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Dimensionality of Business Ethics in China

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Emerging Dimensions of Business Ethics in China

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EXECUTIVE SUMMARY

Business ethics is often ignored in China's educational system. While the topic is well researched in the USA, it is hardly studied in the Chinese context. This study is an exploratory study of ethical dimensions in China. It reviews the extant literature on business ethics in China, collects data on ethical conduct from a large Chinese university, and analyzes the data in detail to examine emerging trends. The study applies factor analysis and multidimensional scaling on a research survey instrument used in previously published articles on ethical behavior. The resulting factors and dimensions are discussed, and future research is suggested.

Keywords: Ethics, China, Factor Analysis, Multidimensional scaling

INTRODUCTION

In the contemporary business environment, the ethical threshold is constantly being pushed leading to a myriad of problems. In an alarming survey consisting of 1300 employees and managers, 48 percent admitted to practicing some form of unethical conduct in the workplace (Mathis 1999). Poor ethical behavior can lead to business losses and embarrassing scandals (Frank Navran, quoted at Onlineethics.org, 2004). The numerous ethical scandals that appear in several Western media also abound in the East. In emerging nations such as China, numerous prosecutions of bureaucrats have been noted (Lewis, 2001). In several Asian countries, chronic disregard for transparency, ethics, and democratic principles have been cited as causes for organizational failures (Kanaga, CIPE, 1999).

Issues that pose challenges to ethical practices in China include the existence of corruption, inconsistent planning, poor regard for shareholder rights, and even market manipulation (Tam 2002, Chandler, 2004). While ethics research is abundant in the Western literature of business, few studies exist on ethical contact in the East and even fewer studies focus primarily on China. This study attempts to fill the void in the literature by focusing on ethical behavior in China, through a study of professionals attending graduate school in Beijing.

There is diversity in the conceptualization and practice of business ethics worldwide. In the same manner, in the arena of international ethics, literature suggests that ideologies and practices vary across countries (Jackson, et al, 2000 ; De Jong, Munoz & Pelaez, 2007). This diversity of ethical beliefs and practices would likely require an in-depth understanding and customization of practices in foreign locations. Even within a country, such as China, values and ideologies across regions can vary (Goodman, 1997).

Accordingly, ethical management practices often require unique approaches (Carroll & Gamon 1997; Snell, 1999). Meanwhile, with this diversity there is an emerging need to converge practices. Are there any absolutes in proper conduct? Are there limits to corruption, labor abuse, and environmental practices? With heightened globalization, there is a growing call for the commonality of ethical standards (Kung, 1997).

There are several factors that may explain ethical diversity. One factor relates to the inherent characteristics of a person or a group of people. According to Kohlberg (1969) individual moral systems shape ethical nature and behavior. Moral judgments are either subject to "relativism" or "idealism" (Forsyth, 1980). Individuals make decisions based on the situation, practical

tendencies, belief on what is perceived to be "good" and even altruism. Furthermore, much of the literature suggests that in Eastern and collectivist cultures, moral absolutes are not commonly practiced and ethical decisions are situational (Trompenaars & Hamden-Turner, 1997 ; Jackson et al, 2000).

Demographics also seem to have an impact on ethical diversity. Gender: Several studies have shown higher incidence of ethical tendencies in women than men (Chonko and Hunt 1985, Ferrell and Skinner 1988, Goolsby and Hunt 1992, Martin 1981, Whipple and Wolf 1991). Age: some studies indicate that ethical awareness and behavior tend to improve with age (Longnecker, McKinney and Moore 1989, Goolsby and Hunt 1992).

Work environment and leadership can be influential. Stead et al (1990) showed that philosophies of the management team affect the employees' ethical behavior. The actions managers take also tend to shape ethical practices (Nielsen, 1989).

Geographical and ethnical differentiators: an important differentiator of ethical conduct lies on a person's origin. National origin can affect ethical reasoning and ethical intent (Hegarty and Sims 1978; Tsui & Windsor, 2001). A study by Vitell and Hidalgo (2004) pointed out that ethical importance and regard for social responsibility varies according to where a person resides. In their study, a comparative analysis between respondents from the US and Spain showed that US residents had higher ethical perceptions and social responsibility than those in Spain. Since ethical conduct can have a significant impact on business, an in-depth understanding of the ethical beliefs of a culture would be beneficial for managers. In the practice of ethics in emerging nations, Stewart (1995) emphasized the need to explore at least 3 potential areas namely, 1) possibility of immorality, 2) minimalist tendencies, and 3) moral and socially-directed behavior.

LITERATURE ON CHINESE ETHICS

With China's emergence as an important business destination, an understanding of the ethical viewpoints is relevant. Much is to be desired in understanding the country's ethical landscape. Ethical behavior study in China is a challenging research arena with several underlying issues (Habib & Zurawicki, 2001). It is important to understand the country's cultural background and how it can potentially shape ethical conduct. The Chinese tend to work alongside a distinct set of values and ideas (Ferrell, Fraedrich & Ferrell, 2000). Many business practices in the country have been built upon its long history and remain anchored on its culture (Su & Littlefield, 2001).

While certain cultural attributes in the country can have a polarizing effect (Tsui and Windsor, 2001; Scarborough, 1998), some cultural attributes also define a country. For instance, in China many business practices tend to be politicized (Steidlmeier, 1997). Government influences can have an impact both through propaganda and action. Since ethical practice is based on tradition, its practical application including forms of punishment can contribute to its conformity (Wright et al, 2000). Lack of attention can lead to poor implementation. While reform has been taking place in China, the ethical ramifications from these changes have been largely neglected in the literature (Enderle, 2001).

On concept that is inherent in doing business in China is *guanxi* (Li, J. & Wright, 2000). *Guanxi* (meaning connections or relationships) is built on favor, trust, dependence, and adaptation (Buttery & Wong, 1999). The more socially expanded the individual is, the more seamless business interactions can be (King, 1993). Oftentimes, gift-giving and wining and dining are used to build and maintain *guanxi* (Brunner et al, 1989 ; Steindlmeir, 1999). *Guanxi* can have both negative and positive ethical implications. Guanxi can have a negative influence when it leads to corruption and personal gain (Wong, 1998). In certain cases, it is viewed as a concept grounded on ethics (Buttery & Wong, 1999). It has positive influences when utilized to further one's position or business (Xin & Pearce, 1996 ; Leung & Wong 2001). The practice of *guanxi* has significant business implications. *Guanxi* has been said to add anywhere from 3-5% of business costs in China (Oriental Daily News, 1993). Some studies suggest that the strength of guanxi and its impact on ethical practices has started to subside in recent years (Hui & Graen, 1997)

Aside from culture in general, religion and other belief systems specifically can shape business ethics. According to Whitcomb, et al (1998) business ethics in China is largely a convergence of Confucianism, Maoism, and market ethics driven by reforms. In certain instances, the Confucian philosophy can even lead to the undermining of material profit (De Bary, Chan and Watson, 1960). Other literature suggests that Chinese ethical actions are shaped by inherent Confucian virtues such as benevolence or *ren* (being a benevolent and learned individual) (Wangdao, 1997).

