

Teaching business ethics: the effectiveness of common pedagogical practices in developing students' moral judgment competence

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This study investigates the effectiveness of pedagogical practices used to teach business ethics. The business community has greatly increased its demands for better ethics education in business programs. Educators have generally agreed that the ethical principles of business people have declined. It is important, then, to examine how common methods of instruction used in business ethics could contribute to the development of higher levels of moral judgment competence for students. To determine the effectiveness of these methods, moral judgment competence levels for undergraduate and graduate students from three institutions were measured and compared based upon the pedagogical method used in a business class. Significant differences were found for moral reasoning and moral competence scores depending on the method used for ethics instruction. Students in classes with more highly integrated ethics coverage scored higher in moral reasoning and moral competence.

Keywords: ethics; business education; moral judgment competence; moral reasoning; moral competence

Introduction

As business educators know only too well, the business community has greatly increased its demands for better ethics education in business programs. Educators have generally agreed that the ethical principles of business people have declined and that there is an imperative to improve ethics education at both the undergraduate and graduate levels (Adams, Harris, and Carley 1998; Agarwal and Malloy 2002; Hatton 1996). The growing focus on ethics in business has been reflected by the content of papers presented at professional conferences (Academy of Management 2005, 2006; Association to Advance Collegiate Schools of Business (AACSB) 2005, 2006) and statements by professional associations (Boyd, Boyd, and Boyd 2000; Johns and Strand 2000). The AACSB has called for the inclusion of ethics in the general knowledge and skills section for undergraduates and in the management section for graduate students in its new standards adopted in 2003 (AACSB 2005; Swanson 2005).

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Ethics researchers also have pressed for the improvement of the ethics education of business students. Hartman (2006) has suggested that there is a need for business ethics courses that will improve the character of future businesspeople. He believes that these courses could improve student character by giving them the opportunity to think critically about their values and realize them in practice. Klein et al. (2007) clearly put the onus on business schools to educate ethical professionals. As many as 10 years ago, educators proposed that character instruction be included in curricula. Bohning et al. (1998, 264) state that ‘...teachers cannot be bystanders in the moral development of their students. . .’. It appears that business students, in particular, are in need of ethics instruction, according to McCabe and Trevino (1993) who found that undergraduate students who aspired to careers in business reported higher levels of cheating than did students with other career aspirations. Their findings suggest that business students may have more of a bottom-line mentality: that is, they rate the importance of being financially well off higher, and are more competitive concerning grades than other majors. McCabe, Butterfield, and Trevino (2006) have also ascribed these characteristics to graduate business students.

Although, as noted above, many associations and individuals have called upon institutions of higher education to improve their ethical instruction (Conaway and Fernandez 2000; Richards 1999; Swanson 2005; Swanson and Frederick 2002–03), only a few researchers have investigated whether ethics instruction at business schools has had any impact on the students’ ethical reasoning and decision making (Burton, Johnston, and Wilson 1991; Crane and Matten 2004; Hildebeitel and Jones 1992; Richards 1999; Sims and Brinkmann 2003a). Therefore, it is still unclear what impact business curricula and the learning environment may have on moral reasoning and moral competence among students.

In particular, existing research appears to have ignored the impact that specific ethics teaching practices and the integration of ethics across the business core curriculum may have on student sensitivity to ethical issues (i.e., moral reasoning) as well as student ability to form judgments and courses of action to properly deal with ethical situations (i.e., moral competence) (Johns and Strand 2000; Klein et al. 2007). Little attention has been paid to pedagogical practices that promote student development of moral reasoning and competence. For example, do hours of ethics topic coverage, use of active versus passive pedagogies in teaching ethics, or inclusion of ethics topics on a syllabus have any impact on student ethical reasoning? In addition, is the perception of topical coverage similar for both the faculty members and their students? That is, when a faculty member believes he/she is teaching ethical concepts in class, are students aware that ethical principles are being taught? As noted by Gray and Clark (2002), citing an Aspen Institute survey of business ethics education, schools reported incorporating ethics into the curriculum, but students said ethics was not stressed in those classes. It is unlikely that we are developing the moral judgment competence of future business leaders when the means by which we hope to have that impact is not acknowledged or noticed by its recipients. The recall of ethics coverage among students may indicate whether the methods used by the faculty to present this subject matter are effective for student learning and retention. Overall, there is little evidence regarding the effects that specific teaching practices and the integration of ethics topics into course content have on students’ moral reasoning and moral competence.

