

# Business Ethics for Information Service Industry

*Dr. Hsi-Chi Hsiao & Mr. Kung-Jen Chang*  
*Department of Industrial Education, College of Technology*  
*National Changhua University of Education, Changhua, Taiwan*  
TEL +886 4 725 2734  
FAX +886 4 726 6013

*Abstract-* The purpose of this study was to investigate business ethics for information service industry. After the review of literature, the statements of business ethics for information service industry were gathered and listed for expert validation. The statements were then screened through item analysis. A total of 404 managers and labors were randomly selected from 1,340 companies in Information Service Industry Yearbook in Taiwan, and were asked to evaluate these statements of business ethics. These ethics could be classified into six factors: career development, fringe benefits, basic needs, equality system, management philosophy, and employee's participation. The result indicated that all statements in the questionnaire were perceived significant for business ethics. Finally, several recommendations were made in the paper.

## Introduction

Engineering education is the foundation of technology development and economical construction. The information age is a part of our daily live. More and more computer-related companies have been established in Taiwan. This new economic structure has accelerated Taiwan's education system to develop more computer-related programs for students and workers. However, business ethics of information service industry should be put into the program for students to study so that entrepreneurship of computer companies can be cultivated. By effectively enhancing engineering education, the human resources needs by the information service industries can be supplied properly.

The main purpose of this study was to investigate business ethics for the information service industry. The results of the study could be used as actions and practices that are directed to improving information society. It could be also used to develop curriculum for computer-related programs or computer-oriented courses.

## Literature Review

The term ethics has many nuances. Webster's World Dictionary, 3<sup>rd</sup> College Edition, defines "ethics" as relating to what is good or bad, and having to do with moral duty and obligation. Taylor [1] defined ethics as "inquiry into the nature and grounds of

morality where the term morality is taken to mean moral judgments, standards and rules of conduct". The American Heritage Dictionary offers several definitions of ethics, including the study of the general nature of morals and of the specific moral choices to be made by an individual in his or her relationship with others, and the rules or stands governing the conduct of the members of a profession [2]. However, ethics indicates an obligation to consider not only our own personal well-being, but also that of others and of human society as a whole [3].

Ethics in general is concerned with actions and practices that are directed to improving the welfare of people. Ethicists explore the concepts and language that are used to direct such actions and practices to improve human welfare [4]. Thus, ethics deals with questions that relate to making a life worth living and helping people to achieve such a life. Ethics is largely a matter of perspective, putting every activity and goal in its place, knowing what is worth doing and not worth wanting and having [5].

Business ethics is a subset of the study of ethics in general [6]. However, some special aspects must be considered when applying ethics to business. First, businesses must make a profit. Second, businesses must balance their desires for profit against the needs and desires of society. Maintaining this balance often requires compromise or tradeoffs. To address these unique aspects of the business world, society has developed rules-both legal and implicit-to guide businesses in their efforts to earn profits in ways that do not harm individuals or society as whole [7].

Most definitions of business ethics relate to rules, standards, and moral principles as to what is right or wrong in specific situations. Business ethics comprises moral principles and standards that guide behavior in the world of business. The public as embodied in the mass media, interest groups, and business organizations, as well as through individuals' personal morals and values, often determines whether a specific behavior is right or wrong, ethical or unethical. Although these groups are not necessarily "right," their judgements influence society's acceptance or rejection of business and their activities.

Business ethics can help individuals to recognize and resolve ethical conflicts within themselves with others, and with their environment so as to keep business management forever. The

information service industry is a large sector of industry. Therefore, business ethics for information service industry should be identified for industry to follow and for students to study.

### Method

At first, the researcher reviewed the related literature to establish the theoretical framework for the study. A questionnaire was then developed to gather data for this study. Questionnaires used in the study were referred to the JDS scale by Hackman & Lawler[8], and Couger[9], and questionnaire by Wynd & Mager[10], and modified by investigator according to the characteristic of the information service industry. The questionnaire of business ethics for the information service industry were divided into six factors: career development(6 items), fringe benefits(3 items), basic needs(4 items), equality system(4 items), management philosophy(5 items), and employee's participation(5 items). There were a total of 27 items in the questionnaire. All items required one response. A Likert-type scale was used to measure respondents' perceptions towards the value of the items. Each item consisted of a statement and five possible.

A pilot survey was administered to 60 managers and labors in information service industry. Participants were asked to clarify the statements in the instrument and to make comments to improve vagueness or ambiguity. After the pilot study was completed, the questionnaire was revised taking into account the comments obtained from the participants.

Subjects used in the study included 404 individuals, randomly selected from 1,340 companies in Information Industry Yearbook in Taiwan. To examine the nature of these business ethics, mean and standard deviations were computed for each item and each factor.

### Results and Conclusions

The factor of career development has 6 items: 1) to emphasize training & education. 2) to plan career development. 3) to encourage self-developing system. 4) to provide safe environments. 5) to publish periodical information. 6) to esteem intelligent property. The dimension of career development was perceived as above average for the information service industry. The mean of career development averaged 3.63. Table 1 shows the mean and standard deviation for career development of the information service industry.