Evolution of China's Ethical Landscape

While some believe that Confucianism is a thing of the past in China, its influence is, in fact, still pervasive (Lu, 2003). Battingies and Tan (2007) suggested that Confucianism be the basis for designing ethical and responsible leadership training, because Confucianism is congruent with the Chinese way of thinking and because it contains many relevant and contemporary ideas that can help attune the moral compass of students. While a Confucianist core exists in China, it has evolved over the years, and across various nations in Asia.

 Being a nation in transition, the practice of ethics in China is evolving. In recent years, fast-tracked wealth building approaches have presented challenges to moral values (Thurston, 1994). However, positive changes are taking place as Chinese managers are growingly reliant to the rules of law (Forbes, 1996). Ethical transformation in China, alongside its growth and reform, is an emerging reality as evidenced by research studies (Whitcomb et al, 1998 ; Lu, 1999). These behavioral transformations, such as those in the government sector are sometimes hard to fully comprehend (Li, 1998). In the practice of business ethics, emotion rather than reason appear to dominate (Ten & Willmott, 2001)
While positive behavioral modification is sometimes desired, there exist challenges in carrying out change. In recent years, much change has been desired to modify ethical behavior in China, however, change protagonists lacked mechanisms to implement the changes (Wu, 1999). It has been noted that the younger executives have been spearheading workplace changes.

 Younger generation Chinese executives were noted to be receptive to Western management concepts which tend to promote pragmatic approaches and openness. (Ko, 1998). The adaptations of ethical codes of conduct are sometimes explicitly or implicitly expressed and are influenced by foreign direct investment and increasing trade.

 As traditional value systems are changing, international managers have been encouraged to be flexible and prepare for customized arrangements when developing ethical policies in mainland China (Snell and Tseng, 2001 ; Hong 1997). In certain cases, blending Eastern and Western approaches can be viable. For instance, Wong & Tam (2000) pointed out that contemporary relationship management concepts can blend well with the Chinese concept of *guanxi*. Chan et al (2002) postulated that Chinese corporate social responsibility, while in its relatively early stages, can be fused into a Westernized socially-oriented model. Others expressed the possible positive influences of Confucianist principles including benevolence, responsibility, virtue, gentleman behavior, harmony, and altruism (Bettingies and Tan, 2007). Confucianism does contain hierarchal relations consistent with today's Chinese culture and, thus, is a more palatable framework for ethical training (Bettingies and Tan, 2007).

 Integrating practical, results-oriented management systems can have a positive impact. Ethics research suggests that desirable ethical behavior may be achieved by the modification of ethical behavior through management efficiencies in appraisal, performance evaluations, and employee reward systems (Trevino, 1986; Worrell et al., 1985). Utilizing well-conceived and culturally-adapted ethical training programs would likely be an effective approach in ethical management in China. Programs that clearly define ethical and legal ramifications can make a positive organizational impact (Drake and Drake, 1988).

 Given the numerous influences on ethical behaviors and the scant research on China, we propose to explore the underlying dimensions of ethical behavior in China through factor-analytic and multidimensional scaling statistical approaches. The next section describes the data and data analytic methods in more detail. Results, conclusions and discussions follow.

METHODS

A survey instrument originally designed by Penelope de Jong was used in the study. This instrument featured 41 statements geared to measure Ethical Propensity (De Jong, 2001). The scale comprised of statements offering respondents the option to agree or disagree on a five-point scale. Higher scores point to a higher level of ethical propensity.

 In de Jong's questionnaire, 17 questions originally designed by Zey-Ferrell and Ferrell (1982) were also used. The questions were geared towards identifying likelihood towards certain behaviors. Higher scores suggested intent toward unethical

behavioral conduct. The questionnaire was administered in the US and in other countries. The original questionnaire developed by De Jong is shown in Appendix I. Modified versions of the questionnaire were used in subsequent ethical studies in the Philippines (De Jong, Munoz, Pelaez, 2007) and in a comparative three-country study including the US, Philippines, and Australia (De Jong, Lancaster, Pelaez and Munoz,2008). This instrument was used because it contains many questions that fit the exploratory nature and research purpose of this article. That is, we want to understand the underlying dimensions of ethical behavior without a priori conception of what would be the revealed dimensions. Factor analytic and scaling methods are suitable for such investigations.

Data was collected from randomly selected graduate students at the Renmin University of China in Beijing. The sample was chosen by faculty members on campus who were asked to recruit students from the list of registered students. The approach used was therefore one of convenient sampling. The sample is representative of factors such as age, gender, grades, programs (social, business, sciences), and family background (geographical location, urban and rural). The major part of the sample consisted of students who were determined to pursue careers in the business field.

The questionnaire was translated from English into Chinese by a bilingual expert of business management. A back-translation was then done by other two assistant professors of organizational behavior. The translation was checked by a native English speaker to verify the equivalence of the Chinese version with the original English version.

Data Instrument and Reliability

The first step in the analysis of the study data was to establish the reliability of the questionnaire. This information sheds light on the internal consistency of the questionnaire and enables a more efficient design of this instrument by eliminating the least reliable items. The benefit is an end product or instrument that is shorter, but has improved reliability (Carmine and Zellner, 1980). The questionnaire consists of questions that are demographic and socio-economic including gender, age, marital status, income, college progress, grade-point index (GPA), major, religiosity, nationality, number of hours worked per week, hours spent reading a newspaper and hours spent watching TV.

Questions on marital status, college major, religiosity and nationality provide nominal data, others were ordinal. These questions are central to any study but are not part of the instrument which addresses the ethical questions. There are 60 items on ethics, rated on a five-point Likert scale, arranged from very unlikely to very likely.

