



2006 Survey: Undergraduate Employees' Work Ethic

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Introduction

Survey overview:

Business programs include business ethics training both as a separate course work and within individual topic courses. The purpose is to create more ethical individuals; individuals who can properly identify and address ethical issues. The spectrum of business ethics issues ranges from the situations arising within a specific field of study, such as accounting or marketing, to broader cultural issues, such as business' responsibility in product design, to social policy, such as business' role in addressing poverty. An area under covered in general business ethics courses is work ethic. Sociologists have studied work ethics. This was promoted by the work of Max Weber endeavoring to connect religion and faith with work ethics in his work, *Protestant Ethic and the Spirit of Capitalism*.¹ Given the lack of consistency on the topic of work ethic in business course material, this survey is undertaken to determine if further research is warranted and to identify potential specific directions for such research to aid refining business school curriculum.

The focus of the survey was a sense of the work ethics of undergraduates, in their early years after graduating from college. The particular areas tested are described in the procedure section below. A supplemental benefit to be derived from the survey is to give the business community a broader sense of the state of affairs regarding undergraduate work ethics.

When is it a risk which must be addressed?

When considering ethical issues in the business setting, a question arises as to how to address exceptions. At what level is a negative an exception or something that needs company structural change? The responses raised this issue. It is not within the scope of this paper to address this issue. Instead, several observations are made here and will be pointed out in the analysis of the findings.

This survey is a moment in time view of the state of undergraduate work ethics. This survey does not show a trend either positive or negative and should not be interpreted as doing so. But the survey's findings do point to potential areas of concern as covered in the findings. The

¹ Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (1904, revised 1920; rept. New York: Schribner's Sons, 1958).

issue here is at what point does enterprise management need to address the concern with specific actions? For example, the survey points to negative experiences on question 2.2. Only one person out of 21 completed responses indicated a positive experience. On the other hand question 2.3 has 4 out of 21 expressing negative experiences and question 4.2 has 14 out of 21 completed responses indicating negative experiences. The range then is less than 5% to over 50% of the enterprises having negative experiences. What should management do with such data? When should such information create a cautionary sign leading to some measure of action?

Management has a role in both the prevention of ethical lapses and in the addressing of lapses when they occur. Data such as that of this survey supplements the actual events within the company and its business environment; management designs systems to reinforce the culture of its enterprise. In this role, rare lapses will tend to fall within the purview of everyday management and its human resource program. Management will structure on-the-job coaching and systems to minimize lapses and to affirm company policy. What the survey points to is the potential need to anticipate areas of lapse due to new hire cultural orientations. At some point, lapses move from one-off situations to more pervasive. While this survey does not answer the pervasiveness question within a pool of undergraduate employees, the fact that on some questions a significant level of respondents have negative experiences, validly raises a question for management, because it points to a broad based negative experience. Each company will have to determine at what point the concern should be viewed as an isolated event, and when the concern is cultural enough that specific action must be taken to address the potential risks.

The procedures used in the survey:

Because the target respondents are busy and the survey team had limited resources, the survey was designed to be relatively easy and quick to complete. Therefore, the number of topics was limited. Four areas of interest were chosen: 1. Work place attitude, 2. Attitudes towards respecting others within the enterprise, 3. Respect for property of the enterprise and 4. Attitude towards compensation. Within each of these were one or two specific applications to test the overall impressions with specific ethical actions.

The survey was written in the positive, except for one query. The positive was thought to balance the potential bias arising from negative experiences. Bias is addressed elsewhere. The one written in the negative was question 4.3 inquiring about attitude relative to additional compensation. The negative was chosen for this question because, while the question could have been framed consistent with the rest of the survey, the answer would be the opposite of the rest of the survey in order to express a consistent perspective.

Survey pool was chosen to be representative of the business population at large. However, due to limited responses, supplemental measures were taken to expand the pool. Initially the second half of the Fortune 500 was chosen in order to have a pool that represents a broad mix of the business community. Because of public information, surveys could be sent and follow up undertaken. However, for various reasons, primarily company policies against answering surveys, the response level was inadequate. The supplemental enterprises represented a broad spectrum of enterprises, both private and public. Overall 321 surveys were sent, forty five responded and twenty one completed the survey based on their undergraduate hire experience.

As discussed more fully in the bias section, the responses indicate a thoughtfulness and sufficiency to make the survey worthy of pointing out areas of comfort and concern. Areas of concern warrant further research, warrant college training and warrant enterprise consideration.

Findings

Several macro findings should be noted. The overall ethics of undergraduates seems consistent with our society as a whole. Looking at the responses suggests that undergraduates have a reasonably good work ethic. The notable exception is their attitudes towards compensation. This area begs for further exploration. The limits of this survey cause this finding to point to a need for better understanding of the trends in compensation and what actions are needed to reverse these trends. The number of companies without ethic policies was about one third. These are sizeable companies. This finding suggests that ethics remains an area for further development. The discussion that follows explores these findings more fully.

