

**INDIAN MBA STUDENTS' PERCEPTIONS
OF ETHICS & SOCIETY:
A FIRST LEVEL ANALYSIS**

By

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Abstract

The objective of this study is to understand where MBA (PGP) students stand on ethical issues. The study was driven by a need to understand the students better so as to be able to design courses on business ethics and human values more effectively. In the context of an increasingly competitive environment for admission to top business schools like the IIMs, being able to keep track of the changing ethical values and beliefs of our students will also be of use in other aspects of programme design.

A questionnaire to measure "Perceptions and Attitudes about Business and Society" consisting of 37 items and 17 items on "Religious and Spiritual Beliefs" was developed for this study. The questionnaire was administered to 175 first-years students and 146 second-year students of IIM Bangalore. It was also administered to 51 students of a private management institution affiliated to Bangalore University.

The students on the whole appear to be idealistic when confronted with general statements but put in a bind when required to make trade-offs between potentially conflicting factors. They are caught between ideals and the world as it is. They come out as somewhat self-centered and individualistic but not in a vicious sort of way. They are clearly performance-driven and have imbibed much of the ethic of modern capitalism. IIMB students are found to fall in three clusters – one cluster willing to do "anything for performance", another "ethical but practical" and a third "aggressive moralists".

Compared to other management students, IIMB students are more business-oriented, self-oriented and performance-oriented. They are also much more willing to do whatever it takes to make a business successful and less questioning of the ethicality of issues. At the same time they are more idealistic as far as bribery or ethical conduct are concerned.

By the end of the first year of the MBA programme and summer training at IIMB, the students have less belief in the social responsibility of business (or just a greater faith in unbridled capitalism). They are more willing to do whatever it takes to make a business succeed, whether it be sifting through a competitor's garbage or breaking apart a competitor's product to study its working. At the same time, they see a slightly larger space for personal conscience and values than before.

Women are more sensitive than men to human issues. They are less tolerant of unethical behaviour. They see a higher role for conscience and individual values. They are more particular about what is acceptable, whether it is in the realm of advertising or business intelligence. While believers in God are less willing to accept the primacy of maximising shareholder wealth over all other goals, they are at the same time less hesitant to bribe.

Implications are drawn for the teaching of business ethics and further research.

Indian MBA Students' Perceptions of Ethics & Society: A First-level Analysis¹

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Introduction and Objectives

As India has put greater emphasis on economic growth through the private sector there has been increasing interest in the ethicality of the business practices of Indian corporate organisations. While, on the one hand, since the deregulation process began in 1991, the country has been witness to a number of scams, particularly related to the stock market, on the other there has been increasing recognition of the importance of corporate governance resulting in the addition of new reporting and oversight procedures for listed companies. In parallel, there has been a growing emphasis on business and ethics in the curricula of management education across the country.

Both of us have been involved in teaching courses related to ethics and human values at the Indian Institute of Management Bangalore. However, our approaches have been different. One of us (RTK) has been teaching a conventional course on Business and Ethical Values covering such issues as the importance of ethical values in business, stakeholder perspectives, ethical dilemmas in different functional areas of management, and frameworks to aid ethical decision making. The other (CMR) has been focusing on human values from an Indian philosophical and spiritual standpoint.

During the course of exchanging notes on our teaching experience, we realised that in spite of our many years of experience with our MBA students, we did not have a clear idea of where they stand on different ethical and personal value issues. While we had certain impressions about some of the dominant ethical metaphors prevalent among our students, we felt the need to have a more empirically grounded picture of their values and beliefs. We therefore decided to collaborate on creating such a picture. We believe that such a picture would help us in designing our courses better and being able to relate better to the issues that concern our students.

Though the number of students we admit and our processes for admission of students to IIMB remain largely unchanged, there appears to have been considerable change in the world around us. For one, the number of applicants to our MBA program is increasing every year with a record number of about 85,000 people taking the Common Admission Test to the IIMs in 2001. It is therefore undoubtedly true that the intensity of competition to enter the IIMs is constantly increasing. In recent years, with the advent of foreign consulting firms, investment banks and software companies recruiting directly from the IIMs for their overseas organisations, compensation levels of the top graduates from IIMs are now comparable to those from the best MBA schools anywhere in the world. These major changes have been given considerable publicity in the press. All these events are likely to have an impact on the values and perceptions of the students entering our institution. We would therefore like to be able to track how (and if) ethical values and beliefs of the students entering our institution are changing over time.

¹ The authors thank Vasanthi Srinivasan, Srinivas Prakhya, L.S. Murty and Ishwar Murthy for their useful suggestions at different stages of this research.

Further, we would like to measure whether our MBA curriculum has any effect on the values and beliefs of students, particularly those related to business ethics. There are diverse forces at work in this context. A business education generally focuses on themes such as maximising profits or the value of the company, efficiency and creation of wealth. Our MBA program is no exception. As a residential program, the students live in close proximity to one another and there are powerful forces of socialisation at work. The high-pressure environment particularly in the first year of instruction puts considerable pressure on our students. And the relative grading system drives competition between students. To emphasize that performance is not all and that how performance is achieved is equally important, we have sessions on business and ethical values both in the orientation program at the beginning of the first year, and in the reorientation program at the beginning of the second year.

A third interest is whether there is a difference between the ethical sensitivity of our students and those of other institutions. As one of the top business schools in India, with a very selective admission process, we probably get the most achievement- and performance-oriented candidates out of the entire pool of students that enters MBA programs in India. On what dimensions do the perceptions of these high-achievers differ from those of “ordinary” business schools students?

A fourth interest is whether the ethical perception of students is related to their gender and their religious beliefs. There is a general belief in India that women are more ethical than men but whether this holds even for those women who are part of a highly achievement-oriented and competitive group such as business students is worth investigating. On the issue of religious beliefs and their relationship to ethicality we had divergent views – CMR with his interest in spirituality and religious beliefs believed that those who believe in God would be more ethical, while RTK, an agnostic, was skeptical of this, citing the visible religiosity of a number of well-known people of doubtful integrity.

To identify the ethical beliefs of students is a tricky task. We considered a questionnaire survey, one-on-one interviews and focus groups as possible ways of identifying these beliefs. We decided to start with the questionnaire survey as a means of getting an aggregate picture and to refine this further with interviews and focus groups subsequently. This paper reports some of our findings from a first level of analysis of the questionnaire survey.

We have surveyed a total of 321 students divided across the first year and second years of our Post Graduate Programme (PGP – equivalent to an MBA). We also surveyed 51 students of a private management institution affiliated to Bangalore University.

Prior research

This study falls within the category of ethical sensitivity studies. A number of earlier studies have investigated the ethical sensitivities of business students. A survey article by Collins (2000) identifies the following findings regarding students’ ethical sensitivities from earlier studies that are relevant to this research:

1. While Stanga and Turpen (1991) found that a vast majority of students would not engage in unethical activity and Jones and Gautschi (1988) found that students are very sensitive to ethical issues and a firm’s social responsibilities, McCabe, Dukerich and Dutton (1991) found that more than a quarter of the decisions made by students were unethical and Lane (1995) found that a majority of students acted unethically to gain a competitive or personal advantage.

