the statement, "sound ethics is good policy in the long run", indicates, he is more apt to find reasons to hedge when confronted with a more specific situation involving himself, as indicated by the fact that two-thirds responded that they would copy material to be handed in for credit and would also lie to a professor in order to be excused from classes. In situations involving students other than himself, the typical student, like the businessman, is apt to feel that others are less ethical than he: almost half of those responding thought that, for most students, the fear of being caught was a more powerful motive for not cheating than the moral consequences. Seventy percent thought that students were less concerned with the means than with the end of obtaining good grades. A similar percentage agreed that many students resort to "shady" practices in order to maintain good grades; only 40 percent of the respondents in the Fulmer MBA study thought the same of their future colleagues in the business community. In situations involving the business world, which is still further divorced from himself, the student is just as likely to have a negative opinion of others' ethical standards. Thus, there is 69 percent agreement with question 12a, "In the business world it is difficult to make ethically sound decisions because of the high degree of competitive pressure", and throughout question 12 the answers reinforce this negative student view of business. In the specific business situations cited, very negative views of business behavior are also manifested.

But what of the student's own ethics? Are students really more ethical than the businessmen they castigate for low standards and lack of social responsibility? In cases involving stealing in a more or less direct form, the great majority of student condemn the activity. In areas which are less clear cut, however, involving somewhat lesser vices such as plagiarism and lying, a majority would bend the rules to gain their desired goals. Fully half would not demonstrate the courage of their convictions, but would give an authority figure (in the example, a professor) the answers he wanted to hear to gain his favor. While most would not steal an exam, more than half would purchase a stolen copy. Perhaps the rationale here is that there is less chance of being caught in the latter case.

Yet, according to 40 percent of the answers to 12h, students think they are more ethical than businessmen; a similar proportion said that students only thought they were more ethical. In total, the two groups constitute a goodly number who believe either that they are more ethical than businessmen, or that their fellow students think themselves more ethical. Comparing student and business response to "ethical dilemma" situations, however, it appears that students are not in reality any more ethical than businessmen. The mere fact that they think they are, however, means that many do condemn business behavior and may reject careers in the field for this reason.

Secondly, the basis of the student's ethical standards.

He is subjective, according to the response to question 11. One-half of the student respondents said that "ethical" meant to them what their feelings told them was right, as did one-half of Baumhart's business respondents. The student is less likely to base his ethics on traditional standards, however, as only 13 percent of the students chose descriptions of a religious nature, compared with 43 percent of the business respondents. According to a nine year study at Michigan State University by Irwin Lehmann and Walker Hill, these responses are typical of contemporary college students. In comparing the students of 1958 with those of 1967, Lehmann and Hill found that "the 1958 group placed greater value on hard work, traditional morality and respect for authority". The 1967 group are described as "emergent".

They tend to question concepts regarded as absolutes by their elders, and hold a more relativistic set of values....Where the 1958 freshmen did things more because they wanted to, today's group responds more to peer-group and social pressure....most student cited peer pressure as an acceptable reason for breaking a rule. More than one-half thought themselves mature enough to judge when a rule was inappropriate; almost one-third would break a rule "for the hell of it"; if they saw a student cheating on a test, very few would be disturbed enough to mention it. Even fewer would include the name of the guilty party.<sup>24</sup>

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<sup>24</sup>Freshman Attitudes and Values". School and Society, April 1969, p. 199.

In line with the findings of this paper that student ethics are less traditionally based than in the past, Lehmann and Hill note that the percentage of students listing no religion or one other than the three traditional faiths increased in the nine year period.

Thirdly, the student's hopes and aspirations for his future career. Fifty-seven percent do not plan a business career; 21 percent plan to enter business; and 22 percent are undecided. Teaching was mentioned by almost half of those planning careers outside of business. If those who teach instill in their students their negative impressions of business, they will help to bring forth another generation of anti-business students. Only 15 percent placed financial remuneration first in their list of career goals, as shown in Table Five: close to half placed opportunity to use talents and training first.

Fourthly, the student's social awareness. Closely tied to one's ethical makeup is one's sense of social responsibility and concern for the common good. The questions probing student social awareness, like those on student ethics, provoked answers which are not entirely consistent. Fifty-two percent agreed that "a person who is motivated by a social concern for serving others is not likely to be happy pursuing a career in business". The news media give wide coverage to the social awareness of today's college generation: the youth of 1970 are more active in a great

variety of causes than were those of even five years past. Yet, only 13 percent placed the opportunity to serve mankind first in their list of career factors. It should be noted that students thought only half of one percent of businessmen would place this factor first. The explanation for the low percentage of students placing the factor first may lie in the fact that they plan to remain socially active in areas outside their jobs. Supporting this explanation is the 56 percent agreement with question 25, supporting the practice of some law firms in allowing their young lawyers time off for welfare work.