Respectfulness:

The area of highest positive ratings was respectfulness. The bandwidth of positive ratings for the category is the narrowest. The highest positive ratings of the survey were given for peer respect with a ninety-five percent positive rating. The step-down from this high achievement for respect for support staff was to an eighty percent positive rating. The next step-down for respect for authority and social rules and policies was to a eighty percent positive rating. The negative ratings bandwidths for these statements were fairly consistent.

Work Place Attitude:

The purpose of the questions in this section was to look at some basic elements of a workplace ethic.² The questions had an overall assessment and some specific attributes that would test the application of the overall assessment. The attitude of the undergraduates was demonstrated in their timeliness and diligence. Truthfulness is included in work place to address specifically the concerns of an article on résumé/application lying.³

Eighty-five percent⁴ of respondents felt positive about undergraduate overall work attitudes. Looking at specific applications, there was a bit of a step-down. Diligence in assignments was in the overall zone with eighty percent positive ratings. The truthfulness aspect of work place attitude showed real weakness. Both statements on truthfulness scored about the same with two-thirds giving positive ratings. The strength of the negative ratings adds further to the step-down. One third of the respondents disagreed with the positive statement about undergraduates' overall truthfulness. The statement on job application truthfulness received similar ratings. This confirms need for the article noted above. Timeliness takes a real step down with sixty-two percent positive rating. This is important in that time sensitivity is an attribute of the modern commercial world.⁵ The timeliness ratings suggest an area of further research and ethics instruction.

² Many social science studies have endeavored to address the components that underlie work ethic and their measurement. The *Journal of Business Ethics* contains many of these studies, which can be found at www.springerlink.com searching for "Protestant Ethic." This study simplified the components and their measurement due to its audience and purpose. See the bias section of a discussion of these issues.

³ Villano, Matt. "Served as the King of England, Said the Résumé." *New York Times*, 19 March, 2006.

⁴ Percentages are rounded to the nearest five percentage point for ease of reading, unless they fit neatly into thirds. This rounding helps to focus on the implications of the responses and is consistent with the overall nature of the survey. Positive included strongly agree and agree ratings. Negative included strongly disagree, disagree, slightly disagree ratings.

⁵ David Landes, "Culture Makes Almost All the Difference," *Culture Matters* (Lawrence E. Harrison and Samuel P. Huntington ed.s., New York: Basic Books, 2000) 11-13 ascribes two key aspects to the Protestant ethic that Weber had identified, 1) the stress on instruction and literacy and 2) the importance accorded to time.

Respect for Property:

The other area of clear positive ratings relates to the distinction of company property and the undergraduates' property with an eighty-five percent positive rating. By contrast the specific applications of attitudes toward property showed step-downs in ratings. A seventy-five percent positive rating was achieved relative to stealing or pilfering and proper use of property. This indicates that there is some validity to concerns in the area of pilfering.⁶ This area of respect for property had a greater ratings band width than other categories, except compensation as noted below. The bandwidth raises the need for more research into why and what attributes are being evaluated.

Compensation:

Compensation ratings showed a strong negative response that raises concerns. Further research and training is warranted in this area. The statement on the undergraduate's view of compensation received only a twenty-five percent positive rating. The negative ratings were primarily the next step below positive with a sixty-five percent as slightly disagreeing with a positive view. On the positive side the undergraduate's view of incentive compensation received a sixty percent positive rating.⁷ Balancing these two perspectives is the low positive rating relative to loyalty with a one-third positive rating.

Negative ratings for loyalty were pronounced with two thirds disagreeing with the positive statement. The results from the survey indicate that loyalty is a serious issue that needs some immediate attention. Why is employee loyalty important? Loyal employees save companies money and time. The cost of acquiring new employees and the time it takes for them to go through the learning curve is enormous. With loyal employees, productivity is higher and error rates are fewer. Studies suggest that employee loyalty improves customer satisfaction, which in turn drives profitability. "Southwest Airlines, recently named one of the country's best places to work, experiences the highest rate of employee retention in the airline industry."⁸ This high rate of employee retention impacts customer satisfaction and as result Southwest Airlines has been profitable for 21 consecutive years.⁹

Graduate vs. undergraduate:

Another interesting note is that fifty percent of respondents felt that there was no difference between undergraduate hires and graduate hires. Of the fifty percent that felt there was a difference, forty-five percent found the difference positive.

Training:

Sixty percent of respondents have ethics oriented training for undergraduates covering some or all of the above categories. This is consistent with the two-thirds of respondents that indicated they have ethic statements.

⁶ Villano, Matt. "Sticky Fingers In the Supply Closet." *New York Times*, 30 April, 2006, BU. 11.

⁷ Issues with the style of this question are discussed in the bias section.