2. Some students reject the typical Business School ideology while others accept it (Walker, 1992).
3. Students are more ethically sensitive to personal, rather than vicarious situations (Whalen, Pitts and Wong, 1991).
4. Students rate “practicality” as more important than “ethicality” (White and Dooley, 1993).
5. Students are dominated by “head” (rather than “heart”) traits (Kochunny and Rogers, 1994).
6. Students believe that managers are more concerned with economics than ethics (Alam, 1995) and emphasise financial goals more than social and employee-oriented goals (Beggs and Lane, 1989).
7. Students acting as managers rated social responsibility criteria among the least important determinants of organisational effectiveness (Kraft, 1991; Kraft and Singhapakdi, 1995).
8. Students believe that they must adopt a “winning is everything” philosophy at work (Pressley and Blevins, 1984).
9. There are conflicting findings on whether students of business have different ethical beliefs than other students.

Collins (2000) also concludes that context matters; in particular, the magnitude of consequences and perceived social consensus that something is right or wrong matter more than others.

Of the 47 studies identified by Collins (2000) that investigated the relationship of gender and ethical sensitivity, 32 found that women are more ethically sensitive than men and 15 found no difference between men and women.

The survey by Collins (2000) also reports that the impact of business ethics courses and coverage of ethics issues in other courses on students’ ethical sensitivities is mixed with studies showing substantial improvement (Duized and McCann, 1998; Carlson and Burke, 1998; Gautschi and Jones, 1998), modest improvements (Glenn, 1992) and no improvements (Wynd and Mager, 1989).

In an attempt to understand the ethical orientations and concerns of Harvard Business School Students as part of an initiative to strengthen the Business Ethics curriculum, Parks (1993) interviewed 42 students at the School during the beginning of the 1989-90 academic year and 34 of these again in April-May of the following year. Her main finding was that while these students had a strong sense of interpersonal accountability, they reflected only a limited consciousness of systemic harm and injustice. She explains this as being due to insulation from diversity and failure, and therefore not being induced to reflect critically upon important issues about themselves and society. This absence of critical reflection tends to cause individuals to subscribe to whatever conventional ethos prevails as long as they are successful within it. The students exhibited a limited understanding of economic systems and the connections and relationships between different parts of socio-political-economic systems. They demonstrated a split between commerce and social responsibility in their value constructs. Parks identified a “yearning for balance” (between values marking career success and values signifying a quality of personal life) as a dimension on which the respondents differed from the conventional ethos and hence identified this dimension as a possible starting point for an ethical dialogue.

Another interview-based study is by Siemensma (1999). She interviewed students at the Indian Institute of Management Calcutta and Calcutta University. Her findings reflect some of the difficulties in generalising from qualitative data - at one place, she observes that the students' comments are too diverse to be grouped easily; nevertheless, elsewhere she has reached some generalised conclusions: Most students either implicitly or explicitly saw the pursuit of corporate profit as incompatible with total honesty. In general, the students were of the opinion that the pressure to succeed would lower the priority accorded to personal and family values as they started their careers. None of the students were worried that compromising on values in the early years of their career would lead to the long-term erosion of these values. Further,

... these students saw their future success in personal terms. They did not anticipate contributing to the larger good of society through their work. When they considered resolving future business problems, the situation was depicted in terms of personal power relationships. Environmental concerns, although perceived as of major significance, were considered outside the realm of an individual's personal influence. Social justice concerns, when recognised, were seen as beyond their sway and field of study. (p. 63).

A study by Sekhar (1995) found that MBA students not exposed to classes on ethics have very high deontological scores, i.e., they hold that certain things are right and certain other things are wrong by themselves, irrespective of their consequences. The same group scored low on a teleological score, i.e., a tendency to believe that an action is right or wrong as judged by its consequences. The group was found to have a very low opinion of the ethicality of others.

Methodology

Our survey is based on an instrument developed by us consisting of some basic demographic information, 37 items on "Perceptions and Attitudes about Business, Society and Ethics" and 17 items on "Religious and Spiritual Beliefs". All the items on the "Perceptions and Attitudes about Business, Society and Ethics" section consisted of statements to which respondents had to indicate their agreement or disagreement on a four-point Likert-type scale. These items related to issues such as the goal of an organisation, social responsibility of business, conflicts between individual values and corporate objectives, performance orientation, corruption, and individual morality. The items are listed in Annexure 1. Most items on the "Religious and Spiritual Beliefs" section required answers of "Yes" or "No".

We decided to design an instrument of our own rather than use an existing one because we felt that the existing instruments might have some in-built assumptions about ethical behaviour that are not totally relevant in the Indian context. Further, we believed that there were some important issues in our context that are not covered in other instruments. We also wanted to make the questionnaire context-specific by including items that pertain to the ethical dilemmas actually faced by students in the course of their programme such as missing a deadline and consequently losing a grade vs. copying or taking assistance from others. Though it is generally advised to avoid the use of compounded statements or multiple sentences in a single item, we felt that this was necessary to get a more nuanced understanding of students' ethical perceptions. Issues related to scale development and validity are addressed in another paper (Reddy and Krishnan, 2002).

The analysis in the following sections pertains principally to the responses of 321 MBA students from IIM Bangalore on the 37 items on "Perceptions and Attitudes about Business, Society and Ethics" section and to one item on the Religious and Spiritual Beliefs section (Belief in God). Of

these, 146 students represented the second-year class of IIM Bangalore and were surveyed while attending a reorientation programme at the beginning of the second year of their programme (the other students numbering about 25 had been given leave of absence to attend a seminar off-campus); and 175 students represented the entering class of IIM Bangalore's MBA programme and their responses were collected during the orientation programme at the beginning of their first year. For comparative purposes, we also consider 51 students from a private management institution affiliated to Bangalore University who attended a guest talk given by one of the authors and filled up the questionnaire before the talk commenced. In all the three cases, the students were present at a common venue and had enough time to fill up the questionnaire without other pressures or distractions. It is therefore believed that the responses represent their considered perception on each item. Since the survey did not require respondents to state their names or identify themselves, there was no explicit reason for the respondents to disguise their responses.

Findings and Discussion

For the purpose of this preliminary analysis, to establish broad trends, the "agree" and "strongly agree" responses have been combined under a single category "agree", while the "disagree" and "strongly disagree" responses have been combined under another category "disagree"; however, details of the responses are given in Annexure 1. Invalid or blank responses (generally very few – 1 or 2 for each statement) have been omitted from this analysis.

Primary Goal of an Organization

The responses regarding the primary goal of an organization are shown in Table 1. Over 92% of the respondents agree that the primary goal of an organization is earning profits and maximizing shareholder value. The profit motive of capitalism and the contemporary emphasis on shareholder value maximization thus seem to have been thoroughly internalised by the students. It is interesting to note that the students are not so sure when the same goal is juxtaposed against other possible goals such as employee welfare, customer service or social responsibility as in items 2 and 4. Also, disagreement increases as the emphasis on employee welfare increases— this suggests evidence of self-interest and/or human concern. In fact, when the possibility of employees being harmed by an emphasis on profit maximization is mooted, the majority of respondents are not comfortable at all. As prospective entrants into the job market, this also suggests a greater concern when their own interests are involved. This supports the finding of Whalen, Pitts and Wong (1991) that students are more ethically sensitive to personal, rather than vicarious situations.