Fifthly, the student's view of business. Exactly how does the typical student view business? In a word, negatively. While students themselves do not manifest especially strong ethical standards in their own activities, they view businessmen and the business world with distrust. Questions 13 through 16 indicate the divergence between student views of business activities and the actual behavior of businessmen, as reported by Baumhart. According to Baumhart, and to this study, both businessmen and student are willing to bend, if not break, their standards in order to achieve a desired end. Students seemingly do not believe, however, that businessmen have any high standards to break.

Eighty-seven percent, for example, thought that the average company president, in order to remain in a favorable competitive position, would seek to hire away from a competitor an employee who possessed important secrets. Only 48 percent of those polled

by Baumhart, still a substantial proportion, said they would seek to hire such a man. Similarly, almost 70 percent of the students thought that competition made ethical decisions difficult. Both in an academic and in a business context, competition is considered to be a major culprit in inducing decisions which are contrary to the conscience. While this is probably true, it is also probable that student views of the dangers of competition are exaggerated. More than half agreed that businessmen do not feel compelled to follow their consciences, and that most companies seek profit at others' expense.

Even if one allows for some self-deception by businessmen in responding to Father Baumhart's questions, the divergence between the 17 percent of students who thought businessmen would find expense account padding unacceptable and the 85 percent of businessmen who said they did find it unacceptable, is too great to be ignored. The divergence was similarly wide in the case of use of advertising to appeal to purchaser superiority.

The bright student. The bright student, whom business would most like to attract, appears to have an even more negative view of the American corporate community than the average student. Four questions were chosen from the questionnaire, and the responses of the "A" students and the "C" students compared. Table Six is a comparison of the responses. The "A" students accounted for 11 percent of the total sample, and the "C" students, for 25 percent.

TABLE 6  
THE RESPONSE OF BRIGHT AND AVERAGE  
STUDENTS TO FOUR SELECTED QUESTIONS

7. You have a term paper due for an English course in one week. You have not yet begun to write it. You have been offered the use of an essay written by a friend who took the same course two years ago at another university. Would you accept your friend's offer?

	<u>"A" Students</u>	<u>"C" Students</u>
Yes	12%	40%
No	45	25
It would depend on the circumstances	43	35

- 12a. In the business world, it is difficult to make ethically sound decisions because of the high degree of competitive pressure.

	<u>"A" Students</u>	<u>"C" Students</u>
Agree	85	70
Disagree	12	23
Neutral	3	7

- 12g. A person who is highly motivated by a social concern for serving others is not likely to be happy pursuing a career in business.

	<u>"A" Students</u>	<u>"C" Students</u>
Agree	70	52
Disagree	27	26
Neutral	3	22

20. Do you plan a career in business?

	<u>"A" Students</u>	<u>"C" Students</u>
Yes	10	40
No	77	33
Undecided	13	27

The results of the comparison lend further credence to the widely held belief that the brightest students are the least likely to choose business careers. Only ten percent of the "A" group said they planned business careers, compared with forty percent of the "C" group. The other two questions concerning business show less divergent answers, but still, 85 percent of the A students, compared with 70 percent of the C group, agreed that competitive pressure caused unethical business decisions; and seventy percent of the brighter ones, compared with 52 percent of the average students, said that one who is socially concerned is not likely to be happy in business.

On student ethics, a striking difference in replies was seen. While only 12 percent of the A students would turn in as their own the term paper of a friend, forty percent of the C students would do so. This difference might be explained in part, however, by the fact that a brighter student would feel less need to cheat academically than would the less able student. Again, competition may be encouraging unethical behavior.

Whether bright or average, many students are shunning business careers, according to many surveys, including this one. The indications are not that students are any more ethical than businessmen; however, the mere fact that they believe they have higher standards of ethical conduct and social responsibility means that their career choices will be influenced by this belief. For, although the students ranked the ethical reputation



of the employer last among the job factors which would determine their selection of a career, 83 percent said they thought a reputation for high standards would help to attract college graduates. An explanation of this divergence may be that students, like others, realize that while ethical reputation is important, it cannot be placed at the top of a hierarchy of job factors which includes other more pragmatic factors.

Certainly throughout history it has been a trait of young people to possess a higher sense of idealism than their elders; the contemporary American college generation is no exception. As the statistical results show, they judge severely the world of their parents, including the corporate structure and even its capitalistic base. In order to persuade collegians that industry has a role to play as an example of ethical conduct and social responsiveness, the business world will have to alter its image. If merely a change in image is not enough, more basic changes will be necessary. Otherwise, business will find great difficulty in attracting these idealistic, socially aware young people to its ranks.

## CHAPTER IV

### THE APPLICATION OF THE RESULTS TO RECRUITING PRACTICES

#### Are Students More Ethical?

From the data summarized and evaluated in Chapter Three, it appears that students apply differing ethical standards to their own actions and to the actions of businessmen. While the actions of both groups are probably motivated by a similar desire for success, evidence indicates that students tend to justify their own actions while strongly disapproving of the same behavior in the business sphere. The data do not indicate that students are more ethically oriented than businessmen; in fact, the survey shows that they are perhaps less ethical.

