

Maximization, Self Interest and Ethics

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Abstract

Significant research has shown that business ethics should be developed in college before business students enter the workforce. The current study surveys a sample of upper-level undergraduate and graduate business students at a large U.S. university to determine their perceptions of questionable personal, business and accounting earnings management actions. The results revealed a negative relationship between maximization tendencies and ethical behavior (perception), where higher maximizers were more likely to behave unethically in personal and business situations, and perceive earnings management actions as ethical compared to low maximizers. In addition, there was a negative relationship between self-interest and ethical behavior (perception), whereas students with a higher self-interest orientation were more likely to behave unethically in personal and business situations and perceive earnings management actions as ethical compared to those with other-interest orientation. The results offer an insight into these psychological variables among business students.