Table 1: Mean and standard deviation for career development of information service industry

Career development	Mean	S.D.
		2.02
To emphasize training & education	3.59	
To plan career development	3.43	1.23
To encourage self-developing system	3.60	2.11
To provide safe environments	3.66	2.37
To publish periodical information	3.57	1.96
To esteem intelligent property	3.68	2.06
Total	3.63	3.73

The factor of fringe benefits has 3 items: 1) to give bonus and shareholding. 2) to finance-aid for conferences. 3) to provide yearly bonus. The dimension of fringe benefits was perceived as above average for the information service industry. The mean of fringe benefits averaged 3.89. Table 2 shows the mean and standard deviation for fringe benefits of the information service industry.

Table 2: Mean and standard deviation for fringe benefits of information service industry

Fringe benefits	Mean	S.D.
		2.31
To give bonus and shareholding	3.73	
To finance-aid for conferences	3.78	2.09
To provide yearly bonus	3.71	1.98
Total	3.89	2.20

The factor of basic needs has 4 items: 1) enforce the lifelong employment. 2) to look after life of employees. 3) to hold physical examinations. 4) to ensure basic needs of employees. The dimension of basic needs was perceived as above average for the information service industry. The mean of basic needs averaged 3.56. Table 3 shows the mean and standard deviation for basic needs of the information service industry.

Table 3: Mean and standard deviation for basic needs of information service industry

Basic needs	Mean	S.D.
		2.02
Enforce the lifelong employment	3.51	
To look after life of employees	3.60	2.14
To hold physical examinations	3.71	1.66
To ensure basic needs of employees	3.53	1.81
Total	3.56	1.42

The factor of equality system has 4 items: 1) to update interior employees. 2) to give proper rewards and punishment. 3) to distribute salary equally. 4) to provide proper promotion. The dimension of equality system was perceived as above average for the information service industry. The mean of equality

system averaged 3.79. Table 4 shows the mean and standard deviation for equality system of the information service industry.

Table 4: Mean and standard deviation for equality system of information service industry

Equality system	Mean	S.D.
		2.05
To update interior employees	3.29	
To give proper rewards and punishment	3.51	2.34
To distribute salary equally	3.68	1.80
To provide proper promotion	3.70	1.92
Total	3.79	2.34

The factor of management philosophy has 5 items: 1) to develop legitimate software. 2) to establish a standard system. 3) to attend to business competition. 4) to strive to manage business. 5) not to use pirated software. The dimension of management philosophy was perceived as above average for the information service industry. The mean of management philosophy averaged 3.40. Table 5 shows the mean and standard deviation for management philosophy of the information service industry.

Table 5: Mean and standard deviation for management philosophy of information service industry

Management philosophy	Mean	S.D.
		2.03
To develop legitimate software	3.73	
To establish a standard system	3.60	2.40
To attend to business competition	3.58	2.06
To strive to manage business	3.51	1.97
Not to use pirated software	3.67	2.09
Total	3.40	2.49

The factor of employee's participation has 5 items: 1) to provide the state of management. 2) to reach mutual agreements. 3) to encourage self-developing R&D. 4) to participate in meetings for labor and capital. 5) to provide channels of communication. The dimension of employee's participation was perceived as above average for the information service industry. The mean of employee's participation averaged 3.78. Table 6 shows the mean and standard deviation for employee's participation of the information service industry.

Table 6: Mean and standard deviation for employee's participation of information service industry

Employee's participation	Mean	S.D.
		2.41

To provide the state of management	3.67	
To reach mutual agreements	3.28	1.76
To encourage self-developing R&D	3.86	2.50
To participate in meetings for labor-management	3.96	2.35
To provide channels of communication	3.50	2.15
Total	3.78	2.93

The business ethics of career development, fringe benefits, basic needs, equality system, management philosophy and employee's participation were perceived as above average for the information service industry. The mean of the whole business ethics averaged 3.68, especially, emphasizing the fringe benefits for information service industry. Table 7 shows the mean and standard deviation for business ethics of the information service industry.

Table 7: Mean and standard deviation for business ethics of information service industry

Dimension	Mean	S.D.
		3.73
Career development	3.63	
Fringe benefits	3.89	2.20
Basic needs	3.56	1.42
Equality system	3.79	2.34
Management philosophy	3.40	2.49
Employee's participation	3.78	2.93
Total	3.68	12.04

Generally speaking, career development, fringe benefits, basic needs, equality system, management philosophy and employee's participation were required business ethics for information service industry. Among these ethics, fringe benefits were ranked as the most important one. The results of the study could be used as actions and practices that are directed to improving information society. It could also be used to develop curriculum for computer-related program to train engineering students.

## Recommendations

1. It is necessary to establish ethical regulations for the information service industry so as to meet its specific needs.
2. It is necessary to develop an educational program to cultivate business ethics for information service industry so as to improve labor-management harmony.
3. Employers should strongly promote the motivate factors within the Motivate-Hygiene theory, for instance: encourage personal to participate in

associated information service seminars; respect the personal intellectual property rights, emphasize training and education, develop legitimate software etc.

4. The fringe benefits in the business ethics was emphasized by the information service industry, management should give bonus and shareholding to employees.
5. Engineering education should do good job on the human-oriented/humanistic education for the students.

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