Table 1: Purpose of an Organization

Item No.	Statement	Agree Percent	Disagree Percent
1	<i>The primary goal of an organization is earning profit and maximizing return to shareholders.</i>	92.5	7.5
2	<i>While employee welfare, customer service and social responsibility are important, these goals are only secondary and subordinate to the primary goal of maximizing profits and returns to shareholders</i>	50.0	50.0

4	<i>While achieving good results and maximizing returns to shareholders, sometimes welfare of some of the employees may be affected. Though this is undesirable, it cannot be helped. After all, primary goal of an organization is maximizing shareholder returns and not maximizing employee welfare.</i>	45.0	55.0
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Social Responsibility of Business

The summary of responses is shown in Table 2. More than 86% of the respondents agree with the broad idea that businesses have a responsibility towards society. More than 75% believe that the responsibility is not limited to statutory requirements. However, half of the respondents believe that social responsibility and responsibility to other stakeholders are subordinate to the interest of shareholder value maximization while the other half disagree.

Table 2: Social Responsibility of Business

Item No.	Statement	Agree Percent	Disagree Percent
5	<i>Companies have a responsibility to ensure the well-being of the society.</i>	86.6	13.4
6	<i>While adherence to statutory regulations regarding pollution, labour-laws and tax laws etc. is important, an organization need not be excessively concerned about the social good over and above the statutory requirements.</i>	24.3	75.7
2	<i>While employee welfare, customer service and social responsibility are important, these goals are only secondary and subordinate to the primary goal of maximizing profits and returns to shareholders</i>	50.0	50.0

Employee Welfare

While the respondents are uncomfortable with the notion that maximizing returns to shareholder be at the cost of employee welfare, a majority is clear that employee welfare is subordinate to the notion of shareholder value maximisation. Further, almost 72% of the respondents believe that organisations need not show any leniency to employees on humanitarian considerations and should deal with them based solely on their performance.

Table 3: Employee Welfare

Item No.	Statement	Agree Percent	Disagree Percent
3	<i>Organizations cannot be lenient to employees with below par performance on humanitarian considerations. Treatments/benefits received by an employee ought to be strictly based on performance.</i>	71.7	28.3

4	<i>While achieving good results and maximizing returns to shareholders, sometimes welfare of some of the employees may be affected. Though this is undesirable, it cannot be helped. After all, primary goal of an organization is maximizing shareholder returns and not maximizing employee welfare.</i>	45.0	55.0
2	<i>While employee welfare, customer service and social responsibility are important, these goals are only secondary and subordinate to the primary goal of maximizing profits and returns to shareholders</i>	50.0	50.0

Performance Orientation

As reflected in Table 4, the students have a very strong performance orientation. Almost 90%, are of the view that good ethics is no substitute for performance and that the observance of a strong ethical code can not be an excuse for non-performance by the organization. Further, almost 72% believe that performance alone should be the criterion for the way an employee is treated. At the same time, more than 73% believe that unethical practices are not justifiable in the name of performance. The responses to items 11 and 12 taken together suggest some ambiguity in their beliefs regarding the relationship between ethics and performance.

Table 4: Performance Orientation

Item No.	Statement	Agree Percent	Disagree Percent
3	<i>Organizations cannot be lenient to employees with below par performance on humanitarian considerations. Treatments/benefits received by an employee ought to be strictly based on performance.</i>	71.7	28.3
11	<i>An organization with a strong ethical code of conduct cannot use its adherence to ethical principles as an excuse for lack-lustre performance. Ethics cannot be a substitute for performance.</i>	89.7	10.3
12	<i>In order to achieve high performance it is okay if an organization is somewhat unethical in its business practices.</i>	26.8	73.2

Individual Values vs. Business/Corporate Requirements

A recurring theme in business ethics is the conflict between individual values and what the corporation may expect or require employees to do. It is sometimes suggested that people compartmentalise their existence and are willing to leave their values at home. But, as shown in Table 5, more than 62% of the respondents disagree with the notion that personal conscience and values ought not to come in the way of business decisions, which are in the interest of the organisation. About 71% reinforce this by saying that if the employer were to force them to do something against their conscience, they would leave the organisation. Almost 65% disagree that one can't have the same stringent standards in business dealings as in personal life and almost 55% disagree with the notion that the ethics of business and family and personal life are different. At the same time, more than 56% believe that to achieve success in business dealings one may

occasionally have to indulge in a certain degree of dishonesty and half-truths. And, a little over a half would not hesitate to pay a bribe in a business situation if needed. One way of reconciling these conflicting views is to believe that the respondents do not have strong feelings against dishonesty, half-truths and bribery in their personal life either. Another way is to realise that at the level of general beliefs, people do not wish to dichotomise, but when it comes to specifics they often do so – “ethics in theory” vs. “ethics in practice”. Put another way, at a philosophical level the respondents are idealists, but when it comes to practice they are pragmatists.

Table 5: Individual Values Vs. Business/Corporate Requirements

Item No.	Statement	Agree Percent	Disagree Percent
7	<i>The ethics of business are different from the ethics of personal and family life.</i>	45.1	54.9
8	<i>While maintaining high ethical standards in personal life may be important, in business dealings one can't have the same stringent ethical standards.</i>	35.3	64.7
9	<i>Personal conscience and personal values ought not to come in the way of making business decisions which are in the interest of the organization.</i>	37.5	62.5
10	<i>To achieve success in business dealings one may have to occasionally indulge in a certain degree of dishonesty and telling half-truths.</i>	56.2	43.8
21	<i>If my employer were to force me to do anything against my conscience, I would rather leave the company than go against my conscience.</i>	71.2	28.8
29	<i>In a business situation, if the need arises I would not hesitate to pay a bribe to get business.</i>	50.3	49.7

Individual & the Collective/group

How do individuals relate to their peers? How are their behaviours altered by peer pressure? The respondents endorse a pronounced individualism and indicate a self-centered focus, bordering on selfishness. As summarised in Table 6, 80% believe that it is understandable for an individual not to help others if s/he is busy with his/her own preoccupations in a demanding situation. More than 69% believe that while teamwork is important, one need not always sacrifice one's own personal interest for the sake of the team. A little over two-thirds endorse the statement that it is a dog-eat-dog world and that each person has to take care of his/her own interests before being concerned about others' interests. And, almost 58% believe that if a person manages to do well in his/her career and life by networking and politicking even without doing his/her work properly, it is okay. It is for each person to decide on what he/she wants to do in life and how he/she wants to accomplish his/her goals. At the same time, the respondents do not endorse active steps to thwart others or group behaviour as a justification for individual unethical acts. More than 85% disagree with the notion that in a situation where their performance is being measured relative to that of others, they might not mind doing things which can hinder the performance of others. And, almost 67% disagree with the idea that even though one knows that some behaviours are unethical, when everyone else is behaving that way, it is understandable if a person engages in such a behaviour, in spite of his/her being personally against it.