Importantly, however, there is strong indication that students regard themselves as possessing higher ethical standards than businessmen, although this view may not be supportable in fact. Although the majority of students agree that they would be attracted toward a firm having a solid reputation for high standards, they de-emphasize this factor when ranking it with other important, but more pragmatic job considerations such as opportunity to use talents and training, remuneration, opportunity for advancement and the like.

#### Ethics and Social Responsibility

While the ethical reputation of an employer is not a prime job consideration for many students, the data indicate that

a firm's reputation for active response to social issues is an important consideration for many. Senator Warren G. Magnuson, with Jean Carper, has written The Dark Side of the Marketplace,<sup>1</sup> which is, in the words of one reviewer, "a chilling exposure of the extent to which millions of unsuspecting Americans are endangered-- often maimed or killed-- by those who profit through a lack of laws protecting the health and safety of the individual".<sup>2</sup> Magnuson cites numerous examples of this: the 300,000 wringer washers sold in 1966 without an automatic wringer release device costing two dollars; dryers without automatic shut-off devices; glass doors not made of safety glass, which injure thousands of people; 100,000 injured operating unsafe power mowers. In such cases, the ethical and social responsibilities of the corporation are clearly linked.

In other areas, business social responsibility is a more highly publicized issue. In the hiring of minority groups, in the area of defense contracts, and in the question of damage to the environment, business responsibility is loudly debated. Students are aware of these issues, and want to be a part of the positive steps taken to alleviate these social injustices.

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<sup>1</sup>Magnuson, Senator Warren G. and Carper, Jean. The Dark Side of the Marketplace, Englewood Cliffs, Prentice-Hall, 1968.

<sup>2</sup>Marshall, Sam. "The Dark Side of the Marketplace". AFL-CIO American Federationist, July 1968, p. 13.

Baumhart and Fitzpatrick suggest that, in order to attract students, business must improve its image on campus, for it has "failed to convince the young that...business offers opportunities for serving others".<sup>3</sup> Business Week suggests that business is either unwilling or unable to appeal to the idealism of the young: "Many businessmen are idealistic, yet they have almost a compulsion to foster an image of hard headedness and profit consciousness".<sup>4</sup> Baumhart and Fitzpatrick ask, "...how can a business career be attractive to today's socially conscious youth as long as business refuses to... concede that profits are not the sole arbiter of corporate decisions? Regrettably, business has failed to prove that it acknowledges other responsibilities and other goals".<sup>5</sup>

Modification of Recruiting Policies to Take  
Student Attitudes into Account

In order to show students that business recognizes goals other than profit increase, not only changes in image, but changes in policy, both in recruiting and in broader areas, must be effected by the corporate community.

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<sup>3</sup>Baumhart, Raymond, S.J., and Fitzpatrick, G. D., S.J., "Can Business Attract the Young?" Personnel, Vol. 44, September 1967, p. 31.

<sup>4</sup>"Top Students Sell Business Short." Business Week, September 9, 1967, pp. 134-136.

<sup>5</sup>Baumhart and Fitzpatrick, op. cit., p. 33.

### Modification of Existing Programs

The traditional recruitment policy of most firms has been to create a personnel department, one of whose functions is to seek out worthy graduates to be employed within the various sectors of the organization. This facet of the organization has traditionally been successful in supplying the necessary manpower for management. However, in recent years personnel departments have been less successful in filling their manpower quotas.

Corporate managers should not let the many successful examples of recruiting by social, government and educational agencies escape their attention. Many of these agencies offer qualities to the collegian which are unavailable in the corporate sector. Most students view corporate work as dull, conforming and lacking challenge. Firms want to recruit the most creative and imaginative people, but at the same time, students believe, they attempt to fit them into a tight organizational mold. Students believe that the stereotyped "organization man" is a reality. Business must show young graduates that there is room for new and different ideas, that nonconformity is welcome, that employees of corporations can make worthwhile contributions to greater causes than the goal of increased profits.

Business should make students more aware of surveys such as that undertaken by the General Electric Company in 1966, surveying employees recruited ten years previously:

The individuals who, in 1956 were found to tend toward conformity have not made nearly the progress the "rebels" have. But today's young adults are unaware of this phenomenon and...industry must do a better job of getting this story across....Industry is in for some serious trouble if the young adults continue to equate industry solely with the production of profits and to credit government, education and other career paths with the generation of social improvements.<sup>6</sup>

### Recruitment as a Total Effort

Recruiting of new talent is the life blood of a firm, for if this function is not effective, the total operation of the company is impaired. Effective recruiting must be a function of more than just the personnel department. It must be a total effort by every division of the company. The total endeavor may be coordinated by the personnel department, but in the long run, all departments should work toward the creation of an organization appealing intellectually, morally, ethically, emotionally, socially and economically to the potential employee. The following points are specific suggestions for the implementation of this policy.

