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Student Attitudes toward the Free Enterprise System

Henry E. Metzner and Edwin C. Sims

Recently, a broadly based negativism toward the American business system has developed. A recent Gallup Poll found that big business currently ranks lower with the public than all other institutions comprising what is frequently termed the U.S. power structure. The Gallup Poll also found that young people tend to be more antibusiness than their elders [1].

Massive campaigns are being mounted by alarmed probusiness groups aimed at countering the rising antibusiness sentiment. These campaigns can be more efficient and effective if they are directed toward the major determinants of antibusiness attitudes and toward those groups that either exhibit the greatest tendency to hold these attitudes or hold them most vehemently. Since college students are generally singled out as a radical element, an examination of their attitudes toward the free enterprise system was undertaken at one university. The purpose of this article is to report some of the results of that study and to identify the academic, personal, and family characteristics of students that are associated with pro- and antibusiness attitudes.¹

Procedure

During the spring of 1976 a sample of 713 students was drawn from among the 14,285 students enrolled at Western Illinois University.² Each student completed a questionnaire indicating the extent to which he agreed or disagreed with 26 statements about the free enterprise system. The 26 statements were selected from among 124 previously analyzed statements on the basis of their relevance. In addition, each student was asked to select the most nearly correct answer associated with nine factual questions about the free enterprise system.

Eight of the 26 attitude statements comprise a Likert scale of attitude toward the free enterprise system. The possible range on this scale runs from 8 to 40 with a midpoint of 24. Those scoring high tend to be more positive toward the system and those with low scores more negative. The students were assigned into quartiles on the basis of their scores on this attitude scale and attitudes of students in the highest and lowest quartiles were compared to selected academic, personal, or family characteristics to determine the relationship between attitudes and the selected characteristic. Coefficients of determination (r^2) were computed to determine the amount of variation in attitude the characteristic explained. Observed distributions of pro and anti student scores were also compared to theoretical distributions of pro and anti scores to determine if significant differences existed based on the characteristic being studied. Chi-square statistics were computed as a test of independence of responses.

Results

Over 56 percent of the respondents to the survey felt large companies engaged in price fixing. An even larger proportion (72 percent) believed that American businesses sell consumers products the purchasers don't want or need. Over 85 percent of the students believed it was wrong for business to use corporate funds to influence government decisions.

A majority (over 64 percent) of the respondents felt American business did not take an interest in its employees. Somewhat paradoxically, 74 percent of the students felt that the American workers' lot in life has improved over the last fifty years.

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Students tended not to want to reduce government regulation of business; they expressed a desire for more socialization of basic business and they perceived a need for more antitrust action against business.

Students generally believed American business was making a fair profit, but they did not seem to feel that large profits were necessary for full employment. They did believe that competition kept profits in line.

Most students believed American businesses were owned by a relatively few wealthy shareholders. Students also showed a slight tendency to believe most companies were too big.

Surprisingly, there was wide disagreement about the accomplishments of the American business system. Students tended to believe that big business was good for America. They were undecided about whether the system was more productive than other kinds and the responses were widely dispersed on the question concerning the ability of the system to cope with future problems.

Only 9 percent of the students realized that profit margins on sales were generally less than 5 percent. Answers to this question were widely dispersed, with most respondents vastly overestimating the percent of sales represented by profits. Most respondents were aware that workers receive a larger percent of the sales dollar than do owners of the firm.

Well over half of the respondents erroneously believed that the United States ranked first in the world in per capita GNP. Most underestimated the taxes paid by the typical American firm, and almost all underestimated the amount of capital necessary to create one job.

Finally, over 70 percent of the respondents overestimated the rate of return on invested capital earned by a typical business firm. No significant relationships were found between student attitudes and their age, academic performance, class, minor field of study, marital status, race, citizenship status, periods of residence abroad, or veterans status. Nor were differences in attitude found among students classified according to their parents' marital status, family size, parents' educational background, or parents' occupation.

Rural-urban background was significantly related to student attitudes. The results suggest the more rural the student background, the more favorable was his or her attitude toward the free enterprise system. Rural-urban background, however, only explains 0.3 percent of the variation in student attitudes (F ratio of 2.217 was significant at the .05 level³) and thus represents a relatively unimportant influence upon the attitude of the student in this study.