Table 6: Individual & the Collective/group

Item No.	Statement	Agree Percent	Disagree Percent
20	<i>Even though one knows that some behaviours are unethical, when everyone else is behaving that way, it is understandable if a person engages in such a behaviour, in spite of his/her being personally against it (false attendance, copying from old reports, etc.).</i>	33.2	66.8
31	<i>It is a dog-eat-dog world. Each person has to take care of his own interests first, before being concerned about others' interests.</i>	67.3	32.7
32	<i>In a situation where my performance is being measured relative to that of others, I might not mind doing things which can hinder the performance of others.</i>	15.5	85.5
33	<i>In a competitive and demanding situation, if a person due to his/her own preoccupations is unable to help his/her colleagues who may be having problems in their studies/job, it is understandable.</i>	80.3	19.7
34	<i>While team-work is important, one need not always sacrifice one's own personal interest for the sake of the team.</i>	69.4	30.6
35	<i>If a person manages to do well in his/her career and life by networking and politicking even without doing his/her work properly, it is okay. It is for each person to decide on what he/she wants to do in life and how he/she wants to accomplish his/her goals.</i>	57.7	42.3

Individual Morality

More than 86% of the respondents agree that there are absolute and minimum standards of ethics that everyone should maintain. But there is not the same degree of agreement on what these standards are. While a little over 78% would not cheat in an examination even if there was no likelihood of getting caught, only about 68% would rather get a lower grade than copy project reports to meet deadlines or get false attendance to meet the stipulated norm. More than 62% believe that in order to achieve results they may have to cut corners and this is simply a matter of being pragmatic. And, more than 56% believe that to be ethical in the real world is difficult and impractical. There is once again a clear sign of conflict between idealism and realism. The responses to individual morality-related items are summarised in Table 7 below.

Table 7: Individual Morality

Item No.	Statement	Agree Percent	Disagree Percent
18	<i>There are absolute and minimum standards of ethics that everyone should maintain.</i>	86.3	13.7
19	<i>It is fine to say that we should be ethical in our conduct. To be actually ethical in the real world is very difficult and impractical.</i>	56.7	43.3

22	<i>In order to achieve results, one may have to cut corners to an extent and this is simply a matter of being pragmatic.</i>	62.5	37.5
36	<i>I would rather get a lower grade than copy project reports in order to meet deadlines or get false attendance to meet the stipulated norm.</i>	67.7	32.3
37	<i>I would not cheat in an examination even if there is no likelihood of my being caught.</i>	78.4	21.6

Gathering of Business Intelligence

What methods of gathering business intelligence are acceptable and what methods are not is one of the issues in business ethics that often sparks interesting debates. Table 8 shows that there is a high level of agreement on this survey (about 83%) with the notion that it is acceptable to break apart a competitor's product to study its inner working. This response is not surprising given the generally low level of respect for intellectual property in India. Also, commentators agree that it is not unethical to buy a product and then analyse it as long as it is publicly purchased, bought for fair value, intellectual property rights are not violated and the product is not copied exactly and passed off as one's own (Brooks, 1997). At the same time, 59% disagreed that it is okay to sift through a competitor's garbage to obtain their documents. The majority thus are in agreement with ethical analysts' view that material placed in a garbage container on a private property remain the property of whoever threw it away (Brooks, 1997).

Table 8: Gathering of Business Intelligence

Item No.	Statement	Agree Percent	Disagree Percent
14	<i>It is okay to sift through a competitor's garbage to obtain their documents.</i>	40.9	59.1
15	<i>It is acceptable to break apart a competitor's product to study its inner working.</i>	83.1	16.9

Sales, Promotion, and Advertising

About 63% do not think it is alright to exaggerate the performance of a product in order to achieve higher sales. But the group is close to being evenly divided regarding the appropriateness of sexually suggestive messages in advertisements to attract the attention of potential customers. This is disappointing but perhaps not surprising considering the dominance in numbers of male students over female students, the latter constituting only 15% of the sample. Over 63% have nothing against the advertisement of cigarettes and alcohol. Summary of the responses to the items pertaining to sales, promotion and advertising is given in Table 9.

Table 9: Sales, Promotion, and Advertising

Item No.	Statement	Agree Percent	Disagree Percent
13	<i>It is alright to exaggerate the performance of a product in order to achieve higher sales</i>	36.6	63.4
16	<i>There is nothing wrong with the promotion of cigarettes and alcohol through advertisements.</i>	63.2	36.8

17	<i>To attract the attention of the potential customers, it is alright to use sexually suggestive messages in advertisements.</i>	49.1	50.9
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Corruption

Particularly in India, a country that has received persistently bad scores in ratings by organisations like Transparency International, corruption is an important issue. The perceptions of the respondents on corruption-related issues are summarised in Table 10. 70% of the respondents report personal experience of having given a bribe. A little over half say that they would not hesitate to pay a bribe in a business situation. There is also a split down the middle on whether it is impossible to do business in India without paying bribes. There is a higher degree of agreement on corruption in government – more than 72% believe that the government and public sector are more corrupt than the private sector, 68% believe that if a bribe is a must to get what is legitimate, as happens in some government offices, they have no choice but to pay up. These responses do however place some doubt on the assertion of Sekhar (1997, p. 215) that “corruption is considered utterly unethical by the Indian people and not accepted as inevitable or necessary.” The respondents apparently have few illusions about the private sector with almost 60% believing that private sector companies take bribes to award contracts.

On the causes of corruption, there is no consensus with two of the commonly mentioned reasons, the large number of rules and regulations and the absence of state funding for elections being endorsed by about 54% and 52% of the respondents respectively. This response suggests that like the students at Harvard business School (Parks, 1993), IIM students do not have a strong systemic perspective

Table 10: Corruption

Item No.	Statement	Agree Percent	Disagree Percent
23	<i>It is impossible to do business in India without paying bribes.</i>	50.9	49.1
24	<i>The government and public sector are more corrupt than the private sector.</i>	72.2	27.8
25	<i>Private sector companies take bribes to award contracts.</i>	59.7	40.3
26	<i>Corruption in India is high because of a large number of rules and regulations.</i>	53.9	46.1
27	<i>The absence of state funding for elections is the reason for political and hence business corruption.</i>	51.7	48.3
28	<i>If a bribe is a must even to get what is legitimate, as happens in some government offices, we may have no choice but to pay up.</i>	68.4	31.6
29	<i>In a business situation, if the need arises I would not hesitate to pay a bribe to get business.</i>	50.3	49.7
30	<i>I have personal experience of having given a bribe (e.g. to buy a railway ticket).</i>	70.3	29.7

Ethical Profile of IIM Bangalore Students

In an attempt to determine whether there are some typical ethical profiles among the sample of IIMB students, we performed a cluster analysis. A total of 288 students who had answered all the

items were considered for this purpose. We chose to generate three clusters based on an assumption that there is likely to be one “average” group and two others lying on either side. After sixteen iterations, the cluster analysis program converged to identifying three clusters consisting of 145, 84 and 59 students respectively.