Reliability was tested by a Cronbach alpha coefficient, as well as the split half approach. While 311 subjects answered the questionnaire, 72 did not answer some or nearly all of the questions and were eliminated from the analysis. They constituted 23.2% of the sample. The alpha coefficient was .701 or .694 when standardized items were examined. A reliability analysis was also pursued using the split half reliability approach. A Spearman-Brown coefficient of .473 for an equal length instrument was obtained. The Guttman split half coefficient was .475, indicating a significant correlation between forms, with significance at the .0001 level.

On the basis of these analyses, 17 items were dropped because they were not correlated with the questionnaire total, or they were redundant in that the information the item provided was obtained from other items. A new reliability analysis was run without the unreliable items with 293 of the originally excluded group now back in the subject pool and 18 or 5.8% now excluded.

Cronbach alpha was now .644 and on the standardized items it was .668. Both measures were not much lower than the original measures and are probably due to the decline in the drop sample from 23.2% to 5.8%. In short, by reducing the questionnaire to relevant items we were able to include more of the original respondents in our study. Dropouts might have been a result of confusion on the part of the respondents to the repetitive nature of some of the questions. Thus, by eliminating the redundant or unreliable questions we were able to include more of our total sample of respondents. The Spearman-Brown split half results for an unequal length instrument was .663, actually higher than that for all 60 items. Guttman measures of split half went from .465 on 60 items to .473 on 43 items. All data related to reliability is presented in Appendix II A. The items dropped on the questionnaire can be seen in Table 1 below.

TABLE 1
Items Dropped From Analysis Because of Low Reliability

Item	Question
13	Claim credit for someone else's work.
16	Falsify time/quality/quantity reports.
17.	Add personal expenses to a company expense account by more than 10%.
18.	Accept gifts/favors in exchange for preferential treatment.
19.	Manipulate a situation to make a superior look bad.
22.	Take extra personal time (lunch hour, breaks, leave early, etc.).
23.	Manipulate a situation to make a subordinate look bad.
24.	Give gifts/favors in exchange for preferential treatment.
25.	Add personal expenses to a company expense account by up to 10%.
27.	Divulge confidential information.
28.	Take longer than necessary to do a job.
31.	Leave work early.
46.	It is safest to assume that all people have a vicious streak and it will come out when they are given a chance.
50.	I resent someone asking me for a ride when they don't have a car.
64.	Contribute to charities or a religious organization on a regular basis.
72.	Generally speaking, people won't work hard unless they are forced to.

In order to reduce the 43 item scale to a more manageable and more relevant grouping of factors we continued our analysis with a factor analytic approach (Kim and Mueller, 1979). As we have used this approach in an exploratory manner, the factor analysis helps us measure construct validity, to extract underlying factors measuring ethical behavior. These factors do so more efficiently than the 43 individual items, offering modeling parsimony.

RESULTS

Using the traditional principal components factor analysis we generated a scree plot from the factor analysis that indicated that the majority of variation could be explained by the first six factors (Dillon and Goldstein, 1984). The scree plot can be seen in Figure 1. As we can clearly see in the scree plot between factors five and six, a contribution to explain variation has diminished significantly. Six factors are, thus, used to maximize the explanatory power. The six factors accounted for 39.75% of the cumulative variance.
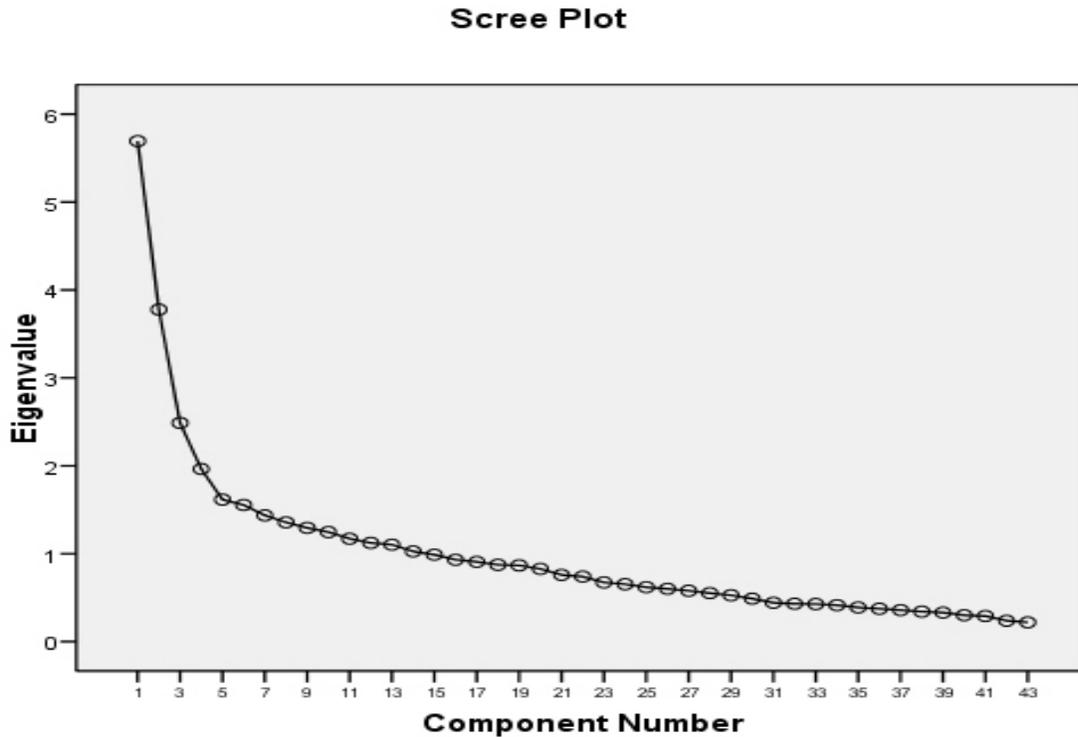
Scree Plot

Table 2 summarizes the explain variation results from the factor analysis of the pool of 43 items.

TABLE 2
Factor Analysis of the 43 Item Scale Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.694	13.241	13.241	5.694	13.241	13.241
2	3.778	8.785	22.026	3.778	8.785	22.026
3	2.488	5.786	27.812	2.488	5.786	27.812
4	1.964	4.566	32.379	1.964	4.566	32.379
5	1.616	3.759	36.137	1.616	3.759	36.137
6	1.554	3.614	39.751	1.554	3.614	39.751

Extraction Method: Principal Component Analysis.