Therefore, in this study, we examine the effects of teaching practices and the integration of ethics across core business courses on students' moral judgment competence. In particular, we explore whether pedagogical practices that expose students to ethical issues and dilemmas encourage greater development of moral reasoning and moral competence.

Literature review

Moral judgment competence is the capacity to make an ethical decision (Kohlberg 1964; Lind 2002). Kohlberg considers it to be a developmental process by which one ascends to higher levels of moral judgment competence throughout life. It consists of two components: moral reasoning and moral competence. Moral reasoning denotes one's individual ethic about what one ought to do (Chen, Sawyers, and Williams 1997; Rest 1987; Richardson 2003). Moral competence is the ability to make an ethical decision (Lind 2002).

Although there has been a debate over the years about whether ethics education in college can result in any change in students' ethical behavior, education is considered one possible avenue by which individuals may move up to higher stages of moral judgment competence (Hatton 1996; Lopez, Recliner, and Olson-Buchanan 2005). The effectiveness of ethics education remains in question, however, since little assessment has been done to determine whether it improves students' moral reasoning or competence (Arlow and Ulrich 1988).

Studying business ethics pedagogy may reveal the manner in which moral judgment competence might best be developed and how ethical knowledge, values, and attitudes are exchanged between teachers and students (Hatton 1996; Richards 1999). According to Adams, Harris, and Carley (1998), students' ethical foundations are established before they reach college age. In support of this contention, Arlow and Ulrich (1988) found the influences on ethical behavior that were rated most highly by business school graduates were family upbringing and corporate ethics codes. Business ethics courses were ranked last. Other research, however, indicates that changes in students' ethical decision making may be due, in part, to ethics education (Green and Weber 1997; Lopez, Recliner, and Olson-Buchanan 2005). Lopez, Recliner, and Olson-Buchanan (2005) found that business ethics education was significantly related to decreased tolerance for unethical behavior. In this case, the development of ethical reasoning and cognitive growth are thought to be related: that is, intellectual understanding and moral awareness develop together (Harris and Brown 1990). Higher education, therefore, while not able to directly 'teach' ethics, can assist in promoting moral judgment competence through development of students' cognitive development. Kohlberg's (1964) developmental model suggests that because cognitive growth still occurs in adults, ethical thinking can be improved at any age (Adams, Harris, and Carley 1998; Bohning et al. 1998). Bohning et al. (1998) agree that moral development can be spurred by educational intervention into adulthood.

The use of active learning methods has been suggested as a means by which cognitive development in students can be promoted, thereby moving them to more advanced stages of moral reasoning (Koehn 2005). Richards (1999) claims that pedagogy that actively engages students (e.g., involvement in classroom discussions

on ethical issues) enhances moral development and continues sensitivity to moral issues *after students have completed courses*. Rossouw (2002) believes that cognitive development is an important consideration when providing ethics training; however, he also stresses the importance of providing social experiences as another element of ethics education. According to Rossouw (2002), social experiences enhance moral development by introducing the element of empathy, experienced when one witnesses the impact of one's actions on other people. A similar approach is discussed by Adams, Harris, and Carley (1998) who stress the need to provide opportunities for students to apply moral reasoning to actual work situations. They suggest that classroom experiences should involve students in discussions about defining and resolving ethical problems.