The largest cluster consisting of about half the group which we label the “ethical but practical” group is moral in thought but their convictions are apparently not very strong; it appears that they might act differently from what they think if circumstances so demand. This group would hesitate to pay a bribe to get business, disapproves of sexually suggestive advertising and does not endorse the exaggeration of the performance of a product to achieve high sales. At the same time, it does not take a strong stand against its peers doing well by networking and politicking. They believe that to achieve success in business dealings one may have to occasionally indulge in a certain degree of dishonesty and telling half-truths. They believe that to be actually ethical in the real world is very difficult and impractical.

About 30% constitute the “Anything for performance” group who have little qualms or ethical issues in achieving their ends, and who would do the opposite of the “ethical but practical group” on 12 items. For instance, this group would copy an assignment or project report or give proxy attendance to avoid getting a lower grade unlike the other two groups. This group also believes (unlike the other two) that personal conscience and personal values ought not to come in the way of making business decisions in the interests of the organisation. It would not hesitate to pay a bribe in a business situation and has no qualms over exaggerating the performance of a product to achieve higher sales. However, this group also has a line beyond which it would not go – for instance it would not agree with hindering the performance of others in a situation where performance is being measured relative to others.

At the other extreme constituting about 20% is the “Aggressive moralists” who would take an ethically principled position on eleven items compared to the “ethical but practical” group. For example, unlike the other two groups, this group would not go along with the notion that cutting corners is simply a matter of being pragmatic. It does not agree that being ethical in the world is difficult and impractical. It strongly asserts that it would rather get a lower grade than cheat and would not cheat even if there was no likelihood of getting caught.

The perceptions of these three clusters are shown in Annexure 2.

Differences between Groups

Differences in perceptions between IIM Bangalore students and students of another management institution, and within IIM Bangalore between first-year and second-year students, men and women, and based on belief in God are identified below. The differences reported are based on a test of comparison of means at a 5% significance level.

Between IIMB and Private Management Institution

There are significant differences between perceptions of IIM Bangalore students and those of the other management institution on at least one item of each of the ten themes covered in the questionnaire. Compared to the students of the private management institution, IIM Bangalore students

1. Are much more in agreement with the idea that maximizing shareholder returns comes above all else;

2. Have much less belief in the duty of organisations towards society;
3. Are relatively unsure about the need for companies to go beyond the statutory requirements;
4. Have a stronger belief in the importance of performance;
5. Are less concerned about the appropriateness of sifting through a competitor's garbage, or breaking apart a competitor's product to study its working;
6. Are less uncomfortable with cigarette and alcohol advertising and the use of sexually explicit messages in advertising;
7. Have a stronger belief in the notion that individual pressures could be adequate reason not to help others.

At the same time, compared to the students of the other institution, IIMB students

1. Are less sure that the same ethical standards can not be applied to personal and business life;
2. Are less in agreement that being ethical is impractical;
3. Are less in agreement that it is impossible to do business in India without paying bribes;
4. Are less sure that the government and public sector are more corrupt than the private sector.

The details are given in Annexure 3.

Between First-year and Second-year IIM Bangalore Students

There are significant differences between the first and second year students on only five items. Of these, two pertain to corporate social responsibility, one to conflicts between individual values and corporate/business requirements, and two to the gathering of business intelligence. While the first year students have a greater belief in a broader social responsibility of business, they are more uncomfortable with the position that organisations do not need to look beyond statutory requirements. Breaking apart a competitor's product is more acceptable to the second year students than the first year students, while the first year students are more uncomfortable with the idea of sifting through a competitor's garbage. However, the second year students disagree more vehemently that personal values should not come in the way of business decisions that are in the interest of the organisation. Perceptions regarding individual morality, the individual vs. the collective, performance orientation and corruption are not significantly different between the first- and second-year students suggesting that these pre-date their entry into the programme.

Details are given in Annexure 4.

Differences between Genders

Significant differences exist between men and women across the sample of IIMB students on at least one item in every theme except the social responsibility of business. Specifically, compared to men, women

1. Are less sure that the primary goal of an organization is to maximise its profits.
2. Are more inclined to make allowance for performance shortfalls due to humanitarian considerations
3. Are distinctly uncomfortable with the notion that employees may be affected adversely in the process of achieving maximum returns to shareholders
4. Disagree more strongly that conscience and values have no place in business decision-making
5. Disagree more strongly that it's okay for an organisation to be unethical in its business practices in the interest of higher performance
6. Are much less comfortable with sifting through a competitor's garbage, breaking apart a competitor's product, advertising alcohol and cigarettes and using sexually suggestive messages in advertisements
7. Are more emphatic that they would not act against their conscience even if under pressure from their employer
8. Have less personal experience of having paid bribes
9. Are much clearer that they would not try to hinder the performance of others in a situation where their performance is being measured relative to others

Details are given in Annexure 5.

Differences based on belief in God

Among the IIM Bangalore students, five items show statistically significant differences in means between groups believing in God, not believing in God and those who are not sure. The first of these relates to the primacy of maximising profits and returns to shareholders over other objectives such as employee welfare, customer service and social responsibility where non-believers agree with this primacy more than the other two groups. Believers place greater importance on the social responsibility of companies and going beyond statutory requirements.

Believers are more willing to label cutting corners as simply a matter of being pragmatic and less likely to hesitate to pay a bribe than non-believers and agnostics.

Details are given in Annexure 6.

Conclusions

Ethical Sensitivities of MBA Students

The students on the whole appear to be idealistic when confronted with general statements but put in a bind when required to make trade-offs between potentially conflicting factors (such as employee welfare and profits). Put another way, they do not actually take a systemic view unless confronted by systemic variables. They are caught between ideals and the world as it is. They come out as somewhat self-centered and individualistic but not in a vicious sort of way. They are clearly performance-driven and have imbibed much of the ethic of modern capitalism.

Compared to other management students, IIMB students are more business-oriented, self-oriented and performance-oriented. They are also much more willing to do whatever it takes to make a business successful and be less questioning of the ethicality of, for example, using sexually suggestive messages in advertisements. At the same time they are more idealistic as far as bribery or ethical conduct are concerned. This may reflect an expectation that they will get jobs with large corporations where these issues may not be confronted on a daily basis.

By the end of the first year of the MBA program and summer training at IIMB, the students have less belief in the social responsibility of business (or just a greater faith in unbridled capitalism). They are more willing to do what it takes to make a business succeed, whether it be sifting through a competitor's garbage or breaking apart a competitor's product to study its working. At the same time, they see a slightly larger space for personal conscience and values than before.

Women are more sensitive than men to human issues. They are less tolerant of unethical behaviour. They see a higher role for conscience and individual values. They are more particular about what is acceptable, whether it is in the realm of advertising or business intelligence.

While believers in God are less willing to accept the primacy of maximising shareholder wealth over all other goals, they are at the same time less hesitant to bribe. Maybe they think God will take care of them, while the non-believers have to wrestle with their conscience.