Since we had identified six key factors, it is important to determine which questionnaire items have the highest loadings within each factor. While there are many ways to consider what high loadings, we set a value of approximately ± .4 as the minimum hurdle for an item to be included in the analysis. In other words any factor loading more extreme than .4 or -.4 (For example, a question which had a factor loading a .35 would not be included while a question with a factor loading of .397 which rounds to .4 would be included.) Items with the highest loadings helped to determine a more comprehensive name for each individual factor. Table 3 shows items with their corresponding factor loading resulting from a varimax rotation.

TABLE 3
Factor Loadings and Questions

I. High Factor Loadings for Factor 1: High Expectation for Others

I feel that other people are out to get as much as they can for themselves	0.655279
It upsets me to see old helpless people	0.583108
Expect others to be honest and open	0.703423
Get very angry when I see someone being treated badly	0.610542

II. High Factor Loadings for Factor 2: Challenge Avoidance

When trying something new, I give up quickly if I don't succeed right away.	0.70588
Avoid trying to learn new things when they look too difficult for me	0.669367
If something looks too complicated, I will not even bother to try it	0.773045
Quit trying to do something because I think it is just too hard for me to do	0.690783

III. High Factor Loadings for Factor 3: Other Directed, Sympathetic

If I were to forget my best friend's birthday, I would feel very bad.	0.691744
It makes me sad to see a lonely stranger in a group.	0.705691
Volunteer my time to do things that will benefit those less fortunate than I am	0.567179

IV. High Factor Loadings for Factor 4 Religiosity

My religious upbringing has a great deal of influence on the way I choose to act	0.873081
Religion gives me a great deal of comfort and security in life	0.888243
Consider my religious teachings when I have a personal decision to make	0.842618

V. High Factor Loadings for Factor 5: Ethically Challenged

Copying an assignment is okay, because I'm not hurting anyone	0.772566
Cheating is okay because grades are dumb anyway and you have to have good grades to get a job	0.75823
No one is hurt if I cheat on a test	0.718944

VI. High Factor Loadings for Factor 6: Community, Sympathetic

Enjoy donating things to charities.	0.639846
Contribute to charities when I am approached for a donation.	0.769243
Seeing animals in pain upsets me	0.480042

As we were identifying orthogonal items from the set as a way of classifying the factor the varimax rotation was used. The factor orthogonality is critical as this minimizes the spurious factors and highlights factors that are truly different from one another. The results of Table 3 show the factors and their corresponding questions with high loadings. We then attempted to categorize these factors based on the membership of the respective factor. We arrived at the six categorizations of the subjects who responded to this ethics questionnaire:

Factor 1: High Expectation for Others. This factor seems to have high factor loadings on questions which dealt with the respondents' perspective on their role in the community and expectations for others. It is also significant that this factor had the highest explanatory power on variance; contributing more than 13% of the explained variation.

Factor 2: Challenge Avoidance. This factor seems to have high factor loadings on questions that dealt with how the respondents dealt with challenges. All of the questions with high factor loadings were those that indicated a willingness to give up easily and to avoid any challenge. As the second factor it contributed almost 9% of the explained variance.

Factor 3: Other Directed, Sympathetic. This factor seem to have high factor loadings with questions that suggest the respondents were sympathetic to others in their community and focused on the opinions of others. This factor contributed almost 6% of the explained variance.

Factor 4: Religiosity. This factor had high factor loadings on questions that dealt with religion. More specifically, the factor suggests that these respondents are driven by religious considerations. This factor contributed around 4.5% of the explained variation.

Factor 5: Ethically Challenged. This factor had loadings on questions that dealt with cheating. Respondents who would have a high relationship with this factor have little problem with cheating. We classified this group as ethically challenged. The contribution of this factor is relatively small although it is just shy of 4% it does stand out as a significant factor from a theoretical perspective.

Factor 6: Empathetic. This factor has high loadings on questions that have more to do with charity and the community and a sense of sympathy towards others, both human and animal. The contribution of this factor is also relatively small at around 3.6%.

In addition to factor analysis, we decided to also examine another data reduction technique that can further simplify the dimensions of our survey on ethics, leading to a more parsimonious model and increasing the number of useable observations. For this purpose, we resorted to multidimensional scaling (MDS). Using the technique of multidimensional scaling we reduced our six factors to two dimensions (Kruskal and Wish, 1978). Using this approach we are able to classify all 43 significant questions into the two dimensions. For the purpose of this analysis we excluded the demographic results from this analysis. As all the respondents have varying demographic information the location of a demographic data within quadrants would be misleading. This further reduced our classified questions down to 30 items. What is relevant here are the quadrants and the composition in the form of questions that fall into each of them. In Figure 2 we see all 30 questions and where they fall within each of the respective quadrants. The method of multidimensional scaling used was the ALSCAL procedure in SPSS, The procedure allowed us to reduce the dimensionality of our responses down to two dimensions. The location of each item in a quadrant based on the MDS proximities allows for the reduction of data.

FIGURE 2
Multidimensional Scaling

Items Membership in Two Dimensional Multiscale Analysis
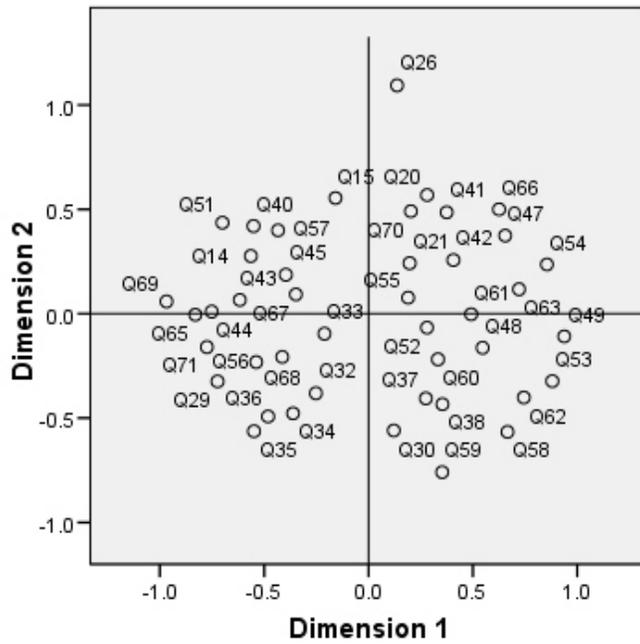
In Table 4, we show the membership by question items in each of the quadrants. Also included are the first and second dimension coordinates for each of these questions.