With regard to the method of delivery of ethics curricula, there is some disagreement as to whether to incorporate a separate ethics course into the core business program or whether to distribute ethics education among all major business courses. There has not been any clear indication from existing research as to which type of ethics instruction provides more lasting effects. Marcus (2004) cites the intensity of Harvard Business School's new business ethics course as an effective means by which to prevent its graduates from later engaging in corporate scandals. Koehn (2005) advocated the use of an ethics course as an effective means of reaching students in the aftermath of Enron, WorldCom, etc. Richards (1999) also agrees that the concentrated exposure to ethical issues in a full-term course is likely more effective as compared to the short-term exposure to ethics topics across several core business courses. In practice, however, it appears that there is more support to integrate ethics education into the curriculum on a widespread basis (Lopez, Recliner, and Olson-Buchanan 2005; Park 1998; Rozensher and Ferguson 1994; Spain, Engle, and Thompson 2005). Sims and Brinkmann (2003a, 69) emphasize that ethics should not be taught in a 'vacuum', but rather should serve as a means to integrate the variety of courses that comprise the business curriculum. Spain, Engle, and Thompson (2005) provide examples of a variety of approaches that could be used to teach ethics across the curriculum within traditional general business classes, including the use of school-wide special events to call attention to the topic among all business students. Agarwal and Malloy (2002) discuss how business ethics could be incorporated into a marketing ethics curriculum. Thus, one purpose of this study is to investigate whether the inclusion of ethics throughout a business curriculum is an effective means of improving moral judgment competence in students.

Hypotheses

Agarwal and Malloy (2002) state that the appearance of the word 'ethics' in a curriculum does not ensure that the students are actually learning effective ethical decision making and problem solving. They propose a holistic approach to ethics education that allows students to learn about the integrative nature of ethics in all fields of business as well as those outside of it. Hatton (1996) proposes a case approach that challenges students to question their existing ethical frameworks. Rossouw (2002) espouses a combination of pedagogical methodologies for effective ethics instruction. First, he suggests teaching students the basic theories, concepts, and frameworks that comprise the field of ethics. Next, students need the

opportunity to apply this knowledge to ethical situations in business. This second step would entail the use of active instructional methods, including cases and debates in order to allow students to practice the application of concepts. Once students have practiced their skills, Rossouw (2002) recommends that they develop their critical thinking in the area through reflection that allows them to internalize moral arguments. Finally, he proposes that faculty provide learning experiences whereby students can develop their tolerance for others' moral perspectives. He states that this can best be done through the use of discussion and debate. Using a multi-method approach to ethics education, Spain, Engle, and Thompson (2005) report positive results with students indicating higher levels of understanding and interest in business ethics after they complete a semester-long ethics project.

It could be argued that the pedagogy used to engage students about ethics requires an active and integrated approach for it to be meaningful. Claiming that ethics is part of a course by listing it on the syllabus is not sufficient to ensure learning; actively engaging students to discuss ethics might be the only means by which to intensify their understanding of ethical issues and develop their moral judgment competence. Furthermore, faculty reports of having engaged students in discussions about ethics may not be a sufficient assessment of successful integration of ethics in the curriculum. We need to assess student perceptions of their exposure to ethical issues. Therefore, we propose the following hypotheses examining the effectiveness of pedagogical methodologies in ethics education.

The first pedagogical tool to which students are exposed in a class is the course syllabus. One purpose of the syllabus is to notify class members of important topics and assignments to be completed during the upcoming semester. It also acts as a contract between the faculty and the students. If we consider a class to be a type of organization, then the syllabus acts as an indicator of the characteristics of that organization and serves as a signaling device. According to signaling theory, a signaling device notifies the observer about expected working conditions (Backhaus, Stone, and Heiner 2002; Turban and Greening 1997). In the classroom organization, the syllabus acts as a signaling device to the students about the working conditions/assignments to be enacted during the semester (Srivastava and Lurie 2001). By including the topic of ethics within the syllabus, the faculty signals the level of salience of ethics within the course. The students are thus notified that ethics is to be an important course topic. In this case, the student–teacher contract (i.e., the syllabus) indicates that the students should expect ethics coverage to be provided as a term of that contract. Its inclusion on the syllabus also indicates an integrated approach to ethics coverage in that it is part of the semester plan from the start. This holistic approach should provide for more effective instruction in this area, thus improving learning outcomes for the students (Agarwal and Molloy 2002). Therefore, our first hypothesis states:

Hypothesis 1a: Students in classes in which the faculty specifically list ethics as a topic on the syllabus will report higher levels of moral competence and moral reasoning than those whose faculty do not include the topic of ethics on the syllabus.