Concerns

There are a number of concerns that arise from the findings of this study. The first concern is that as many as 30% of the students show a clear pattern of being willing to do anything (or almost anything) to achieve good performance. While the fact that there is such a group does not come as a surprise, the size of the group does. The second concern is that more than half the students believe that to achieve success in business they may have to occasionally indulge in a degree of dishonesty and telling half-truths, and would not hesitate to bribe in a business situation. While this can partly be seen as a (sad) commentary on the economic and political environment in which Indian enterprises have to function, it also indicates a lack of willingness to stand up for stick by some closely-held principles. The third concern is a lack of sensitivity to broader social concerns such as alcohol and smoking, and the use of sexually explicit messages in advertising. The fourth concern is the programme's lack of positive impact on students' ethical perceptions, and apparently a contribution to less ethical sensitivity on issues like social responsibility and gathering business intelligence.

On the positive side, it is heartening to note that even the respondents in the "anything for performance" group draw the line at hindering others' performance to achieve their own ends, and believe that if they have to do anything against their conscience they would rather leave the organisation. The only problem with the latter is that their conscience seems somewhat flexible.

Implications for Business Ethics Education

At a broad level, it is apparent that there is a lot of ground to cover through business ethics education. However, the significant difference in the levels of ethical sensitivity within the class make this proposition far from easy. It appears that unless business ethics education is seamlessly integrated with the rest of the business education curriculum it is unlikely to succeed, particularly with the "anything for performance" group who would find it very easy to just turn off its attention when confronted with a standalone business ethics module. A conscious effort needs to

be made to create opportunities for the students to interact with business leaders who have been able to blend good ethics with good performance – it would be much more difficult to refute such evidence from credible business leaders.

More controversial possibilities include considering students' ethical orientation in the admissions process itself. Besides the contentious issues that would raise regarding “imposing” ethical standards on the process, this would involve the identification of reliable ways of measuring ethical orientation and sensitivities in an environment where coaching classes and preparatory courses for MBA admissions are widely used.

Issues for Further Research

This paper has reported our findings on the various items pertaining to “Perceptions and Attitudes about Business, Society and Ethics” based on a questionnaire developed by the authors. Our conclusions are consistent with much of the literature cited in an earlier section. However, our use of contextually grounded questions has helped us in identifying concerns that we can now hopefully address.

In an accompanying paper (Reddy and Krishnan, 2002), we have discussed a future agenda for improving the scale and making it a more reliable instrument for capturing ethical perceptions. Consequent to this, we need to be able to measure ethical perceptions on a regular basis to keep track of the changing profile of students and the impact of our programme. Obviously, for example, administering our instrument to the same group of students at the beginning of, during, and at the end of the programme would have greater validity than comparing the responses of the first- and second-year students as we have done. One disadvantage of using our own scale is that it limits comparability to other groups who have used different instruments. However, we believe that the instrument we are developing will be a contextually improved way of measuring ethical perceptions.

There are a number of related issues not covered in our present questionnaire that we could possibly consider for inclusion in our future research. These include the meaning of success, balance between career aspirations and family life, attitude towards philanthropic and voluntary activities, social concerns, individual role in combating corruption, and political concerns. It would also be very helpful if we could supplement questionnaire-generated data with focus groups and interviews so that we could probe causal links and influences on our students – these would be particularly relevant to finding improved methods of ethics education.

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Annexure 1

Summary of Responses of IIMB Students

Item No.	Statement	Number of respondents				Mean Score
		Strongly disagree = 1	Disagree = 2	Agree = 3	Strongly agree = 4	
1	<i>The primary goal of an organization is earning profit and maximizing return to shareholders.</i>	1	23	169	128	3.32
2	<i>While employee welfare, customer service and social responsibility are important, these goals are only secondary and subordinate to the primary goal of maximizing profits and returns to shareholders</i>	29	131	107	53	2.58
3	<i>Organizations cannot be lenient to employees with below par performance on humanitarian considerations. Treatments/benefits received by an employee ought to be strictly based on performance.</i>	9	82	171	59	2.87
4	<i>While achieving good results and maximizing returns to shareholders, sometimes welfare of some of the employees may be affected. Though this is undesirable, it cannot be helped. After all, primary goal of an organization is maximizing shareholder returns and not maximizing employee welfare.</i>	12	164	120	24	2.49
5	<i>Companies have a responsibility to ensure the well-being of the society.</i>	9	34	188	89	3.12
6	<i>While adherence to statutory regulations regarding pollution, labour-laws and tax laws etc. is important, an organization need not be excessively concerned about the social good over and above the statutory requirements.</i>	70	173	63	15	2.07
7	<i>The ethics of business are different from the ethics of personal and family life.</i>	41	134	115	319	2.41
8	<i>While maintaining high ethical standards in personal life may be important, in business dealings one can't have the same stringent ethical standards.</i>	57	150	95	18	2.23
9	<i>Personal conscience and personal values ought not to come in the way of making business decisions which are in the interest if the organization.</i>	47	153	96	24	2.30
10	<i>To achieve success in business dealings one may have to occasionally indulge in a certain degree of dishonesty and telling half-truths.</i>	39	101	158	22	2.51
11	<i>An organization with a strong ethical code of conduct cannot use its adherence to</i>	10	23	154	133	3.28

Item No.	Statement	Number of respondents				Mean Score
		Strongly disagree = 1	Disagree =2	Agree=3	Strongly agree=4	
	<i>ethical principles as an excuse for lack-lustre performance. Ethics cannot be a substitute for performance.</i>					
12	<i>In order to achieve high performance it is okay if an organization is somewhat unethical in its business practices.</i>	48	187	76	10	2.15
13	<i>It is alright to exaggerate the performance of a product in order to achieve higher sales</i>	40	163	106	11	2.28
14	<i>It is okay to sift through a competitor's garbage to obtain their documents.</i>	68	120	113	17	2.25
15	<i>It is acceptable to break apart a competitor's product to study its inner working.</i>	13	41	206	60	2.98
16	<i>There is nothing wrong with the promotion of cigarettes and alcohol through advertisements.</i>	39	79	160	43	2.64
17	<i>To attract the attention of the potential customers, it is alright to use sexually suggestive messages in advertisements.</i>	45	118	128	29	2.44
18	<i>There are absolute and minimum standards of ethics that everyone should maintain.</i>	18	26	114	163	3.31
19	<i>It is fine to say that we should be ethical in our conduct. To be actually ethical in the real world is very difficult and impractical.</i>	23	116	129	53	2.66
20	<i>Even though one knows that some behaviours are unethical, when everyone else is behaving that way, it is understandable if a person engages in such a behaviour, in spite of his/her being personally against it (false attendance, copying from old reports, etc.).</i>	57	156	92	14	2.20
21	<i>If my employer were to force me to do anything against my conscience, I would rather leave the company than go against my conscience.</i>	5	87	175	53	2.86
22	<i>In order to achieve results, one may have to cut corners to an extent and this is simply a matter of being pragmatic.</i>	16	103	177	21	2.64
23	<i>It is impossible to do business in India without paying bribes.</i>	32	124	113	49	2.56
24	<i>The government and public sector are more corrupt than the private sector.</i>	23	65	137	92	2.94
25	<i>Private sector companies take bribes to award contracts.</i>	15	110	160	24	2.62
26	<i>Corruption in India is high because of a large number of rules and regulations.</i>	39	109	121	52	2.58
27	<i>The absence of state funding for elections is the reason for political and hence business corruption.</i>	23	130	141	23	2.52
28	<i>If a bribe is a must even to get what is</i>	13	88	179	40	2.77