Table 1 reports the characteristics of students where the observed frequency of response of pro- and antibusiness students was greater than the expected frequency of response. Students enrolled in the colleges of Arts and Sciences, Education, Applied Sciences, Fine Arts, and Health, Physical Education and Recreation tended to have unfavorable attitudes toward free enterprise. Graduate students were about evenly divided in their attitudes, and Business College students strongly favored free enterprise.

Students majoring in biological sciences, education, fine and applied arts, health professions, letters, the physical sciences, psychology, social sciences and public-service-related fields tended to be anti-free-enterprise in their attitude. Students majoring in business management, home economics, math, and mechanical and engineering technologies tended to favor free enterprise.

Significant differences in attitudes were found between male and female students. Women tended to have less favorable and men more favorable attitudes toward free enterprise, but there was no tendency toward extremism in either case. When students were classified according to the numbers of hours they were employed each week in addition to their regular schooling, students who worked less than 30 hours a week tended to be either neutral or unfavorable toward free enterprise. Students employed more than 30 hours per week (almost full time) tended to demonstrate a pro-free-enterprise attitude.

Students' perceived political orientation was associated with their attitude. Among

students who classified themselves as far left, none demonstrated a probusiness attitude and among students who called themselves far right, none demonstrated an antibusiness attitude. Students who considered themselves to be politically middle of the road were almost equally divided in their attitudes. Liberal students tended to be anti-free-enterprise and conservative students tended to be pro-free-enterprise.

Jewish students were about evenly divided in their attitudes. Protestants showed slightly favorable and Catholics slightly unfavorable attitudes toward free enterprise. More of those who classified their religious preference as "Other" were unfavorable in their attitudes toward free enterprise. Those who professed no religious affiliation showed the most strongly unfavorable attitudes.

The degree of professionalism aspired to by students did tend to reflect their attitudes. Students aspiring to semiskilled positions, professional positions, and proprietorships tended to be anti-free-enterprise. Students aspiring to managerial positions tended to have favorable attitudes.

Significant differences in attitudes were found in comparisons based on the students' report of annual family income. Students coming from families earning less than \$24,999 per year tended to be anti-free-enterprise, and the lower the income the more negative the attitudes recorded. Students coming from families with income in excess of \$25,000 per year tended to favor free enterprise, and the higher the income the more favorable the attitudes reflected.

Summary and Conclusions

This study reported the attitudes selected students held toward the free enterprise system and student characteristics associated with those attitudes. The results indicate that relatively few students hold highly favorable attitudes toward the system. These results are supported by the 1975 Gallup Poll which found that only 25 percent of young persons who have attended college give business a high confidence rating [1]. Attitudes about the business system, however, vary widely according to the subject matter involved.

The results also indicate that a typical probusiness student may be majoring in business management, home economics, mathematics, mechanical or engineering technologies, and was probably employed almost full-time outside of school. Such students classified themselves as conservative, Protestant, aspired to a career in management, and came from families with relatively high annual income. Conversely, a typical anti-free-enterprise student was likely to major in biological sciences, education, fine or applied arts, the health professions, psychology, or service-related subjects. Those individuals had less than 30 hours of paid work per week, classified themselves as liberal, professed no religious affiliation, aspired to be proprietors or to pursue semiskilled or professional careers, and were from families of limited annual income.

Since family background (with the exception of income level) had very little to do with attitudes, the authors seriously question that family influence upon selected attitudes is as great as it is often claimed to be. Also, since neither age nor class standing appears to be related to attitudes of the students in the survey, the authors question the view that college faculties are influencing student attitudes about the free enterprise system to a significant degree. It might be argued further that business faculties (as well as home economics, mathematics, and mechanical and engineering technologies) are influencing students' attitudes toward the free enterprise system, but the authors believe it could be just as persuasively argued that probusiness students select these disciplines rather than being influenced by them.