Although some researchers agree that ethics can be taught effectively across the business curriculum (Park 1998; Sims and Brinkmann 2003b), the pedagogy used in these courses needs to be considered carefully. Using an active learning approach should allow students to assimilate their knowledge and have an awareness of what

they have learned. Without this awareness, the topic of ethics is not internalized and therefore not retained. Unfortunately, there has not been any previous empirical research to investigate what type of pedagogy is more effective in raising ethical awareness among students. As a result, faculty are using a variety of different pedagogies without knowing which may or may not be effective in reaching this objective. Faculty may believe that whatever methods they are using are effective in raising ethical awareness among their students. Despite their best intentions, however, students may not be responding to these methods as well as faculty think they are.

Hypothesis 1b: Students whose faculty have integrated ethics throughout the course will report higher levels of moral competence and moral reasoning than those whose faculty either did not discuss ethics in class or who covered ethics as a separate course topic.

Lopez, Recliner, and Olson-Buchanan (2005) report that business school students, although they are adults, could be positively affected by the integration of ethics training into their courses. One finding of their study was that tolerance for unethical behavior decreased with formal business education. Other authors have found evidence to support an increase in levels of moral reasoning as students advance in their levels of education (Eynon 1997; Shenkir 1990; Thorne 1999). We seek to clarify whether the amount of exposure to ethics in a particular course can result in higher moral reasoning and higher moral competence for students. Thus, as exposure to ethics education increases, through hours spent on the topic during course time, level of moral reasoning, and moral competence should increase.

Hypothesis 2: The more contact hours of coverage given to ethics in a course, the higher the level of students' moral reasoning and moral competence.

Of course, students are also aware of the ethical culture of an institution and are affected by that culture. In their study of ethical cultures of institutions of higher education, Desplaces et al. (2007) examined the effects of the strength of an institution's ethical code (as determined by formal university statements) on students' perceptions of the ethical environment of the educational institution. Results of this study reveal that students' perceptions of the strength of their school's ethical code were positively related to their perceptions of its ethical culture. Sweeney (1993) states that a crucial part of the mission of institutions of higher education is to promote an environment that provides for the ethical development of students. Chen, Sawyers, and Williams (1997) agree that an organization's ethical culture influences the behaviors of its members. Consequently, any educational tool that emphasizes the institution's commitment toward ethics should positively influence a student's moral judgment competence. As noted earlier, the syllabus acts as a signaling device to notify the students about class expectations (Srivastava and Lurie 2001). Accordingly, other course elements related to expected behavioral standards should serve the same purpose – as a notice of working conditions and expectations (Backhaus, Stone, and Heiner 2002). Therefore, faculty who include an academic integrity pledge with introductory course materials are notifying students that ethical behavior is expected in the course.

Hypothesis 3: Students who are required to sign an academic integrity statement as part of the introductory course materials will demonstrate a higher level of moral reasoning and competence than those who are not required to sign such statements.