Coordination of the Departments of Public Relations, Personnel and Advertising. The purpose of closer liaison among these departments is to utilize the special strengths of each, not only to sell products, but also to sell the company, the industry and the economic system. Stephen Habbe and James K. Brown suggest programs which the three departments in conjunction could under-

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<sup>6</sup>Morgan, John S. College Graduates: What They Want, What They Have to Offer." Management Review, June 1967, p. 10.

take to attract college graduates. These include: "sponsorship of quality television programs, attempts to promote exchanges of views between business and the academic community, devotion to product excellence, and leadership in public service".<sup>7</sup>

Coordination of Efforts Among Companies. The anti-business attitudes of students come from such a wide variety of sources that individual companies can do little to counter all of the sources of information which reinforce these negative views. However, trade associations, chambers of commerce, inter- and intra-industry associations such as the American Management Association and the National Association of Manufacturers, could cooperate to coordinate their activities to reach college students. However, a superficial public relations campaign will not eradicate the deeply ingrained views of the student. Students are not tradition-bound; business gives them the impression it is. Students are open to new ideas; they think that business is rigid and unwilling to change. Students are interested in the problems of society; they think that business is interested solely in profits. Business, in order to show students that these impressions are false, must coordinate its efforts both within the individual companies and throughout the business community.

Emphasis on Job Content Rather than On Salaries. The student questionnaire clearly indicates that students value the op-

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<sup>7</sup>Habbe, Stephen, and Brown, J. K. "College Graduates and Business." Conference Board Record, Vol. 5, February 1968, p. 48.

portunity to use their talents and training more than any other job consideration. The salary offering outside of business are now competitive with those offered in business. A revision of job content could probably attract as many graduates to industry as could increased salaries. Harvard's James T. Hill charges:

Business does not recognize the ability of young men. Early in a businessman's career, he becomes engulfed in a corporate bureaucracy which seems to place more importance on seniority than ability. Advancement is seen as a matter of participating in a complex game of interorganizational politics. Even behavior is governed by a necessary chain of command which ensures organizational efficiency by sacrificing individual creativity and independent action.<sup>8</sup>

A Bell System study found, however, that "a student's values are related to his major course of study. Those concentrating in the humanities and social studies place money after challenging, meaningful work and an enjoyable job".<sup>9</sup> H. G. Taylor, Coordinator of Professional Recruitment for Humble Oil and Refining, suggests that work content is vitally important to college graduates:

The most convincing messages about the business world come to the student from the recent classmate who is now employed by business. The grapevine back to the campus is a vital and busy one. It can be devastating if a company 1) assigns its college-graduate recruits to work that is unimportant, routine and lacking in challenge; 2) puts graduates into long, slow-paced training programs that are less demanding than

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<sup>8</sup>"College versus Business: an Open Debate." Business Management, March 1967, p. 60

<sup>9</sup>"Most Frenzied Year in History." Business Week, April 8, 1967, p. 55.



the work they have been doing in the classroom; 3) paints an inaccurate picture, at the time of recruitment, of the work the new employee will be doing. The disillusionment is most destructive when it travels via the normal contacts between professor and former student.<sup>10</sup>

According to Nation's Business, "a complaint some college students have is that after years of education, they move into the corporate arena only to become bogged down in a two or three year training program and no defined job".<sup>11</sup> Students are aware that they may have to spend years before being given challenging assignments. As Thomas Fehn, one of the students in the widely publicized Motorola-Student Dialogue, told management,

"...when I asked (business recruiters) what I would be doing in their "Executive Training Programs", where I could hope to advance, what were the trends in corporate thinking, in which direction was the motion, they wanted to tell me something else, they wanted to tell me about vacation schedules, my company insurance, my retirement plan....as a college senior I couldn't have cared less about my company insurance, my vacation schedule, my retirement plan. I was going to work, I was going to do a job. I might even have had dreams about setting some place on fire with new ideas.<sup>12</sup>

As shown by the results of the student questionnaire, the brightest students appear to be shunning business careers in the

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<sup>10</sup>Taylor, Harry G. "Campus Image of Business." Dun's Review and Modern Industry, Vol. 88, November 1966, pp. 21-22.

<sup>11</sup>"Youth Gets the Truth: Informing Students About Private Enterprise." Nation's Business, Vol. 55, March 1967, p. 106.

<sup>12</sup>Habbe, Stephen. "Business and the College Student." The Conference Board Record, September 1967, p. 24.

greatest numbers. This finding supports those of other writers. Eugene Epstein, for example, states that while

...overt antibusiness feeling is not rampant and exists only among a small minority of the students...that minority is growing larger and more influential, and it comprises the best educated and most affluent of our young people. It's more than possible that ten years from now, or even five, leaders of American industry-- searching their lower echelons for middle managers of high potential-- may have to ask, "Where have all the good ones gone?"<sup>13</sup>

In 1968, the National Industrial Conference Board concluded that

...it is still far from clear that there is a real and solid antibusiness bias on the part of large numbers ...but if it becomes a pattern for the brightest, most creative and most dynamic students to turn automatically and permanently away from business careers, those of us in business have a real problem on our hands.<sup>14</sup>

In order to attract these bright students, emphasis on challenging and meaningful job content, even for the newest recruits, is imperative.