TABLE 4
Items Displayed by Quadrant Membership

Quadrant 1
Unsympathetic, Ethically Challenged, Self centered

Question Number	Question	Dimension 1	2
54	Become more irritated than sympathetic when I see someone in tears	0.85496	0.236157
63	No one is hurt if I cheat on a test	0.72112	0.117449
47	Cheating is okay because grades are dumb anyway and you have to have good grades to get a job	0.654813	0.374293
66	Feel totally worthless	0.625297	0.499849
42	When someone is especially nice or helpful, I wonder what he or she wants	0.406612	0.256937
41	Copying an assignment is okay, because I'm not hurting anyone	0.374298	0.485809
20	Use company materials, services, or supplies for personal reasons	0.280788	0.568532
70	lonely people are probably unfriendly	0.202538	0.491209
21	Report others' violations of company policies and rules	0.196879	0.242028
55	Feel like I really have to struggle to do things that others seem to do easily	0.18986	0.07662
26	Do personal business on company time	0.136253	1.093883

Quadrant 2
Ethically Challenged, Other Directed

Question Number	Question	Dimension 1	2
15	Call in sick to take a day off	-0.15872	0.554494
67	If I tell a lie, I can't live with myself until I set things straight	-0.34814	0.092606
45	When someone tells me they are going to do something, I believe they are going to do it.	-0.39649	0.186954
57	I feel that other people are out to get as much as they can for themselves	-0.43356	0.399524
40	Feel bad if I didn't bring back something for my family if I went on vacation	-0.55123	0.420079
14	You accidentally erased a very Important computer file at work. How likely are you to tell your boss about its disappearance?	-0.56403	0.276377
43	Contribute to charities when I am approached for a donation.	-0.61681	0.066196
51	Sometimes wish I had the confidence others seem to have	-0.70035	0.436043
44	Seeing animals in pain upsets me	-0.75168	0.01001

| 69 | Expect others to be honest and open | -0.96818 | 0.058568 |

Quadrant 3
Community Oriented, Ethically Centered

Question Number	Question	Dimension 1	2
33	When I make plans, I am certain	-0.21126	-0.09584
32	Enjoy donating things to charities.	-0.25232	-0.38084
34	Feel that I have a responsibility to help those less fortunate than I am	-0.36182	-0.47732
68	Volunteer my time to do things that will benefit those less fortunate than I am	-0.41333	-0.2072
36	It makes me sad to see a lonely stranger in a group.	-0.48152	-0.49225
56	It bothers me when I am asked for a contribution to a worthy cause and I do not contribute	-0.53863	-0.23167
35	If I were to forget my best friend's birthday, I would feel very bad.	-0.54912	-0.56304
29	Feel satisfied with my own ethics and Character	-0.72358	-0.32436

Quadrant 4
Challenge Avoidance, Controlling, Religious

Question Number	Question	Dimension 1	2
49	My religious upbringing has a great deal of influence on the way I choose to act	0.937873	-0.10856
53	The biggest difference between criminals and other people is that criminals are stupid enough to get caught	0.880684	-0.32273
62	Consider my religious teachings when I have a personal decision to make	0.743938	-0.40119
58	Religion gives me a great deal of comfort and security in life	0.666061	-0.56629
48	Avoid trying to learn new things when they look too difficult for me	0.546514	-0.16328
61	Quit trying to do something because I think it is just too hard for me to do	0.49181	-0.00229
38	Avoid facing difficulties	0.354017	-0.43352
59	I would not feel guilty if someone gave me a present and I did not give one in return	0.353	-0.75909
60	I don't believe anyone does anything to help someone else unless they think they are going to get something out of it themselves	0.332506	-0.21853
52	If something looks too complicated, I will not even bother to try it	0.280455	-0.06629
37	When trying something new, I give up quickly if I don't succeed right away.	0.27457	-0.40559

30	Feel satisfied with the ethics and character of my generation	0.12093	-0.55902
71	Get very angry when I see someone being treated badly	-0.7747	-0.16014
65	It upsets me to see old helpless people	-0.83032	-0.00458

In Table 4 each of these quadrants was named consistent with the composition of the questions that fell into each of the quadrants. In addition, the names indicate a continuum on the dimension 1 and dimension 2 axes (Tacq, 1997). When the dimension one axis is examined the continuum goes from ethically challenged, self-centered and unsympathetic, to ethically challenged and other directed. This implies that the main feature of the first dimensional axes is the spectrum from self-centered to other directed. The second dimensional axes cover the spectrum from community oriented and ethically centered to controlling, religious and challenge avoiders. One might conclude that the commonality of the spectrum of dimension 2 goes from internal ethical drive to externally influenced ethical drive.

Our next task was to relate the socioeconomic responses to the MDS. Since all of the socioeconomic data is ordinal or nominal, correlation analysis was run. Each of the Likert items were totaled into four scores based on quadrant membership. Then Likert scores were correlated with the socioeconomic data. The Likert skills were treated as ordinal when correlated with all socioeconomic variables except for gender, religiosity and marriage which were treated as nominal. Ordinal measures utilized Spearman rank order coefficient. Nominal correlations were estimated by the eta coefficient.

Table 5 below displays five socio-economic variables against the scores subjects obtained for each quadrant and the total score for the entire Likert scale. The Table shows the GPA variable to have significant correlations with scores on Quadrant 1, 2 and 4. Correlations with Quadrant 1 and 4 scores are negative indicating the higher GPAs are associated with lower scores on the ethically challenged and challenge avoidance, controlling and religiosity scales. Positive relationship with Quadrant 2 ethically challenged, other directed scales. The suggestion of the direction of relationship seems to be those with high GPA are also ethically challenged but other directed.

TV watching shows high relationships with Quadrant 2 and Total Likert scale scores. Many hours watching TV demonstrates high association with the ethically challenged. Females seem to show significant association with the ethically challenged and centered subjects. Higher class standing (freshman, sophomore, etc.) show an association with the ethically centered. Religiosity shows high negative association with challenge avoidance and controlling ethics.

