An Empirical Study on the Association between International Experiences and Ethical Perceptions

Yi-Hui Ho
Department of International Business Chang Jung Christian University, Tainan, 71101, Taiwan
vicky@mail.cjcu.edu.tw

Abstract: International experiences have gained increasing attentions by business professionals in the era of business globalization. Business ethics has also received substantial attentions due to those unceasing business scandals and their significant impact on stakeholders. As a result, research on business ethics and international experiences has no doubt brought about a growing attention lately. Nevertheless, little empirical research investigated the association between international experiences and ethical perceptions. Therefore, this study intends to explore the relationships between international experiences and ethical perceptions of business students. A questionnaire survey which takes business students in Taiwan as research subjects was used to probe participants’ ethical perceptions and their international experiences. The Multidimensional Ethics Scales is employed to measure students’ ethical perceptions, and an international experience questionnaire was developed to determine students’ international experiences. The findings reveal significant relationships exist between international experiences and ethical perceptions of business students. The study can promote further understanding of the associations of international experiences and ethical perceptions of future business professionals. Furthermore, the results of the study can help higher education institutions and international businesses to realize the possible impact of international experiences on ethical perceptions for business students.

Keywords: International experiences, ethical sensitivity, ethical intention, business students, Multidimensional Ethics Scales

1. Introduction

Due to the trend toward globalization of the business environment, ethical issues can no longer be considered problems only within a single business or nation. Ethical relativism becomes a concern for international businesses because of the cultural differences in acceptable norms of behavior bringing about different practices in business (Sharp, 2006). Ethical issues may be perceived differently in the host country from others. Accordingly, as the increasing number of culturally diverse workforces in international businesses, business professionals have to face the challenge of dealing with a variety of ethical dilemmas among multi-cultural employees by understanding the differences in ethical perceptions across different cultures (Cherry, Lee, & Chien, 2003). Making ethical decisions using multi-cultural perspectives is even crucial at present. Moreover, international experiences are usually recognized as a benefit for executives and employees in international business (Carpenter, Sander, & Gregersen, 2001; Daily, Certo, & Delton, 2000). Deficient international experiences may negatively influence individual’s cross-cultural adaptation and therefore result in unsuccessful international assignments (Takeuchi, Tesluk, Yun & Lepak, 2005). It will also bring about difficulties of building and maintaining relationships with stakeholders from different cultural backgrounds. While embracing sufficient international experiences is critical for future business professionals, it is therefore imperative to study the impact of international experiences on business students’ ethical perceptions.

Ethical issues to some extent can be considered cultural issues. They often intertwined to each other, and reveal one’s values, beliefs, epistemological orientation, as well as prospects (Endicott, Bock, & Narvaez, 2003). As globalization and ethics are both critical issues for modern business, it is necessary to know whether there are associations between international experiences and ethical perceptions. While research in business ethics has received considerable attention, the investigation of the relationship between international experiences and ethical perceptions is hardly found in previous studies. Up to the present, only a few researchers (Endicott et al., 2003; Lin, 2009) investigated the relationship between moral judgment and intercultural experiences. Their research suggests significant relations between international experiences and moral development. Nevertheless, there is still a vast space left for research on the association of international experiences and ethical perceptions.
It will be valuable for international corporations as well as higher education institutions to understand how these future business professionals differ in their ethics perceptions based on different international experiences. However, there is still no literature studying the association between international experiences and ethical perceptions. Addressing the research gap, this study examines the association between international experiences and ethical perceptions for business students in Taiwan. An understanding of the relationship between international experiences and ethical perceptions may be helpful for companies that need to execute their code of conduct in a global business context. The main purpose of this study is to explore the relationship between international experiences and ethical perceptions of business students. Undergraduate business students in Taiwan at some higher education institutions are studied. The next section introduces the theoretical background and research hypothesis. The third section gives a description of the research methods followed by the fourth section discussing the research findings. The final section gives conclusions and limitations.