Industry Codes. Another means of demonstrating to students and to the general public that a company believes in high standards of business behavior, is through company support of ethical codes. As Baumhart states, "A written code seems desirable, not because it can change men internally, but because it can make it easier for good men to conform their external behavior to their

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<sup>13</sup>Epstein, Eugene. "College Graduates: Why So Many Are Wary of Business Careers." Management Review, Vol. 57, June 1968, p.3.

<sup>14</sup>Beizer, James. "Anti-Business Bias Grows on Campus." Iron Age, January 25, 1968, p. 65.

internal ideals".<sup>15</sup> Through company support of industry codes, the public would know which sectors of industry are on record as supporting objective rules of ethical conduct. The majority of Baumhart's 1500 respondents to one survey supported such codes. As he says, "Such codes would be useful in strengthening the weak, identifying wrongdoers, educating the young, and keeping competition within reasonable limits".<sup>16</sup> He further states that, although codes are difficult to draw up and extremely difficult to enforce, "to despair of drafting meaningful codes is also to despair of convincing the young that business is socially sensitive".<sup>17</sup>

### Structural Changes

The changes delineated may not be sufficient to attract the high quality graduates which business would like to bring into its ranks. Some observers of the business scene see the need for structural changes as well. One of the more vocal of these is William C. Stolk, former chief executive officer of American Can Company. Writing in America, he states that "business has a duty to clean up the mess it has itself helped to create (air and water pollution for example) as well as the problems of urban development, civil rights and education...." In order to accomplish

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<sup>15</sup>Baumhart, Raymond C., S.J. and Fitzpatrick, G. D., S.J. "Can Business Attract the Young?" Personnel, September-October, 1967, p. 35.

<sup>16</sup>Ibid., p. 36.

<sup>17</sup>Ibid., p. 36

these goals, Mr. Stolk suggests a revision of corporate structures to reflect the changing concept of business and to plan for reconciling the costs of social programs with competitive factors in the market place. Specifically, he suggests the creation of the office of Executive Vice President for Public Business, which would be responsible for social programs.<sup>18</sup>

Mr. Stolk's suggestions were made in 1968. In the two years since then, college criticism of big business has become even more intense. Other than the issue of the war in Viet Nam, the pollution issue has united students more than any other cause. Large industrial firms have contributed a large share of the pollutants to the environment: they are vulnerable to public criticism, and new pressure tactics are being devised to force corporations to consider the environmental as well as the social impact of their products. The sponsors of one such campaign have also suggested company structural changes, at the May 1970 general meeting of General Motors.

At issue were two precedent-setting resolutions proposed by "Campaign G.M.", an organization started by four young Washington lawyers inspired by some of (Ralph) Nader's efforts. One of the proposals would have added three "public representatives" to the Corporation's 23-man board....The second would have created a Shareholder's Committee for Corporate Responsibility, authorized to spend one year investigating and increasing the company's contributions to the "social welfare of the nation"-- such as its efforts to pro-

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<sup>18</sup>Stolk, William. "Not by Profits Alone." America, October 19, 1968, p. 343.

duce safer and nonpolluting cars. The critics argued that G.M.'s management should respond to a wider constituency-- not only shareholders and suppliers, dealers, employees, and customers, but everyone who breathes the air that cars pollute.

As expected, the proposals went down to overwhelming defeat, winning less than three percent of the vote ....the outcome reflected the entrenched power of management....19

Although such efforts have shown little success as yet, they indicate that many citizens are serious in their desire for companies to be more socially responsive. Corporations have grown so large, and the interconnections of the nation's economic enterprises so complex, that they affect every facet of life-- economic and otherwise. The Rockefeller Foundation, in an open letter to General Motors which accompanied its signed proxies, made, among others, the following statements:

The trustees of the Rockefeller Foundation believe with the organizers of Campaign G.M. that the corporations of America must assert an unprecedented order of leadership in helping to solve the social problems of our time. We realize that for corporations to exercise this leadership they must continue to prosper and grow and to be profitable investments for their stockholders. But to stop there is to stop short of the moral and civic response required of the leaders of industry by the present crisis in our social order. There are battles to be waged against racism, poverty, pollution and urban blight, which the Government alone cannot win; they can be won only if the status and power of American corporate industry are fully and effectively committed to the struggle. What is needed from business today is leadership which is courageous, wise and compassionate, which is enlightened in its own and the public's interest, and which greets change with an open mind.20

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19 "Toward a Wider Constituency." Time, June 1, 1970, p. 58.

20 "A Cry for Courage and Compassion", Ibid., p. 59.

In conclusion, the statement of Ellison Hazard, President of Continental Can, to the students of San Jose State College, summarizes well the feeling of an enlightened businessman:

The need is clear. We must show our young people that our scientific and technological progress is uplifting and freeing man...that there is opportunity for personal fulfillment in our modern, complex business organizations; that large organizations can do more for their fellow man through directing the work of an organization than through token, solitary effort.

Businessmen must do a better job of articulating the excitement and the attractions of a business career. They must also recognize many of the attitudes of today's young people that distress us demonstrate exactly the kind of qualities we are looking for in future managers.