TABLE 5
Correlations of Socio Economic Variables with Quadrant Membership

			GPA	TV	Gender	Class	Religion
Spearman's rho	Quadrant 1	Correlation Coefficient Sig. (2-tailed) N	-0.14931 0.01577 261				
	Quadrant 2	Correlation Coefficient Sig. (2-tailed) N	0.169208 0.005848 264	0.116894 0.042362 302	0.194532 0.000609 307		
	Quadrant 3	Correlation Coefficient Sig. (2-tailed) N			0.171474 0.002792 302	0.128981 0.024992 302	
	Quadrant 4	Correlation Coefficient Sig. (2-tailed)	-0.12623 0.043198				-0.12088 0.037017

	N	257				298
Total Likert	Correlation Coefficient		0.131708	0.157593		
	Sig. (2-tailed)		0.025405	0.006873		
	N		288	293		

CONCLUSIONS AND DISCUSSIONS

In this study we attempted to explore the underlying dimensions of ethics in China using a well researched survey instrument. Using principal-components factor analysis we discovered 6 main factors among the variables:

(1) Expectations for others
(2) Challenge avoidance
(3) Other directed, sympathetic
(4) Religion
(5) Ethically challenged
(6) Community, sympathetic

We then applied multidimensional scaling to the data to further reduce the explanatory variables into 4 dimensions, or ethical types, while increasing the number of useable observations. These 4 dimensions were then correlated with some demographics and psychographics.

(1) Unsympathetic, Ethically Challenged, Self Centered
(2) Ethically Challenged, Other directed
(3) Community orientation, Ethically Centered
(4) Challenge Avoidance, Controlling, Religious

Academic achievements, such as GPAs of students, are negatively related to ethically challenged, challenged avoidance, controlling, and religiosity scales, and positively associated with ethically challenged and other directed scales. GPA, thus, does not discriminate among ethically challenged individuals. Or perhaps there may be other reasons for this odd relationship. Students more wedded to religion or unable to deal with challenges find college a more demanding place, and those with higher grades may have achieved them through unethical means. Alternatively, it is possible to postulate that the higher GPA students are more pessimistic about the world around them. The causes of this result is a worthwhile subject to further inquire.

(1) Quadrant I Unsympathetic, Ethically Challenged, Self Centered have lower GPA.
(2) Quadrant II Ethically Challenged, Other directed have higher GPA, do more TV watching, and are more likely to be female.
(3) Quadrant III Community orientation, Ethically Centered are more likely to be more female with higher class ranking
(4) Quadrant IV Challenge Avoidance, Controlling, Religious are more likely to have a lower GPA and lower level of religiosity.

Women seem to have bimodal distributions. Some women show up in the Quadrant II Ethically Challenged, Other directed suggesting that these women are less ethical but also community or other directed. While another group of women fall in Quadrant III Community orientation, Ethically Centered, these are more mature students with a focus on the community and strong ethical viewpoint; most studies show women to fall in this category. Was it the school, the country etc? It is odd to have women in both of these groups and an interesting area for further study. Studies of western countries show that women are more ethical than man (Chonko and Hunt 1985, Ferrell and Skinner 1988, Goolsby and Hunt 1992, Martin 1981, Whipple and Wolf 1991). Our MDS technique showed that the picture is more complicated and that sex alone cannot discriminate among ethically challenged individuals.

Our results do agree with past studies showing that age is positively related to ethical behavior (Longnecker, McKinney and Moore 1989, Goolsby and Hunt 1992). In our study, upper classmen are, indeed, more ethically attuned.

This study, thus, contributed to the literature by suggesting underlying dimensions of ethics in China which can be tested against attitudinal and behavioral outcomes. By understanding the underlying dimensions, specific educational initiatives can be used to decrease unethical orientation, address challenge avoidance, build teamwork skills and reduce controlling behavior; and increase community orientation and ethical thinking. Future studies may also want to examine if the same underlying dimensions of ethics exist in western countries.

Inferences from this study may be limited to the sample group from which data were taken, university student population in Beijing. The fact that many of them are work bound, young adults may help us understand the emerging directions of ethics in the workforce. More studies need to be conducted, with this instrument or others that examine ethics understanding in China across various age groups, professions, regions, income classes, etc. In this way, better understanding of the complex ethical course of Chinese evolution can be developed.

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Appendix I

An International Study of Students' Attitudes

Dear Student,

You have in your hand an opportunity to make your opinions heard. Around the world, college faculty members are gathering information from students to promote understanding and education. This information will be completely confidential. We do not ask for your name, signature, or any identifier. You are under no obligation to participate in this study. Your participation is completely voluntary. The benefits you will receive from participation in this study are the satisfaction of being heard and knowing that you have helped to increase international knowledge and understanding.

You may stop filling out the survey at any time. You may refuse to answer any question. If you have any questions, feel free to ask the faculty member who gave you the survey. Your participation will be greatly appreciated. By filling out and returning this survey you are indicating your voluntary agreement to participate. May I offer my sincere thanks for your cooperation.

Please check the appropriate response for each of the following:

1. Gender: ☐ Male   Fema ☐

2. Age: ☐ Under 18   ☐ 18-19   2☐21   2☐23   24-2☐   Over☐5

3. Marital Status: ☐ Single   M☐rried   Div☐ced   Separ☐d

4. Indicate the income level of the household in which you grew up:

   ☐ Less than $20,000   ☐ $20,000 to 29,999   ☐ $30,000 to 49,999

   ☐ $50,000 to 75,000   ☐ $Greater than $25,000   D☐'t know

5. Current classification in school by completed credits:

   ☐ Freshman (0-31 credits)   ☐ Sophomore (32-63)   Junio☐64-95)

   ☐ Senior (96+)   Grad☐e Student

6. Current overall grade point average is approximately:

   ☐ 1.0-1.99   ☐2.0-2.49   ☐-2.99   3☐3.49   3.5-☐

7. Major (Please fill in blank): _____

8. Do you consider yourself a member of any religious group?   Yes ☐   No ☐

   If Yes, please indicate the religious group to which you belong by filling in the blank.

   _____

9. In what country were you born?   _____

10. How many hours a week do you work outside of school?

    ☐ 5-10   ☐ 11-15   ☐ 16-20   21-2☐   26-30 ☐

17

☐ 31-35   ☐ 36-40   ☐ 41-   No currently working.

11. How many days a week do you read a newspaper?

☐ Do not read a newspaper.   1-2 days   3-4 ☐   5-6 ☐   Every day

12. On average, how many hours per day do you watch television?

☐ Less than 1 hour   ☐ 2 hours   3-5 hours   Greater than 5 hours.