Although there is no direct, statistically sufficient evidence, there is some indication that the attitudes expressed by the students toward the free enterprise system may be surrogates for their attitudes toward society in general, and change as a function of their socialization or

Table 1
A Comparison of Student Attitudes
and Academic, Personal, and Family Characteristics

Student Characteristic	Number of Respondents	Chi-Square ^a	Degrees of Freedom
College in which enrolled	366	30.301	6
Major field of study ^b	364	67.509	23
Sex	373	8.926	1
Number of hours employed per week	372	11.032	3
Political orientation	369	30.188	4
Religious preference	371	15.525	4
Desired degree of professionalism	340	14.403	4
Family income	343	21.199	6

^aAll the values shown were significant at the .05 level.

^bBased on HEGIS classifications [3].

integration into society. Students may also feel their college years to be an isolated interlude in their lives; it is certainly a less structured environment than high school, military service, or the work place provides. If that is the case, they may be indulging in a bit of nose-thumbing, and one would expect that those involved in the system (working) or about to commit themselves to it (graduating) would demonstrate more positive attitudes.

Noteworthy is that many students will NOT join the free enterprise system as direct participants, but will devote their lives to parallel systems such as the health delivery system, legal and government system, or schooling system, which they may perceive as being competitive with or threatened by the free enterprise system.

The authors recommend conducting additional research with an unchanging group of subjects over a period of time to identify the point in their lives when the anti-free-enterprise attitudes are first developed and the source of those attitudes. It is only through such analysis that methods may be developed to influence or change student attitudes toward the free enterprise system. In the meantime, it may be that the millions of dollars currently being spent by American business to educate and inform the American public, and particularly college students, about the free enterprise system are being directed toward individuals whose opinions and attitudes are already set.

FOOTNOTES

¹Copies of the complete study are available on request to the authors.

²Western Illinois University is a state-supported institution with a 1975-76 enrollment of 14,285. Over 96 percent of the student body is from the state of Illinois. Approximately half the students come from the urban areas of Illinois (primarily Chicago and its suburbs). Only 4 percent of the enrollment may be classified as minority students, and the vast majority of the students are of the first generation in their families to attend college.

³The rural-urban background variable was based on [2]. Our sample contained 648 respondents.

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A Comparative Analysis of Student Achievement in “Principles of Marketing” at a Junior College and a Four-Year University

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The purpose of this study was to make a comparison between entry and exit levels of knowledge for the principles-of-marketing course given at a junior college and at a four-year institution of higher education. It was hoped that any significant difference in entry level or exit level knowledge would help in the formulation of future statements of articulation. Of additional interest was any variation in net change of level of knowledge between students taking the principles course at the junior college compared to those taking the course at a senior institution. Achievement of a given level of knowledge was considered to be imperative for future courses of study in the field of marketing.

Data were collected by administering an identical pretest and posttest to students at Meramac Junior College and Southern Illinois University at Edwardsville. The pre- and posttests, each of which contained fifty multiple choice questions, were constructed from questions provided in the teaching manuals that accompanied the two texts being used. An equal number of questions was taken from each teaching manual. In the best judgment of the researchers the level of difficulty of the questions utilized did not vary from the pretest to the posttest. In addition, the selection of topics from which the questions were taken was consistent for both the pre- and posttest. Generally speaking the questions included on the posttest were different from those included on the pretest, but a few questions utilized on the pretest were also included on the posttest as a check of reliability.

IBM answer sheets for each student in the study were appropriately coded for the student's sex, marital status, age, employment status, and academic class. This information and the test scores were placed on computer cards for acceptance in the CDC computer at Southern Illinois University. A computer program was written utilizing a statistical package for the social sciences. Means, standard deviations, variances, and F ratios were obtained for both the pretest and posttest for comparison with the various student identification factors. The T tests were used to compare pretest and posttest results.

Results were obtained for the pretests from both institutions and compared with the demographic variables. This was followed by an analysis of the same demographic variables against the posttest results. Separations were then made for the pretest and posttest at the two institutions, and each institution's test results were then run against the demographic factors. The T tests were utilized to determine the difference between the pretest and posttest for each institution. Finally, a pooling was undertaken to compare the difference between the pre- and posttest at Meramac Junior College with that at Southern Illinois-Edwardsville.

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