⁸ James L. Heskett, Thomas O. Jones, Gary W. Loveman, W. Earl Sasser, Jr., and Leonard A. Schlesinger "Putting the Service-Profit Chain to Work" *Harvard Business Review* March-April 1994

⁹ Ibid

Responsibility for ethics issues:

Most companies have multiple participants in the ethical monitoring process. Eighty percent indicated that human resources were primarily responsible for undergraduate ethical matters, next was general counsel with thirty percent and then supervisors with twenty percent, and last was compliance/ethics department with ten percent. The total is above one hundred percent because some companies have several departments handling any issues. The human resources versus supervisors' gap is notable and bears further research, because the issues covered in this survey tend to need very direct interaction. For example, timeliness is shown as a weakness and it is the supervisor which will set the tone and provide immediate counsel and follow-up. To refer such an employee situation to the human resources department means addressing the behavior as a problem that has not been solved with on-the-job counseling.¹⁰

Survey Bias

Bias forms a central concern for this type of survey. Unfortunately, bias may be present in this survey's outcome. Bias cannot be fully eliminated from a survey study. But bias can be minimized and mitigated. Otherwise, bias needs to be recognized and factored into the conclusions.

The first potential bias is the population surveyed: its size, make up and response. The survey originally looked to the second half of the Fortune 500. These companies were of a size to hire many undergraduates, but not so large that a corporate wide view would be unlikely. This group would form a representative sample for the business universe as a whole. Unfortunately, the response rate was sufficiently low; the pool was adjusted adding both other public and private companies and organizations which hire undergraduates. As a result the pool was 321. But this pool does not have a statistical profile that allows extrapolation to the business universe as a whole. At the same time the responses come from a spectrum of enterprises so that a segment bias does not exist.

The low level of response also raises a pool bias issue in that within the pool, only those with an issue responded. As noted below, the responses point away from this concern. The other concern with a small level of responses is that additional data points can easily move the findings. Relative to this bias and risk, this paper concludes that the survey is "directionally correct." By this we mean that the findings give a sense as to the level of concerns in certain areas. That direction would point to the need for further research in such matters and for companies to consider further the implications of such matters.

The second bias concern is population bias. Are the respondents a population which holds a single view relative to all of the questions? The answers show that this bias is not overly present. Only one of the responses answered all of the questions in a uniform manner.

¹⁰ Additional comments by respondents were:

1. I would consider the role of telecommuting; flex hours, internet and email. Many jobs now tend to blur the lines between professional and personal time, activities/tasks and place where work is done.
2. This survey is very broad. We do not monitor undergraduates or "new college grads" in this manner. All issues, ethical or otherwise are handled by each employee's manager.
3. Inappropriate use of company provided computer/internet to access data on wrong time not work related e.g. my space, pornography, e-cards ...
4. [These employees] are very "entitled" and need everything to move in "their" direction at a quick pace. Very vocal.

Therefore, the respondents appeared to reflect on each question. The spectrum of the answers to each question, points to the spectrum of views, affirming that no one perspective was solicited. Add to these factors the diversity of enterprises responding and the bias is further mitigated.

The third bias risk lies within the survey itself. Because it is often easier to obtain a critical response rather than a positive response, all but one of the questions was written as affirming statements. One could argue that this creates an affirmative bias and understates potential issues. That potential should be factored by the reader into the conclusions of this study. It is the view of this paper that this potential bias does not overwhelm the respondents, but indeed aided in balancing the respondents' expressions. Because surveys such as this are completed based upon the most recent experience and because most employment issues are handled by the respondents, the concern was that they would naturally be biased towards the negative. By stating the questions in the positive, the question would give the responder a pause for thought relative to their overall experience with undergraduate employees. The survey seeks the overall experience, not the most recent experience.

A fourth bias area is that of the subject matter. This survey sought to understand the ethical performance of undergraduates. In so doing the survey selected a limited number of performance issues. In defining topics such as work ethic, other researchers have identified other benchmarks.¹¹ The topics selected for this survey were based on the ability of the respondent to connect to the overall performance within the topic. Therefore, this survey does not lend itself to overly specific trait analysis.

A fifth bias area is that of the nature of the inquiry. The survey looked for an overall impression. The survey specifically does not look for underlying data to validate the impressions of the responder. The reason for this limitation was the belief of lack of capacity to get such data. Several respondents or decliners indicated that they did not have such data. Another concern was that the ethic issues in question raise litigation potential. Therefore, seeking specific data on ethic weakness raises the potential of litigation and it would be expected that companies would not respond in the negative. Indeed a substantial number of companies cited company policy for not responding to surveys, including this one. At the same time, the impressions of thoughtful individuals were felt to be a worthy proxy of the conditions faced by businesses in this area. The instructions to the respondents affirmed that their general impressions were being sought.

A sixth bias area is that of the respondents themselves. The survey was addressed to an enterprise. The recipient could then forward it to an appropriate individual. Because of the confidentiality of the survey, the actual responder at the enterprise is not known. Addressees were CEO's, CFO's, general counsels, and human resources. As noted above, the thoughtfulness of the answers suggests that appropriate individuals thoughtfully responded.

¹¹ See the studies referenced in footnote 2.