In the following section, consider how likely you are to engage in the following behaviors. Your answer may range from very unlikely to very likely. Please check one of the five response categories for each item and with the following criteria:

- **Indicate what you <u>would</u> do rather than what you <u>should</u> do.**
- **Answer with the assumption that no one would know about your actions.**
- **Answer with complete honesty, knowing that your answers are confidential.**

		Very Unlikely				**Very Likely**
13.	Claim credit for someone else's work.	☐	☐	☐	☐	☐
14.	You accidentally erased a very important computer file at work. How likely are you to tell your boss about its disappearance?	☐	☐	☐	☐	☐
15.	Call in sick to take a day off.	☐	☐	☐	☐	☐
16.	Falsify time/quality/quantity reports.	☐	☐	☐	☐	☐
17.	Add personal expenses to a company expense account by more than 10%.	☐	☐	☐	☐	☐
18.	Accept gifts/favors in exchange for preferential treatment.	☐	☐	☐	☐	☐
19.	Manipulate a situation to make a superior look bad.	☐	☐	☐	☐	☐
20.	Use company materials, services, or supplies for personal reasons.	☐	☐	☐	☐	☐
21.	Report others' violations of company policies and rules.	☐	☐	☐	☐	☐
22.	Take extra personal time (lunch hour, breaks, leave early, etc.).	☐	☐	☐	☐	☐
23.	Manipulate a situation to make a subordinate look bad.	☐	☐	☐	☐	☐
24.	Give gifts/favors in exchange for preferential treatment.	☐	☐	☐	☐	☐
25.	Add personal expenses to a company expense account by up to 10%.	☐	☐	☐	☐	☐
26.	Do personal business on company time.	☐	☐	☐	☐	☐
27.	Divulge confidential information.	☐	☐	☐	☐	☐
28.	Take longer than necessary to do a job.	☐	☐	☐	☐	☐
29.	Feel satisfied with my own ethics and character.	☐	☐	☐	☐	☐
30.	Feel satisfied with the ethics and character of my generation.	☐	☐	☐	☐	☐
31.	Leave work early.	☐	☐	☐	☐	☐

		Very Unlikely				**Very Likely**
32.	Enjoy donating things to charities.	☐	☐	☐	☐	☐
33.	When I make plans, I am certain I can make them work.	☐	☐	☐	☐	☐
34.	Feel that I have a responsibility to help those less fortunate than I am.	☐	☐	☐	☐	☐
35.	If I were to forget my best friends birthday, I would feel very bad.	☐	☐	☐	☐	☐
36.	It makes me sad to see a lonely stranger in a group.	☐	☐	☐	☐	☐
37.	When trying something new, I give up quickly if I don't succeed right away.	☐	☐	☐	☐	☐
38.	Avoid facing difficulties.	☐	☐	☐	☐	☐
39.	Enjoy watching people open their presents on a special occasion.	☐	☐	☐	☐	☐
40.	Feel bad if I didn't bring back something for my family if I went on vacation.	☐	☐	☐	☐	☐
41.	Copying an assignment is okay, because I'm not hurting anyone.	☐	☐	☐	☐	☐
42.	When someone is especially nice or helpful, I wonder what he or she wants.	☐	☐	☐	☐	☐
43.	Contribute to charities when I am approached for a donation.	☐	☐	☐	☐	☐
44.	Seeing animals in pain upsets me.	☐	☐	☐	☐	☐
45.	When someone tells me they are going to do something, I believe they are going to do it.	☐	☐	☐	☐	☐
46.	It is safest to assume that all people have a vicious streak and it will come out when they are given a chance.	☐	☐	☐	☐	☐
47.	Cheating is okay because grades are dumb anyway and you have to have good grades to get a job.	☐	☐	☐	☐	☐
48.	Avoid trying to learn new things when they look too difficult for me.	☐	☐	☐	☐	☐
49.	My religious upbringing has a great deal of influence on the way I choose to act.	☐	☐	☐	☐	☐
50.	I resent someone asking me for a ride when they don't have a car.	☐	☐	☐	☐	☐
51.	Sometimes wish I had the confidence others seem to have.	☐	☐	☐	☐	☐
52.	If something looks too complicated, I will not even bother to try it.	☐	☐	☐	☐	☐

		Very Unlikely				**Very Likely**
53.	The biggest difference between criminals and other people is that criminals are stupid enough to get caught.	☐	☐	☐	☐	☐
54.	Become more irritated than sympathetic when I see someone in tears.	☐	☐	☐	☐	☐
55.	Feel like I really have to struggle to do things that others seem to do easily.	☐	☐	☐	☐	☐
56.	It bothers me when I am asked for a contribution to a worthy cause and I do not contribute.	☐	☐	☐	☐	☐
57.	I feel that other people are out to get as much as they can for themselves.	☐	☐	☐	☐	☐
58.	Religion gives me a great deal of comfort and security in life.	☐	☐	☐	☐	☐
59.	I would not feel guilty if someone gave me a present and I did not give him one in return.	☐	☐	☐	☐	☐
60.	I don't believe anyone does anything to help someone else unless they think they are going to get something out of it themselves.	☐	☐	☐	☐	☐
61.	Quit trying to do something because I think it is just too hard for me to do.	☐	☐	☐	☐	☐
62.	Consider my religious teachings when I have a personal decision to make.	☐	☐	☐	☐	☐
63.	No one is hurt if I cheat on a test.	☐	☐	☐	☐	☐
64.	Contribute to charities or a religious organization on a regular basis.	☐	☐	☐	☐	☐
65.	It upsets me to see old helpless people.	☐	☐	☐	☐	☐
66.	Feel totally worthless.					
67.	If I tell a lie, I can't live with myself until I set things straight.	☐	☐	☐	☐	☐
68.	Volunteer my time to do things that will benefit those less fortunate than I am.	☐	☐	☐	☐	☐
69.	Expect others to be honest and open.	☐	☐	☐	☐	☐
70.	Lonely people are probably unfriendly.	☐	☐	☐	☐	☐
71.	Get very angry when I see someone being treated badly.	☐	☐	☐	☐	☐
72.	Generally speaking, people won't work hard unless they are forced to.	☐	☐	☐	☐	☐

Thank you very much for your participation.