In addition to being bright and perceptive, today's students are concerned with the welfare of people. They are socially minded, individualistic, intent on developing the creativeness, anxious to try new things, restless and dissatisfied with the old way of doing things. All of these traits, when tempered with good judgment, are desirable-- yes, indispensable-- in the makeup of the modern manager.<sup>21</sup>

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<sup>21</sup>Hazard, Ellison L. "College Graduates: Why They Spurn the Challenges of Business." Management Review, Vol. 56, June 1967, p. 9.

## CHAPTER V

### SUMMARY AND CONCLUSIONS

Much of the current literature on recruitment is concerned with the growing antipathy of collegians toward business. A survey of the literature indicates that university students, particularly the brighter ones, are shunning business careers. The thesis of this study is that some students, especially the brighter ones, are avoiding business because of its lack of ethical behavior; firms have experienced difficulty recruiting college graduates for this reason.

#### The Questionnaire

A questionnaire, designed to determine 1) the ethical standards and attitudes of collegians toward business; 2) student views of businessmen and business practices; and 3) student motivations in career choice, was administered to 373 university students. Another purpose of the questionnaire was to determine means by which business might make itself more attractive to college graduates.

The results of the questionnaire indicate:

Ethical Framework. Students appear to be more ethical in abstract situations; conversely, as the situation becomes more concrete and they become directly involved, they tend to bend or break their principles. However, as the situation becomes more serious ethically, the vast majority of students draw the line and do not sacrifice their ethical principles.

Business Ethics versus Student Ethics. Students tend to believe either that they are more ethical than businessmen, or that other students think they are more ethical. However, responses show that students are not in reality more ethical than businessmen; indeed, in some cases they are less ethical. The basis for student ethical standards is, in the main, subjective; students are less likely than businessmen to base their ethics on traditional standards such as religion.

Career Choice. Most of the students in the sample do not plan a business career; many plan to teach. They are not highly concerned with financial remuneration, and place opportunity to use talents and training first in a hierarchy of career factors.

Social Awareness. Closely tied to the student's ethical makeup is his sense of social responsibility and concern for the common good. He does not believe that business is significantly socially responsible.

Student Views of Business. Students view businessmen and the business life with distrust, competition being seen as a major factor in inducing decisions contrary to the conscience.

The Bright Student. The superior student, whom business would like most to recruit, has an even more negative view of the American corporate community than the average student. The results of a comparison between bright and average students lend further credence to the widely held belief that the brightest students are the least likely to choose business careers.



The Link Between Ethics and Social Responsibility. The data indicate that a firm's reputation for active response to social issues is an important consideration for many students. Recruiting policies, as well as company policies, should be modified to take this factor into account. Social, government and educational agencies offer qualities to the collegian which are unavailable in the corporate sector. Business must show young graduates that there is room for new and different ideas, that non-conformity is at least accepted if not welcomed, that employees of corporations can make worthwhile contributions to greater causes than increased profits.

#### Recruitment as a Total Effort

Effective recruiting must be a function of more than just the personnel department. It must be a total effort by every division of the company. A company's appeal must be broad, and attract potential employees intellectually, ethically, emotionally, socially and economically. Specifically, closer liaison is suggested between the departments of public relations, personnel and advertising, which would work toward informing students and the general public not only of the company's products, but also of the company itself, the industry, and our economic system. Industry-wide appeals should be carried out by trade associations and other inter-industry organizations. Industry codes should be written and followed to demonstrate to students and the general public that companies believe in high standards of

behavior.

### Structural Changes.

In order to accommodate some of the more substantial changes suggested, a revision of the organization chart is in order. A specific suggestion is the creation of the office of Executive Vice President for Public Business, which would be responsible for social programs. In addition, public representatives to corporate board are also suggested as a means of safeguarding the public interest in corporate decisions.

### Suggestions for Further Research

In the course of this research study, other aspects of student attitudes toward ethics and recruitment became evident. The following topics merit further consideration.

1) For the purpose of balancing the student sample, a number of Teacher Corps and Urban Corps students were included. Many of these students were black; many were from lower income groups. Some of the most strongly anti-business respondents were of this group. Further research into the attitudes of such groups could shed further light on recruiting approaches among all lower income groups.

2) This research paper was begun during an economic boom period; in the course of its writing, however, the American economy has faltered, and the possibility of recession looms. During recession periods the job market shrinks for graduates as well

as others, and the potential employee's job selectivity is lessened considerably. One wonders about the effect such a period has on the attitudes of graduates seeking jobs.

3) It was necessary to delete women from the student sample because of their lack of knowledge of the business world and business terminology. An interesting investigation would be to determine what effect one course in economics or other business-related subject has on student knowledge of business, and consequently, anti-business attitudes.

\* \*

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## APPENDIX

## QUESTIONNAIRE, WITH PERCENTAGE RESPONSES

This appendix contains the questionnaire employed to survey student opinion. Percentages are based on a total of 373 questionnaires.

1. Listed below are a number of statements about ethics, students and the college scene. Please circle the number which corresponds best to your feeling about each statement. (Please do not circle more than one number per statement.)