2. Literature Review

Ethics is a set of societal-based principles that specify the right and wrong ways to conduct oneself in intentional situations and that have the potential to affect others in positive or negative ways. Ethical decision-making is a way of resolving conflicts where such ethical conflicts are present. Rest’s (1986) four-component model of ethical action is perhaps the most widely accepted model about ethical action (Jones, Massey & Thorne, 2002; Lin & Ho, 2008). This model consists of four components: ethical sensitivity, ethical judgment, ethical intention, and ethical behavior. Ethical sensitivity refers to the identification of the ethical issue. It is the ability of the decision maker to recognize an existing ethical problem, interpret the situation, and take various roles to understand how that proposed action would affect others. Ethical judgment refers to the ethical judgment of the ideal solution to a particular dilemma. It involves considering which actions are ethically correct as well as which particular action would be most justified, and is directly associated with cognitive moral development (Jones et al., 2002; Kohlberg, 1969). Ethical intention refers to the motivation of whether or not to comply with the ethical judgment. It means the degree to which one will commit to ethical actions and behaviors, the extent to which one will put more emphasis on moral values than others, or the extent to which one will take charge to bring about ethical results. Ethical behavior refers to the action of carrying out the ethical intention. It addresses the essential characteristics to attain needed ethical actions or behavior such as the ability of conquering weakness and temptation, having strength and courage, and persisting with a moral sense of duty. Because many difficult dilemmas are ethically ambiguous, meaning that they can be viewed from a strategic perspective, an ethical perspective, or a perspective that involves a combination of both, ethical sensitivity and ethical intention are two necessary components of ethical decision-making (Butterfield, Trevino & Weaver, 2000).

Due to the increasing globalization in business, enriching international experiences is crucial for business students because these students have more occasions to interact with others from different cultures at present or in the future. Townsend and Wan (2007, p.197) define students’ multicultural experience as “the combination of time of study and quality of interaction with people from different cultures”. Students with international experience are found to develop the intrinsic appreciation of other cultural groups, which will better benefit their adaption to multicultural campus environment (Lee & Davis III, 2000). Also, individuals who possess international experiences, such as working or doing business with foreigners and studying abroad, are more likely to cope with international business conflicts (Leonidou, Katsikeas & Hadjimarcou, 2002; Lin, 2009).

International experience has multi-faced nature that varies along several dimensions (Ingulsrud et al., 2002; Takeuchi et al., 2005). Accordingly, various categorizations of international experiences have been used in previous studies. For instance, Endicott et al. (2003) evaluate students’ multicultural experiences in the areas of multicultural attitudes, breadth of multicultural activities, and depth of multicultural activities. Selmer (2002) takes participants’ past international experiences to investigate the relationship between international experiences and the international adjustment. Takeuchi et al. (2005) extend Selmer’s (2002) study and build a model of international experiences on expatriates’ adjustment by differentiating a person’s international experiences into current and past ones. Their model divided past experiences into two dimensions: domain and cultural specificity. The domain dimension includes work and non-work domains, and the dimension of cultural specificity consists of culture-specific and culture-general component. Also, the numbers and length of previous international experiences are both considered in their study.
There is little empirical research investigating the association between international experiences and ethical perceptions. In the past, the impact of one's international experiences has gained considerable attention. Previous studies have measured the impact of international experiences on changes in students' self-confidence (Ishino et al., 1999), social-cultural adaptations (Townsend & Wan, 2007), campus belongings (Lee & Davis III, 2000), foreign language ability and extroversion (Isoda, 1999). Furthermore, Berger (2000) found that students who joined in multicultural activities and interacted with different racial-ethnic groups are more likely to take part in community service during college. Students participating in off-campus learning programs such as studying in foreign countries demonstrated significant growth in principled moral reasoning during college (McNeel, 1994). Interaction with diverse individuals with divergent intellectual and social perspectives tends to enhance growth in principled moral reasoning (Derryberry & Thoma, 2000).

In addition, Brislin (1990) indicated that U.S. students may develop problem-solving skills and interdisciplinary thinking by interacting with international students. Taylor (1994) found that international experiences in developing countries can help medical students enhance their openness to different kinds of people, become more flexible and self-reliance, and understand the cultural relativity. Kauffman (1983) suggested that experiences of studying abroad contribute to students' interests in others' welfare. It also helps motivate students' reflective thought, which increase their ability to think in more complex ways. Thomlison (1991) also found that study-abroad experiences benefit students' ability to handle new and different situation as well as their personal independence. Vincenti (2001) suggested that benefit of international or intercultural experiences consists of personal warmth and openness, enhanced interest in others' welfare and appreciation of other's different values, increased idealism and service orientation, increased understanding and acceptance of other culture, and respectful of people as well.

Nevertheless, only Endicott et al. (2003) and Lin (2009) explored the relationships between individuals' multicultural experiences and moral development. They found that college students who have more multicultural experiences demonstrated higher levels of moral development. There is a significantly positive association between multicultural activities and the post-conventional level of moral development. To foster moral development, Endicott et al. (2003) suggested that students should spend more efforts in multicultural reading, speaking, working, friendships, courses and other activities. Also, in a study of purchasing managers, Lin (2009) concluded that purchasing managers with more multicultural experience would score higher on moral development than those with less multicultural experience. However, Endicott et al. (2003) and Lin (2009) only focused on the impact of international experiences on individuals' moral development of respondents. Individuals with multicultural experiences may be more able to be aware of the relativism of personal values, which is one characteristic of the post-conventional level of moral development (Kohlberg, 1969). As moral development is part of one's ethical decision-making process, it will be more completed to study the impact of international experiences on business students' ethical perceptions rather than only focusing on ethical development. It is also reasonable to expect that international experiences may somehow influence business students' ethical perceptions. Therefore, the following major research hypothesis is proposed: There is a significant relationship between international experiences and ethical perceptions for business students.