Reliabilities and Sample Sizes for those Responding Before Deletion of Unreliable Items

The following is the analysis of split half and Cronbach alpha for the full 70 item questionnaire:

Case Processing Summary

		N	%
Cases	Valid	239	76.8
	Excluded(a)	72	23.2
	Total	311	100.0

A Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.701	.694	70

Split half

Case Processing Summary

		N	%
Cases	Valid	239	76.8
	Excluded(a)	72	23.2
	Total	311	100.0

A Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Part 1	Value	.521
		N of Items	35(a)
	Part 2	Value	.675
		N of Items	35(b)
	Total N of Items		70
Correlation Between Forms			.310
Spearman-Brown Coefficient	Equal Length		.473
	Unequal Length		.473
Guttman Split-Half Coefficient			.465

a The items are: Gender, Age, Marriage, Income, Class, GPA, Religion, Working time, Newspaper, TV, Claim credit for someone else's work, You accidentally erased a very Important computer file at work. How likely are you to tell your boss about its disappearance?, Call in sick to take a day off, Falsify time/quality/quantity reports, Add personal expenses to a company expense account by more than 10%, Accept gifts/favors in exchange for preferential treatment, Manipulate a situation to make a Superior look bad, Use company materials, services, or supplies for personal reasons, Report others' violations of company policies and rules, Take extra personal time (lunch hour, breaks, leave early, etc.)., Manipulate a situation to make a subordinate look bad., Give gifts/favors in exchange for preferential treatment., Add personal expenses to a company expense account by up to 10%, Do personal business on company time, Divulge confidential information, Take longer than necessary to do a job, Feel satisfied with my own ethics and Character, Feel satisfied with the ethics and character of my generation, Leave work early, Enjoy donating things to charities., When I make plans, I am certain , Feel that I have a responsibility to help those less fortunate than I am, If I were to forget my best friends birthday, I would feel very bad., It makes me sad to see a lonely stranger in a group., When trying something new, I give up quickly if I don't succeed right away..

b The items are: Avoid facing difficulties, Enjoy watching people open their presents on a special occasion, Feel bad if I didn't bring back something for my family if I went on vacation, Copying an assignment is okay, because I'm not hurting anyone, When someone is especially nice or helpful, I wonder what he or she wants, Contribute to charities when I am approached for a donation., Seeing animals in pain upsets me, When someone tells me they are going to do something, I believe they are going to do it., It is safest to assume that all people have a vicious streak and it will come out when they are given a chance, Cheating is okay because grades are dumb anyway and you have to have good grades to get a job, Avoid trying to learn new things when they look too difficult for me, My religious upbringing has a great deal of influence on the way I choose to act, I resent someone asking me for a ride when they don't have a car, Sometimes wish I had the confidence others seem to have, If something looks too complicated, I will not even bother to try it, The biggest difference between criminals and other people is that criminals are stupid enough to get caught, Become more irritated than sympathetic when I see someone in tears, Feel like I really have to struggle to do things that others seem to do easily, It bothers me when I am asked for a contribution to a worthy cause and I do not contribute, I feel that other people are out to get as much as they can for themselves, Religion gives me a great deal of comfort and security in life, I would not feel guilty if someone gave, I don't believe anyone does anything to help someone else unless they think they are going to get something out of it themselves, Quit trying to do something because I think it is just too hard for me to do, Consider my religious teachings when I have a personal decision to make, No one is hurt if I cheat on a test, Contribute to charities or a religious organization on a regular basis, It upsets me to see old helpless people, Feel totally worthless, If I tell a lie, I can't live with myself until I set things straight, Volunteer my time to do things that will benefit those less fortunate than I am, Expect others to be honest and open, lonely people are probably unfriendly, Get very angry when I see someone being treated badly, Generally speaking, people won't work hard unless they are forced to.

The following is a reliability and split half analysis for the adjusted 43 items at used for further analysis in the study.

Reliabilities for 43 items and Sample Sizes for those Responding after Deletion of Unreliable Items

Case Processing Summary

		N	%
Cases	Valid	293	94.2
	Excluded(a)	18	5.8
	Total	311	100.0

A Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.644	.668	43

Split Half

Case Processing Summary

		N	%
Cases	Valid	293	94.2
	Excluded(a)	18	5.8
	Total	311	100.0

A Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Part 1	Value	.452
		N of Items	22(a)
	Part 2	Value	.483
		N of Items	21(b)
	Total N of Items		43
Correlation Between Forms			.496
Spearman-Brown Coefficient	Equal Length		.663
	Unequal Length		.663
Guttman Split-Half Coefficient			.662

A item You accidentally erased are a very Important computer file at work. How likely are you to tell your boss about its disappearance?, Call in sick to take a day off, Add personal expenses to a company expense account by more than 10%, Report others' violations of company policies and rules, Do personal business on company time, When I make plans, I am certain , Feel that I have a responsibility to help those less fortunate than I am, If I were to forget my best friends birthday, I would feel very bad., It makes me sad to see a lonely stranger in a group., When trying something new, I give up quickly if I don't succeed right away., Avoid facing difficulties, Feel bad if I didn't bring back something for my family if I went on vacation, Copying an assignment is okay, because I'm not hurting anyone, When someone is especially nice or helpful, I wonder what he or she wants, Contribute to charities when I am approached for a donation., Seeing animals in pain upsets me, When someone tells me they are going to do something, I believe they are going to do it., My religious upbringing has a great deal of influence on the way I choose to act, Sometimes wish I had the confidence others seem to have, If something looks too complicated, I will not even bother to try it, Religion gives me a great deal of comfort and security in life, I would not feel guilty if someone gave.

b The items are: I don't believe anyone does anything to help someone else unless they think they are going to get something out of it themselves, Quit trying to do something because I think it is just too hard for me to do, Consider my religious teachings when I have a personal decision to make, It upsets me to see old helpless people, Get very angry when I see someone being treated badly, Feel satisfied with my own ethics and Character, Feel satisfied with the ethics and character of my generation, Enjoy donating things to charities., Cheating is okay because grades are dumb anyway and you have to have good grades to get a job, Avoid trying to learn new things when they look too difficult for me, The biggest difference between criminals and other people is that criminals are stupid enough to get caught, Become more irritated than sympathetic when I see someone in tears, Feel like I really have to struggle to do things that others seem to do easily, It bothers me when I

am asked for a contribution to a worthy cause and I do not contribute, I feel that other people are out to get as much as they can for themselves, No one is hurt if I cheat on a test, Feel totally worthless, If I tell a lie, I can't live with myself until I set things straight, Volunteer my time to do things that will benefit those less fortunate than I am, Expect others to be honest and open, lonely people are probably unfriendly.