In the wake of corporate scandals, which initiated the recent strong focus on ethics in business education, there has been much discussion of the proper pedagogy to be enacted to attain the goal of developing more ‘moral’ business people (Crane and Matten 2004; Koehn 2005; Lopez, Recliner, and Olson-Buchanan 2005). Because regulations alone, e.g., Sarbanes–Oxley, are unlikely to prevent these scandals, Koehn (2005) is emphatic about the need to examine different types of business ethics pedagogy in terms of their effectiveness in developing moral competence among future business people. The research on the effectiveness of different pedagogies has not provided definitive answers. In fact, some of the research outcomes have contributed to obfuscation rather than clarification of the proper means to teach ethics. For example, in exploring the influence of a ‘Business and Society’ course on students’ ethical decisions, Wynd and Mager (1989) found no impact; however, Purcell’s (1977) study found that an ethics seminar was still influencing students’ ethical views 10 years later (cited in Farling and Winston 2001). What could be the explanation for these conflicting results? One potential explanation is the classroom culture. If we consider that a classroom operates as an organization, the values of that organization become those of its members. Therefore, a classroom organization that is perceived to value ethics will be more effective in communicating ethical concepts to its members. In order to determine whether the classroom organization is viewed as valuing ethics, the perceptions of its members must be evaluated. If, in fact, the organizational members share the perception that ethics was included as an element of instruction, then they should exhibit higher levels of moral competence and moral reasoning. Therefore, we will first explore whether faculty and students have similar perceptions of ethics coverage in a particular course. Second, if both faculty and students report that they experience the coverage of ethics in a course similarly, then the classroom culture should contribute to increased levels of moral competence and moral reasoning. This prompts us to ask the following research questions about the perception of classroom organizational culture regarding ethics coverage:

Research question 1: Will the students of faculty who state that they cover ethics in their classes agree that this topic was covered in the course?

Research question 2: Will student recall of ethics coverage result in higher levels of moral reasoning and moral competence?

Methodology

This study is part of a longitudinal study of moral judgment competence across three institutions. Only those aspects of the study that are relevant to the proposed research are described below.

Participants

All survey participants were enrolled in business core courses during the spring semester 2004 at three higher education institutions in the northeastern region of the US, none of which requires an ethics course. Each institution had a different code of ethics and a different way of reinforcing that code. Participants were mostly

undergraduate students, with some graduate students where such programs were available. The study complied with all institutional research review guidelines set by the various institutions and received appropriate approvals. The total student sample consisted of 484 undergraduate and 63 graduate students from institution one, 155 undergraduate and 15 graduate students from institution two, and 248 undergraduate and 41 graduate students from institution three.

The response rates varied between 25% and 44% (we do not disclose institution-specific response rates to ensure anonymity). Of the 887 total undergraduate respondents, 60% were male and 40% were female, with these numbers being slightly different from those reported by AACSB (2004) for business school enrollments (i.e., 55% male and 45% female). Therefore, our sample is over-represented by men and under-represented by women. There were 119 graduate students in our sample, 67% male and 33% female (two respondents did not disclose their gender), compared with AACSB graduate enrollments being 65% male and 35% female. Therefore, our sample of graduate students is representative of business school enrollments. For questions where a matched sample of faculty and students was required for analysis, there were 410 student–faculty pairs. A matched pair of faculty and student is defined as one in which a student taking a particular course could be matched with a faculty member teaching that course in the current semester. Matching was done using a unique personal identification number identifier for each course section.

Measures

Student participants completed a web-based survey outside of class time after receiving instructions from the faculty member. Most students earned extra credit in their courses as an incentive to participate in the study.

The questionnaire consisted of four sections. Section one asked basic demographic information, such as gender, year of birth, class level, part- versus full-time student status, years of work experience, degree program, major, and university that one attends.

Section two asked participants whether they recalled faculty members discussing ethics in core business courses they had taken or were currently taking, and whether they had engaged in these discussions. Participants were presented with a list of core business courses and asked if they had (or were currently taking) each of the courses and if so, were asked to respond ‘yes’, ‘no’, or ‘I don’t remember’ to questions of whether faculty discussed ethics in that course and whether the respondent had participated in discussions on ethics in that course.