3. Methodology

This study selects undergraduate junior and senior business students in Taiwan as research subjects. These business students have taken certain levels of business courses that enable them to complete the instruments used in the study, and they are more likely to select business or related fields as their future careers. To increase the response rate, faculty members were invited to help pass out questionnaires and illustrate briefly about the survey in class. Anonymous questionnaires were delivered to business students. The students were told that their participation is voluntary and their responses will remain anonymous. They were also informed that there are no absolutely right or wrong answers so that they simply need to respond based on their own thoughts and beliefs regarding each scenario or question. The questionnaires were distributed to 715 business students at two universities in Taiwan. A total of 523 Taiwanese students returned the questionnaires. Throwing away the incomplete responses, a total of 502 Taiwanese students completed the questionnaires.

In order to examine the association of international experiences and ethical perceptions for business students, a questionnaire survey was used in this study. Survey methods are most useful for gathering
information about the current status of some target variables within a particular collectivity, though they may not succeed in showing how the target variable uniquely fits into the pattern of the individual units within the collectivity (Gall, Gall, & Borg, 2003). Although interviews may be helpful to probe deeply into respondents' perception, attitudes, and inner experience, it takes much time and cost to conduct interviews in cross-cultural research. Questionnaires are documents that ask the same questions to all individuals in the sample and are commonly used in quantitative research. The strengths of a questionnaire survey are that the cost of sampling respondents over a wide geographic area is lower, less time is required, and a standardized, anonymous, and highly structured situation can be provided for the respondent to answer questions. Moreover, questionnaires are most commonly used in related studies based on literature review; the study therefore uses questionnaires to investigate students' ethical decision-makings and international experiences.

To measure business students' ethical perceptions, the Multidimensional Ethics Scales (MES) was used. The MES is a philosophical constructs measure that comprises a multi-item scale on which respondents indicate the extent to which they believe that a particular action, described in a scenario at the start of the instrument, is ethical or otherwise, according to a given ethical criterion. It can be used to measure an individual's ethical sensitivity and ethical intention to engage in questionable actions. The MES instrument has been used in several ethics studies (Cohen, Pant & Sharp, 1998; Lin & Ho, 2008; Nguyen, Basuray, Smith, Kopka & McCulbb, 2008; Patel, 2003).

The MES is employed to examine the ethical sensitivity and ethical intention of participants. The MES uses some well-constructed hypothetical business-specific scenarios to examine subjects' ethical responses. Scenarios are commonly used in business ethics research (Richmond, 2001). A scenario consists of a short description of an ethical problem, and is appropriate for the study of human behaviors, because the stimulus presented in a scenario usually approximates closely a real-life decision-making situation (Lampe & Finn, 1992). It allows researchers to place a particular ethical problem in a realistic context and obtain some measures of the differences between ethical principles and ethical behavior, and to learn more about specific behaviors in a particular area of interest (Velasquez, 1992). An appropriately constructed scenario can provide a common frame of reference for what is believed to be the most important factor in the ethical decision-making process (Cohen, Pant & Sharp, 1993; Thorne, 2000).

For each scenario in the MES instrument, there are twelve items based on a seven-point Likert-type scale to measure respondents' ethical awareness. Higher scores correspond to higher degrees of ethical awareness. Ethical intention is measured by the item that asks the participant standing in the position of the first person to answer the question "The probability that I would do the action is high/low." The higher scores of these two items obtain, the higher willingness to act ethically the respondents' will be.

In terms of international experiences, it is measured by a self-developed questionnaire with three domains: the breadth of international experiences, the depth of international experiences, and the length of international experiences (Endicott et al., 2003; Lin, 2009). Each dimension is composed of several items that are related to their experiences in multicultural contexts. The breadth of international experiences implies the variety of international experiences, which include numbers of countries visited opportunities to contact foreigners, watching foreign movies or TV programs, eating foreign foods, and so on. Regarding the depth of international experiences, items such as students' multicultural reading, foreign language speaking, studying or working abroad, multicultural friendships, and living with foreign family members, etc. will be considered. As to the length of international experiences, time spent in another culture or country will be assessed (Endicott et al., 2003; Lin, 2009). Moreover, five professors with specialties on ethics or cross-cultural research were invited to examine the content of the questionnaire; and ten business students will also be invited to join the pre-test of the survey.