Item No.	Statement	Number of respondents				Mean Score
		Strongly disagree = 1	Disagree = 2	Agree = 3	Strongly agree = 4	
	<i>legitimate, as happens in some government offices, we may have no choice but to pay up.</i>					
29	<i>In a business situation, if the need arises I would not hesitate to pay a bribe to get business.</i>	30	129	134	27	2.49
30	<i>I have personal experience of having given a bribe (e.g. to buy a railway ticket).</i>	50	45	154	71	2.77
31	<i>It is a dog-eat-dog world. Each person has to take care of his own interests first, before being concerned about others' interests.</i>	12	92	176	38	2.75
32	<i>In a situation where my performance is being measured relative to that of others, I might not mind doing things which can hinder the performance of others.</i>	105	167	31	15	1.86
33	<i>In a competitive and demanding situation, if a person due to his/her own preoccupations is unable to help his/her colleagues who may be having problems in their studies/job, it is understandable</i>	9	54	197	59	2.96
34	<i>While team-work is important, one need not always sacrifice one's own personal interest for the sake of the team.</i>	9	89	186	36	2.78
35	<i>If a person manages to do well in his/her career and life by networking and politicking even without doing his/her work properly, it is okay. It is for each person to decide on what he/she wants to do in life and how he/she wants to accomplish his/her goals.</i>	32	103	145	39	2.60
36	<i>I would rather get a lower grade than copy project reports in order to meet deadlines or get false attendance to meet the stipulated norm.</i>	19	84	129	87	2.89
37	<i>I would not cheat in an examination even if there is no likelihood of my being caught.</i>	16	53	113	138	3.17

Annexure 2

Responses of Three Clusters of IIM Students

Item No.	Statement	Anything for Performance N=84	Ethical but Practical N=145	Aggressive Moralists N=59
1	<i>The primary goal of an organization is earning profit and maximizing return to shareholders.</i>	Agree	Agree	Agree
2	<i>While employee welfare, customer service and social responsibility are important, these goals are only secondary and subordinate to the primary goal of maximizing profits and returns to shareholders</i>	Agree	Disagree	Agree
3	<i>Organizations cannot be lenient to employees with below par performance on humanitarian considerations. Treatments/benefits received by an employee ought to be strictly based on performance.</i>	Agree	Agree	Agree
4	<i>While achieving good results and maximizing returns to shareholders, sometimes welfare of some of the employees may be affected. Though this is undesirable, it cannot be helped. After all, primary goal of an organization is maximizing shareholder returns and not maximizing employee welfare.</i>	Agree	Disagree	Disagree
5	<i>Companies have a responsibility to ensure the well-being of the society.</i>	Agree	Agree	Agree
6	<i>While adherence to statutory regulations regarding pollution, labour-laws and tax laws etc. is important, an organization need not be excessively concerned about the social good over and above the statutory requirements.</i>	Disagree	Disagree	Disagree
7	<i>The ethics of business are different from the ethics of personal and family life.</i>	Agree	Disagree	Disagree
8	<i>While maintaining high ethical standards in personal life may be important, in business dealings one can't have the same stringent ethical standards.</i>	Agree	Disagree	Disagree
9	<i>Personal conscience and personal values ought not to come in the way of making business decisions which are in the interest if the organization.</i>	Agree	Disagree	Disagree
10	<i>To achieve success in business dealings one may have to occasionally indulge in a certain degree of dishonesty and telling half-truths.</i>	Agree	Agree	Disagree

Item No.	Statement	Anything for Performance N=84	Ethical but Practical N=145	Aggressive Moralists N=59
11	<i>An organization with a strong ethical code of conduct cannot use its adherence to ethical principles as an excuse for lack-lustre performance. Ethics cannot be a substitute for performance.</i>	Agree	Agree	Agree
12	<i>In order to achieve high performance it is okay if an organization is somewhat unethical in its business practices.</i>	Agree	Disagree	Strongly disagree
13	<i>It is alright to exaggerate the performance of a product in order to achieve higher sales</i>	Agree	Disagree	Disagree
14	<i>It is okay to sift through a competitor's garbage to obtain their documents.</i>	Agree	Disagree	Disagree
15	<i>It is acceptable to break apart a competitor's product to study its inner working.</i>	Agree	Agree	Agree
16	<i>There is nothing wrong with the promotion of cigarettes and alcohol through advertisements.</i>	Agree	Agree	Disagree
17	<i>To attract the attention of the potential customers, it is alright to use sexually suggestive messages in advertisements.</i>	Agree	Disagree	Disagree
18	<i>There are absolute and minimum standards of ethics that everyone should maintain.</i>	Agree	Agree	Agree
19	<i>It is fine to say that we should be ethical in our conduct. To be actually ethical in the real world is very difficult and impractical.</i>	Agree	Agree	Disagree
20	<i>Even though one knows that some behaviours are unethical, when everyone else is behaving that way, it is understandable if a person engages in such a behaviour, in spite of his/her being personally against it (false attendance, copying from old reports, etc.).</i>	Agree	Disagree	Disagree
21	<i>If my employer were to force me to do anything against my conscience, I would rather leave the company than go against my conscience.</i>	Agree	Agree	Agree
22	<i>In order to achieve results, one may have to cut corners to an extent and this is simply a matter of being pragmatic.</i>	Agree	Agree	Disagree
23	<i>It is impossible to do business in India without paying bribes.</i>	Agree	Agree	Disagree
24	<i>The government and public sector are more corrupt than the private sector.</i>	Agree	Agree	Disagree
25	<i>Private sector companies take bribes to award contracts.</i>	Agree	Agree	Agree
26	<i>Corruption in India is high because of a large number of rules and regulations.</i>	Agree	Agree	Disagree

Item No.	Statement	Anything for Performance N=84	Ethical but Practical N=145	Aggressive Moralists N=59
27	<i>The absence of state funding for elections is the reason for political and hence business corruption.</i>	Agree	Agree	Disagree
28	<i>If a bribe is a must even to get what is legitimate, as happens in some government offices, we may have no choice but to pay up.</i>	Agree	Agree	Disagree
29	<i>In a business situation, if the need arises I would not hesitate to pay a bribe to get business.</i>	Agree	Disagree	Disagree
30	<i>I have personal experience of having given a bribe (e.g. to buy a railway ticket).</i>	Agree	Agree	Disagree
31	<i>It is a dog-eat-dog world. Each person has to take care of his own interests first, before being concerned about others' interests.</i>	Agree	Agree	Agree
32	<i>In a situation where my performance is being measured relative to that of others, I might not mind doing things which can hinder the performance of others.</i>	Disagree	Disagree	Disagree
33	<i>In a competitive and demanding situation, if a person due to his/her own preoccupations is unable to help his/her colleagues who may be having problems in their studies/job, it is understandable</i>	Agree	Agree	Agree
34	<i>While team-work is important, one need not always sacrifice one's own personal interest for the sake of the team.</i>	Agree	Agree	Agree
35	<i>If a person manages to do well in his/her career and life by networking and politicking even without doing his/her work properly, it is okay. It is for each person to decide on what he/she wants to do in life and how he/she wants to accomplish his/her goals.</i>	Agree	Agree	Disagree
36	<i>I would rather get a lower grade than copy project reports in order to meet deadlines or get false attendance to meet the stipulated norm.</i>	Disagree	Agree	Strongly agree
37	<i>I would not cheat in an examination even if there is no likelihood of my being caught.</i>	Agree	Agree	Strongly agree