	<u>Agree</u>	<u>Partly Agree</u>	<u>Neutral</u>	<u>Partly Disagree</u>	<u>Disagree</u>
a. Sound ethics is good policy in the long run.	70%	24%	4%	1%	1%
b. The typical college student tends to ignore the great ethical laws as they apply immediately to his studies. He is pre-occupied, in academic matters, chiefly with obtaining good grades.	27	43	9	15	6
c. Whatever means achieves good grades is good ethics.	1	8	7	13	71
d. Competition for grades is stiffer than ever. As a result, many students find themselves forced to resort to practices which are considered shady, but which appear necessary to maintain a decent average.	31	31	13	13	12

	<u>Agree</u>	<u>Partly</u> <u>Agree</u>	<u>Neutral</u>	<u>Partly</u> <u>Disagree</u>	<u>Disagree</u>
e. The only reasonable procedure for giving an examination at the university level is by means of the "honor system".	25%	29%	14%	12%	20%
2. You are taking a course from a professor who has the reputation of lowering the grades of students who disagree with him. How would you probably conduct yourself in his class?					
a. Although I might not agree with what he says, I would give him the answers he wanted.					50%
b. I would give him the answers I thought to be right, whether or not they agreed with his.					50
3. A student in an economics class has a set of exercises to be handed in each week, upon which his grade is partially dependent. He makes a regular practice of borrowing a friend's exercises and copying them. How do you view this practice?					
a. Acceptable under any circumstances.					9
b. Acceptable under some circumstances.					60
c. Unacceptable under any circumstances.					31
4. Your professor allows only two unexcused absences per semester. You have used your quota, but nevertheless, miss a class in order to have a three day weekend. The professor asks for your excuse on your return. Would you give him a false excuse?					
a. Yes					30
b. No					32
c. Yes, under some circumstances					38

5. A student is selling copies of a final examination you will be taking in a week. Would you buy a copy?
- |   |     |
|---|-----|
| a. Yes                                  | 16% |
| b. No                                   | 46  |
| c. It would depend on the circumstances | 38  |
6. Although it is a well-known fact that some students cheat on examinations, there are many who do not. Do you believe that the latter are motivated more by:
- |                                 |    |
|---------------------------------|----|
| a. The fear of being caught, or | 47 |
| b. The moral consequences?      | 53 |
7. You have a term paper due for an English course in one week. You have not yet begun to write it. You have been offered the use of an essay written by a friend who took a similar course two years ago at another university. Would you accept your friend's offer?
- |   |    |
|---|----|
| a. Yes                                  | 24 |
| b. No                                   | 34 |
| c. It would depend on the circumstances | 42 |
8. In a visit to the history office, you notice freshly mimeographed copies of an exam you will be taking next week sitting on the counter. The secretary has left a notice that she will be out of the office for a few minutes. Would you take a copy of the exam?
- |  |    |
|--|----|
| a. Yes   | 15 |
| b. No  | 70 |
| c. It would depend on how well I had prepared for the exam | 15 |
9. In writing an essay, do you take care to acknowledge in footnotes all ideas which are not your own?
- |            |    |
|------------|----|
| a. Yes     | 36 |
| b. No      | 17 |
| c. Usually | 47 |

10. When you are buying books in the university bookstore, the cashier inadvertently gives you a ten dollar bill instead of a one dollar bill in change. What would you do?

- |   |     |
|---|-----|
| a. I would probably keep the extra money    | 15% |
| b. I would probably return the extra money  | 67  |
| c. I would keep it under some circumstances | 18  |

11. Here are nine descriptions or definitions of "ethical". Please select the one which comes closest to what you usually mean when you say that an action is ethical. If you do not agree with any of these definitions, please give your own definition under (j).

- |  |    |
|--|----|
| a. About the same as what is legal                 | 2  |
| b. Corresponds to my self interest                 | 3  |
| c. What my feelings tell me is right               | 49 |
| d. Customary behavior in our society               | 11 |
| e. Whatever does the most good for the most people | 8  |
| f. In accord with my religious beliefs             | 7  |
| g. Contributes most to personal liberty            | 5  |
| h. Conforms to the "Golden Rule"                   | 6  |
| i. What I want in that particular situation        | 3  |
| j. Other (please specify)                          | 6  |

12. Listed below are a number of statements about the business scene. Please circle the number which best corresponds to your feeling about each statement.