4. Results and Discussions

Table 1 shows a summary of the ethical perceptions of respondents. The results in Table 1 also show that the overall means of ethical sensitivity and ethical intention for respondents with more international experiences is higher than those for students with less international experiences.
Table 1: A Summary of the Mean Scores

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<th></th>
<th>Total</th>
<th>International Experiences</th>
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<tr>
<td></td>
<td>More (n=125)</td>
<td>Less (n=125)</td>
<td></td>
</tr>
<tr>
<td>Ethical sensitivity</td>
<td>5.12</td>
<td>5.63</td>
<td>4.76</td>
</tr>
<tr>
<td>Ethical intention</td>
<td>5.08</td>
<td>5.39</td>
<td>4.28</td>
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***p<0.01

To examine whether the relation between international experiences and ethical perceptions is significantly correlated, Table 2 shows a summary of the correlations between international experience scores and ethical perception scores. The bivariate correlation analysis was used. We can see that there are significant positive correlations between international experiences and ethical perceptions for business students. Therefore, the research hypothesis is supported that a significant relationship exists between ethical perceptions and international experiences for business students. Business students with more international experiences will score higher on ethical perceptions than those with less international experiences. International activities can promote flexible thinking that is an important characteristic of ethical decision-making (Endicott et al., 2003; Kohlberg, 1969).

Table 2 also reveals a distinction between the effects of three different types of international experiences on ethical perceptions. The breadth, depth and length of international experiences are positively related to ethical sensitivity and ethical intention. However, the depth of international experiences has the strongest effect on ethical perceptions, followed by the length of experiences and then the breadth of experiences. Therefore, the depth of international experiences may be a critical factor that is related to ethical perceptions. Intensive immersion international experiences may allow individuals to work and study at understanding and internalizing other national values and challenge individuals to rethink their own national values (Lin, 2009). International experiences may be helpful for promoting business students’ ethical perceptions. Business students are encouraged to spend more time in international activities rather than to move quickly through several countries.

Table 2: Correlations between International Experiences and Ethical Perceptions

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<thead>
<tr>
<th></th>
<th>Ethical sensitivity</th>
<th>Ethical intention</th>
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<tr>
<td>Breadth of experiences</td>
<td>0.17*</td>
<td>0.13*</td>
</tr>
<tr>
<td>Depth of experiences</td>
<td>0.36***</td>
<td>0.34***</td>
</tr>
<tr>
<td>Length of experiences</td>
<td>0.30**</td>
<td>0.29**</td>
</tr>
<tr>
<td>Total experiences</td>
<td>0.31**</td>
<td>0.32***</td>
</tr>
</tbody>
</table>

* p<0.1, ** p<0.05, *** p<0.01

5. Conclusion

Being ethical is important for business professionals because the society delegates them with the duty of ensuring that corporate entities are held accountable for their actions. Recent significant business scandals have again brought the importance of ethics. Moreover, due to the increasing trend of businesses towards globalization, business professionals are expected to have increased dealings with a diverse spread of cultural and international experiences on ethics. While most business students will be future business professionals, it is extremely crucial to undertake a study on the effects of international experiences on business students’ ethics. Based on a survey on business students in Taiwan, this study concludes that international experiences are significantly correlated with business students’ ethical perceptions. Business students with international experiences tend to present higher scores of ethical perceptions.

This study contributes to a better understanding of the relationship between international experiences and ethical perceptions of business students. The findings of this study are expected to be essential for higher educational institutions as well as international businesses. First, this study helps higher education
institutions understand business students’ perceptions of business ethics and consequently provide suitable policies to enhance students’ ethical perceptions during college, and to prepare students for the ethical complexity in a global business environment. This study also contributes to a better understanding of the relative influences of international experiences on business students’ ethical perceptions, and accordingly provides guides to develop ethics education policies with multicultural factors in the higher education context. Furthermore, this study benefits international businesses to realize the possible impact of international experiences on ethical perceptions for business students, and therefore to establish appropriate recruiting criteria and training programs for these future business professionals to adapt to the international business situations.

It should be noted that like most ethics research, the study relies on respondents’ self-report to the measurements, the social desirability bias may potentially exist. But the bias may to some extent be minimized due to the fact that the survey was conducted voluntarily and anonymously. In addition, the generalizability of research findings may be limited as business students in Taiwan were selected as research subjects in the study. Ethical perceptions of business students in Taiwan may differ to some extent from those in other countries because culture plays an important role in ethical perceptions. Future research can extend and replicate the current study to business students in other countries.

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References