Annexure 3

Items on which there is significant difference in means between IIMB students and students of a private management institution

Item No.	Statement	Mean for MBA students (IIMB) N=321	Mean for MBA students of private mgmt instn N=51	Level of significance of difference in means
1	<i>The primary goal of an organization is earning profit and maximizing return to shareholders.</i>	3.32	3.08	0.009
4	<i>While achieving good results and maximizing returns to shareholders, sometimes welfare of some of the employees may be affected. Though this is undesirable, it cannot be helped. After all, primary goal of an organization is maximizing shareholder returns and not maximizing employee welfare.</i>	2.49	2.14	0.001
5	<i>Companies have a responsibility to ensure the well-being of the society.</i>	3.12	3.70	0.000
6	<i>While adherence to statutory regulations regarding pollution, labour-laws and tax laws etc. is important, an organization need not be excessively concerned about the social good over and above the statutory requirements.</i>	2.07	1.80	0.024
8	<i>While maintaining high ethical standards in personal life may be important, in business dealings one can't have the same stringent ethical standards.</i>	2.23	2.75	0.000
11	<i>An organization with a strong ethical code of conduct cannot use its adherence to ethical principles as an excuse for lack-lustre performance. Ethics cannot be a substitute for performance.</i>	3.28	2.98	0.009
14	<i>It is okay to sift through a competitor's garbage to obtain their documents.</i>	2.25	1.92	0.010
15	<i>It is acceptable to break apart a competitor's product to study its inner working.</i>	2.98	2.48	0.000
16	<i>There is nothing wrong with the promotion of cigarettes and alcohol through advertisements.</i>	2.64	2.37	0.039
17	<i>To attract the attention of the potential customers, it is alright to use sexually suggestive messages in advertisements.</i>	2.44	1.90	0.000
19	<i>It is fine to say that we should be ethical in our conduct. To be actually ethical in the real world is very difficult and</i>	2.66	3.00	0.006

Item No.	Statement	Mean for MBA students (IIMB) N=321	Mean for MBA students of private mgmt instn N=51	Level of significance of difference in means
	<i>impractical.</i>			
23	<i>It is impossible to do business in India without paying bribes.</i>	2.56	2.82	0.046
24	<i>The government and public sector are more corrupt than the private sector.</i>	2.94	3.20	0.050
33	<i>In a competitive and demanding situation, if a person due to his/her own preoccupations is unable to help his/her colleagues who may be having problems in their studies/job, it is understandable.</i>	2.96	2.71	0.014

Annexure 4

Items on which there are significant differences between first- and second-year PGP students of IIM Bangalore

Item No.	Statement	Mean for Second year MBA students (IIMB) N=146	Mean for First year MBA students (IIMB) N=175	Level of significance of difference in means
5	<i>Companies have a responsibility to ensure the well-being of the society.</i>	3.00	3.21	0.006
6	<i>While adherence to statutory regulations regarding pollution, labour-laws and tax laws etc. is important, an organization need not be excessively concerned about the social good over and above the statutory requirements.</i>	2.20	1.97	0.007
9	<i>Personal conscience and personal values ought not to come in the way of making business decisions which are in the interest if the organization.</i>	2.19	2.39	0.027
14	<i>It is okay to sift through a competitor's garbage to obtain their documents.</i>	2.44	2.09	0.000
15	<i>It is acceptable to break apart a competitor's product to study its inner working.</i>	3.19	2.81	0.000

Annexure 5

Items on which differences exist between genders (PGP students of IIM Bangalore)

Item No.	Statement	Mean for Males N=273	Men for Females N=47	Level of significance of difference in means
1	<i>The primary goal of an organization is earning profit and maximizing return to shareholders.</i>	3.36	3.09	0.005
2	<i>While employee welfare, customer service and social responsibility are important, these goals are only secondary and subordinate to the primary goal of maximizing profits and returns to shareholders</i>	2.61	2.34	0.047
3	<i>Organizations cannot be lenient to employees with below par performance on humanitarian considerations. Treatments/benefits received by an employee ought to be strictly based on performance.</i>	2.92	2.57	0.003
4	<i>While achieving good results and maximizing returns to shareholders, sometimes welfare of some of the employees may be affected. Though this is undesirable, it cannot be helped. After all, primary goal of an organization is maximizing shareholder returns and not maximizing employee welfare.</i>	2.53	2.21	0.003
9	<i>Personal conscience and personal values ought not to come in the way of making business decisions which are in the interest of the organization.</i>	2.35	2.04	0.018
12	<i>In order to achieve high performance it is okay if an organization is somewhat unethical in its business practices.</i>	2.18	1.96	0.044
14	<i>It is okay to sift through a competitor's garbage to obtain their documents.</i>	2.31	1.91	0.004
15	<i>It is acceptable to break apart a competitor's product to study its inner working.</i>	3.01	2.76	0.021
16	<i>There is nothing wrong with the promotion of cigarettes and alcohol through advertisements.</i>	2.69	2.38	0.025
17	<i>To attract the attention of the potential customers, it is alright to use sexually suggestive messages in advertisements.</i>	2.52	1.94	0.000
21	<i>If my employer were to force me to do anything against my conscience, I would rather leave the company than go against my conscience.</i>	2.81	3.15	0.002

Item No.	Statement	Mean for Males N=273	Men for Females N=47	Level of significance of difference in means
22	<i>In order to achieve results, one may have to cut corners to an extent and this is simply a matter of being pragmatic.</i>	2.68	2.38	0.005
30	<i>I have personal experience of having given a bribe (e.g. to buy a railway ticket).</i>	2.85	2.28	0.000
32	<i>In a situation where my performance is being measured relative to that of others, I might not mind doing things which can hinder the performance of others.</i>	1.90	1.63	0.030

Annexure 6

Items on which there is significant difference based on belief in God (PGP Students of IIM Bangalore)

Item No.	Statement	Don't believe in God N=29	Believe in God N=241	Can't say N=49	Level of significance of difference in means
2	<i>While employee welfare, customer service and social responsibility are important, these goals are only secondary and subordinate to the primary goal of maximizing profits and returns to shareholders</i>	2.97	2.49	2.76	0.005
5	<i>Companies have a responsibility to ensure the well-being of the society.</i>	2.79	3.16	3.10	0.025
6	<i>While adherence to statutory regulations regarding pollution, labour-laws and tax laws etc. is important, an organization need not be excessively concerned about the social good over and above the statutory requirements.</i>	2.48	2.01	2.12	0.007
22	<i>In order to achieve results, one may have to cut corners to an extent and this is simply a matter of being pragmatic.</i>	2.41	2.70	2.51	0.037
29	<i>In a business situation, if the need arises I would not hesitate to pay a bribe to get business.</i>	2.28	2.57	2.24	0.008