- |  | <u>Agree</u> | <u>Partly</u><br><u>Agree</u> | <u>Neutral</u> | <u>Partly</u><br><u>Disagree</u> | <u>Disagree</u> |
|--|--------------|-------------------------------|----------------|----------------------------------|-----------------|
| a. In the business world it is difficult to make ethically sound decisions because of the high degree of competitive pressure. | 29%          | 40%                           | 7%             | 9%                               | 15%             |

	<u>Agree</u>	<u>Partly Agree</u>	<u>Neutral</u>	<u>Partly Disagree</u>	<u>Disagree</u>
b. Most business executives do not feel compelled to act according to their own consciences.	17%	36%	19%	15%	13%
c. In general, American business has a reputation for high ethical standards.	5	15	23	25	32
d. The average college student perceives the typical businessman as possessing high integrity.	3	13	17	30	37
e. The average businessman must have two ethical standards: one for his personal life and another for his professional life.	13	24	9	17	37
f. Most companies seek profit with little regard for the welfare of others.	26	30	7	21	16
g. A person who is highly motivated by a social concern for serving others is not likely to be happy pursuing a career in business.	29	24	7	19	21
h. University students are more ethically oriented than businessmen.	17	23	24	17	19
i. University students merely think they are more ethical than businessmen, but in reality are not.	16	27	29	21	7



	<u>Agree</u>	<u>Partly Agree</u>	<u>Neutral</u>	<u>Partly Disagree</u>	<u>Disagree</u>
j. Businessmen generally view university students as naive and unknowledgeable of the pressures of business.	36%	34%	12%	10%	8%
k. "The first responsibility of the businessman is to keep his business solvent, for if his business is bankrupt it will no longer provide a living for himself and jobs for others. Therefore, it is ethical for a businessman, in times of financial stress or severe competition, to make decisions directly opposed to those which his conscience dictates."	14	17	12	21	36
13. The president of a company in a highly competitive industry learns that a competitor has made an important scientific discovery that will reduce the profits of the president's own company. Would the average company president try to hire one of the competitor's employees who knew the details of the discovery?					
a. He probably would					87%
b. He probably would not					13

14. An executive earning \$10,000 a year has been padding his expense account by about \$500 a year. How do you think the average businessman would feel about this? Please check as many as are applicable.\*
- |   |     |
|---|-----|
| a. Acceptable if other executives in the company do the same thing        | 51% |
| b. Acceptable if the executive's superior knows about it and says nothing | 45  |
| c. Unacceptable regardless of the circumstances                           | 17  |
15. A company is seeking new advertising ideas to increase sales. The marketing department has presented two programs, each of which would help increase sales. PROGRAM A employs an advertising theme portraying ownership of the product as a symbol of the purchaser's superiority. PROGRAM B uses an advertising theme emphasizing the quality of the product. Which program do you think the average executive would choose?
- |   |    |
|---|----|
| a. He would probably choose PROGRAM A.                          | 63 |
| b. He would see no reason to choose one program over the other. | 15 |
| c. He would probably choose PROGRAM B.                          | 22 |
16. Some businessmen give gifts to buyers, managers or other executives with whom they regularly do business. How do you think the average executive feels about this practice?
- |                               |    |
|-------------------------------|----|
| a. This practice is ethical   | 9  |
| b. This practice is unethical | 91 |

---

\*Answers total more than 100% on Question 14 as alternatives a and b are not mutually exclusive.

17. In what order do you think the average businessman would place the following factors concerning a career, numbering the most important factor with a "1", the next most important with a "2", etc.?

	<u>Percentage placing factor:</u>	
	<u>First</u>	<u>Last</u>
a. Salary and fringe benefits	42%	0%
b. Opportunity to use talents and training	11	1.5
c. Social status of position	6	5.5
d. Ethical reputation of employer	.5	27
e. Opportunity for advancement	11	0
f. Security	29	2
g. Opportunity to serve mankind	.5	64

18. In considering your own future career, in what order would you place the same factors?

	<u>Percentage placing factor:</u>	
	<u>First</u>	<u>Last</u>
a. Salary and fringe benefits	15%	3%
b. Opportunity to use talents and training	47	1
c. Social status of position	1.5	43
d. Ethical reputation of employer	1.5	19
e. Opportunity for advancement	7	5
f. Security	15	9
g. Opportunity to serve mankind	13	20

19. Are there any factors not mentioned in the previous question which would be important facets of your future career?

(Answers noted frequently include: opportunity for independence, responsibility and creativity; personal contact; work environment; recognition; self-employment; geography.)

20. Do you plan a career in business?

- |              |     |
|--------------|-----|
| a. Yes       | 21% |
| b. No        | 57  |
| c. Undecided | 22  |

21. Are there any factors which could make you reverse your decision?

(Many not electing business careers felt that they could be happy in business if given an opportunity to serve others. A number choosing business said they would consider a change if they could fulfill their financial goals and find the same challenge elsewhere.)

22. What career do you plan to pursue?

(Almost one-half planned to teach.)

23. From what source do you gather most of your impressions of the business world?

- |                           |    |
|---------------------------|----|
| a. News media             | 28 |
| b. Family ties            | 24 |
| c. Friends in business    | 17 |
| d. Summer jobs            | 19 |
| e. Job interviews         | 2  |
| f. Other (Please specify) | 5  |

24. If a company has a reputation for high standards, do you think that this would be a significant factor in attracting college graduates?

- |        |    |
|--------|----|
| a. Yes | 83 |
| b. No  | 17 |

25. If companies allowed their young executives time off to work in social welfare or related fields, do you think that these firms would attract better people to careers in business?

- |        |     |
|--------|-----|
| a. Yes | 62% |
| b. No  | 38  |

\* \*