

# Study on Factors Underlying Students' Ethical Decision Making in Music File Sharing

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## ABSTRACT

*Business ethics is at a high stake in view of a rash of recent unethical business scandals. Business schools are defensive in a barrage of blames for not teaching business ethics effectively to their students. The college of business at SHU is particularly sensitive to this issue since it has been proud of its Catholic intellectual tradition and has been doing its best to comply the requirements by AACSB for the accreditation. This study will help us to understand factors underlying in our business students' ethical decision making and to address those factors effectively in the business curriculum so that they will behave more ethically by respecting others' intellectual properties. One limitation of this study is that we measure our students' ethical behavior based on only one matter, music file sharing.*

## INTRODUCTION

Concerns on business ethics are raised very high nowadays in a wake of a series of recent business scandals caused by high-profile executives in well known companies such as Enron, Anderson, Tyco, ImClone, Boeing. Some of those misconducts are often attributed to the excessive compensation structure with stock options that tempts top executives to manipulate business results for option holders' short-term interests at the cost of everyone else. Desire for high achievements in today's hyper-competitive business environment may also pressure profit-obsessed top managers to make unethical decisions to maximize economic benefits. As a way of remedy, there are various discussions on corporate-governance reforms (Hannafey, 2003; Tipgos, 2002; Watkins, 2003). For instance, top executives' compensation may be linked to a company's long-term achievements to alleviate the pressure for short-term profits. New York Stock Exchange would require companies to have a majority of independent directors as a better way to supervise top executives. Certainly, those governance reforms may help thwart some fraudulent conducts. However, many of misconducts are rooted in the socio-cultural and behavioral factors such as greedy personality, lapse of business ethics, unhealthy organizational culture.

Can managers learn how to behave ethically? If possible, who can teach them? For decades, business schools have taught business ethics in various ways to their students. Also, accreditation bodies like the Association to Advance Collegiate Schools of Business (AACSB) require an ethical component in their curricula. However, recent ethical lapses in business circles put business schools under close scrutiny. Media put blames on lax ethics education in business schools that are busy teaching core and tangible materials (Etzioni, 2002; Merritt, 2003; Wall Street Journal, 12/30/2003). There are several researchers who studied business students' perception of ethics. Elm, et al (2001) claims that "business students have lower moral reasoning levels than students in other fields." Angelidis and Ibrahim (2002) reported that there was no significant difference between business students at secular and non-secular universities. Richards, et al (2002) urges business schools to assess ethics education needs in their own MBA programs, particularly if they have not added significant ethical content to their curricula. Sankaran and Bui (2003) measured ethical attitude among accounting majors and compared with other business majors and non-business majors. While reviewing the trends in ethics education, Farnsworth and Kleiner (2003) assert "Ethics should be a required course in US colleges and universities because the study can initiate the process to address these challenges." Procario-Foley and McLaughlin (2003) and Stablein (2003) agreed that business students should be more exposed to ethics in their business education.

## ETHICS EDUCATION

In 2003, the college of business at the Sacred Heart University (SHU) its core curriculum for undergraduate students to properly address the AACSB guidelines as part of its self-study for the long-awaited accreditation. One of the focal issues was whether a business ethics course should be required as a core course for all business undergraduate students like the MBA curriculum. A majority of the undergraduate curriculum committee members voted not to do, but to ask instructors to teach the concept of business ethics in their courses since each disciplinary area such as accounting, marketing, finance, human resource management, sport management may better address its own ethical decision making cases. However, the faculty voted to require a business ethics course for all business students when the dean insisted to do as a way to show the college's strong commitment to ethics particularly in compliance with the SHU's Catholic intellectual tradition, which is reflected in the college's newly drafted mission statement, as follows:

*"Our values are within the Catholic intellectual tradition: ...We stress ethical decision making ... We strive to develop professionals who will act ethically, morally, and responsibly." (Mission Draft, 2004, p. 1).*

Learning business ethics is one thing and doing ethical decision making is another thing. The lingering question is how positively a business ethics course affects a business student's ethical decision making. As a way to answer this question, we decide to see any difference in business students' ethical decision making before and after taking a business ethics course. Rather than developing some ethical decision making scenarios, we pick a real issue, music file sharing, which many college students have been participating in though they know that it's illegal and unethical. It is reported that at least two SHU students have been named for inclusion in an RIAA (Recording Industry Association of America) lawsuit brought against computer users who download and share copyrighted materials. If students knowingly participate in this kind of unethical behavior, how can we expect them to respect intellectual properties when they become managers later? We want to know what excuses they have so that we can better address those in our business ethics education.

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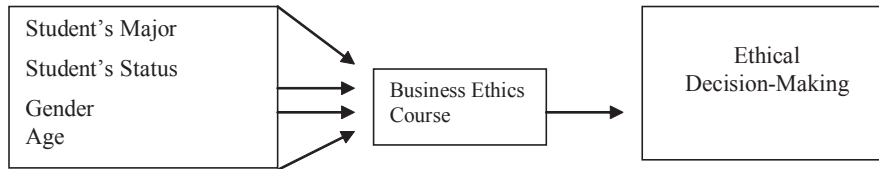
## RESEARCH METHOD

The conceptual framework of the study is shown in Figure 1.

There are five research questions, as follows:

- Research Question 1: Ethical decision making of business students becomes different after taking a business ethics course.

Figure 1



- Research Question 2: Ethical decision making of business students is different by major.
- Research Question 3: Ethical decision making of MBA students is different from that of business undergraduate students.
- Research Question 4: Ethical decision making of female students is different from that of male students.
- Research Question 5: Ethical decision making of old students is different from that of young students.

To find answers to those questions, we developed a questionnaire as shown in the appendix 1. The section 1 is to collect demographic data and the section 2 is for a respondent's perception on the issue. In the section 3, we listed two questions for each of the six ethical principles explained in an MIS textbook: (1) The Golden Rule, (2) Immanuel Kant's Categorical Imperative, (3) Descartes' rule of change, (4) Utilitarian Principle, (5) Risk Aversion Principle and (6) Ethical "no free lunch" rule (Laudon & Laudon). Data has been collected from SHU students who are business school undergraduates and MBA students. Computer science major students are included in order to compare the effect of their major (business management vs. computer science). Since the registering of the survey is included by selection rather than by manipulation, it is not an experimental research design. Therefore no causal relationships can be inferred. Instead, descriptive statistical analysis will be reported. According to the research questions 1 through 5, there are four independent variables in the study: students' major, status (undergraduate vs. graduate), gender and age.

Reliability is defined in practice in terms of internal consistency of the responses from the participants. Internal consistency is the extent to which the individual items in the questionnaire correlate with one another or with the instrument as a whole. To demonstrate the reliability of the instrument, Cronbach's alpha will be calculated. Construct validity of the questionnaire will be demonstrated by factor analysis. For the research question 1 through 4, Chi Square test of Independence will be performed based on data for section 2 in the survey, and t-test based on data for the section 3. Qualitative data for the section 4 in the survey will be gathered and analyzed. For the research question 5, One-way Analysis of Variance (ANOVA) — treating the dichotomous criterion variable (yes or no) as dummy variable — will be performed based on data for the section 2 in the survey. One-way ANOVA with one-between groups design will be performed based on data for the section 3.

**DATA ANALYSIS AND DISCUSSION**  
(Will be done later)

**SUMMARY AND RECOMMENDATIONS**  
(Will be done later)

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