

# Ethical Behavior of Bakersfield Business Managers

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To assess ethical behavior of local business managers, we conducted a telephone survey to a random sample of the Greater Bakersfield Chamber of Commerce's membership. The survey was conducted by my capable research assistant, Sachi Kageyama, in January-February of 2008. She completed the survey with a response rate of about 60 percent to arrive at a sample size of 100. The survey was a modified version of that published in D. Rachman, M. Mescon, C. Bovée, and J. Thill, *Business Today*, 6<sup>th</sup> ed., McGraw Hill. It consisted of ten questions:

1. It is okay to withhold negative information about a product in order to make a big sale as long as the negative aspect is not dangerous or life-threatening.
2. There are times when a manager must overlook contract and safety violations in order to get on with the job.
3. It is not always possible to keep accurate expense records. Therefore, it is sometimes necessary to give approximate figures.
4. There are times when it is necessary to withhold embarrassing information from the boss.
5. We should do what our managers suggest, even though we may have doubts about its being the right thing to do.
6. It is sometimes necessary to conduct personal business on company time.
7. Taking a friend to lunch and charging it to the company as a business expense is acceptable as long as the bill is reasonable and doing so does not become a regular habit.
8. Management must be goal-oriented. Therefore, the end usually justifies the means.
9. If a large expense on entertainment would win a big contract, I would authorize it.
10. Taking home company property (pencils, paper, tape, and the like) for personal use is an accepted fringe benefit.

The response to each question required one of four possibilities: 0 if strongly disagree; 1 if disagree; 2 if agree; or 3 if strongly agree. Total survey scores, varying between 0 and 30, are broken into 6 categories shown in the following table. Also shown in the table is the frequency distribution of survey responses:

Possible Score	Label of Score	Relative Frequency (%)	Cumulative Relative Frequency (%)
0	Excellent	7	7
1-5	High	11	18
6-10	Good	37	55
11-15	Average	37	92
16-20	Poor	8	100
21-25	Deficient	0	-
29-29	In Trouble	0	-
30	Corrupt	0	-

The frequency distribution has a mean of 1.2, standard deviation of 1.8, and 95 percent confidence interval of 0.7 to 1.7.

The survey results indicate that the majority of respondents, 55 percent, had “good” ethical standards or better. The remaining 45 percent of respondents rated their ethical practices as “average” or lower. While 7 percent of respondents said they applied “excellent” ethical standards to their decisions, only 8 percent of respondents exhibited “poor” ethical judgment. To put it differently, 92 percent of survey respondents had “average” ethical standards or better. One interesting anecdotal observation Sachi discovered was that nearly all respondents scoring “high” or better were self-employed owners and managers, whereas those scoring “average” or lower were mostly big-business employees.