The third section consisted of the short version of the scenario-based Defining Issues Test (DIT) developed by Rest (1979), which is the most widely recognized and reliable measure of moral reasoning in the field to date. Specifically, participants read three different scenarios and responded to 12 questions/items in terms of their importance in making a decision about the scenario. Then after rating each of these 12 statements, we asked participants to select the four most important statements and rank them. Using scoring protocols developed by Rest, we calculated the P-scores, with higher scores indicating higher moral reasoning. We arbitrarily decided to use the P-scores over the D-scores to represent moral reasoning given that research using this instrument has not indicated that one type of score is superior to

the other. Using the strict protocols designed by Rest to ensure reliable measurement, we had to discard 512 scores (slightly over 48% of our total sample) due to incomplete or inconsistent responses. In previous research using the DIT, the number of discarded scores due to inconsistencies is usually 15%. It is possible that the higher discard percent as compared with past studies was due to the lack of supervision while students took the survey. Because they completed the survey online at their own convenience, it may not have been considered as seriously as it would have been in a monitored environment. All analyses involving moral reasoning scores include only the remaining 494 respondents.

The fourth and last section of the questionnaire consisted of the items that measured moral competence. Similar to the DIT, the Moral Judgment Test designed by Lind (2002) is also a scenario-based measure. Participants read two stories, and responded to 13 items. The first item asked if the participant agreed or disagreed (seven-point scale) with the behavior illustrated in the story. The next six items asked if the participant thought various arguments were acceptable to them in supporting the behavior illustrated in the story (nine-point scale from strongly reject to strongly accept) and the last six items asked if various arguments were acceptable to them in rejecting the behavior in the story (nine-point scale from strongly reject to strongly accept). We constructed C-index scores based on protocols developed by Lind (2002), with higher scores indicating higher moral competence.

The faculty survey was also completed using a web-based instrument. Business faculty were sent the instrument via e-mail and asked to complete it on a voluntary basis. Response rates for all three institutions average 42%, ranging from 41% to 43% (we do not disclose institution specific response rates to ensure anonymity). The questionnaire included 10 questions. The first two addressed the extent of ethics coverage that occurred in their courses by specific course taught. The next three questions asked about training received in ethics in preparation to teach ethical topics and comfort level in teaching ethics. Two questions inquired about the witnessing of unethical behavior at their institution and one question inquired whether students in the class were asked to sign an ethical statement. The final questions asked for some demographic information (i.e., highest degree held, years of teaching at the institution, and whether or not one had tenure). There were 82 faculty respondents in total.

Results

We tested Hypothesis 1a, that students in classes in which the faculty specifically listed ethics as a topic on the syllabus will report higher levels of moral competence and moral reasoning, by conducting an analysis of variance (ANOVA) on the scores of two groups – those students whose faculty included ethics on the syllabus and those whose faculty did not. There were 409 students for whom faculty responses could be matched for moral reasoning and 396 for moral competence. The ANOVA was not significant for either moral reasoning or moral competence. Therefore, Hypothesis 1a is not supported.

Hypothesis 1b states that students whose faculty integrated ethics into class discussions will report higher levels of moral competence and moral reasoning than either those whose faculty have included ethics as a topic on the syllabus or those

whose faculty have not discussed ethics in class. We used an ANOVA to compare moral reasoning and moral competence scores among the three groups. With regard to moral reasoning, there was a significant difference ($F = 3.925, p < 0.02$) among the three groups; therefore, follow-up Tukey's were performed (Table 1). The mean score was highest, 29.29, for the students whose faculty integrated ethics throughout the course. The mean score for students whose faculty included ethics on the syllabus as a separate course topic was 22.71, significantly higher ($p < 0.10$), than that of the group whose faculty did not include ethics in the course, 17.33.

With regard to moral competence among the three groups of students as noted above, the scores were significantly different overall ($F = 2.677, p < 0.07$). Follow-up Tukey's indicated that a significant difference in moral competence scores occurred between those students with no ethics coverage in class and those whose faculty integrated ethics throughout the class ($p < 0.05$). Moral competence scores were 16.12 and 19.54, respectively. Differences in scores between those students with no ethics coverage and those whose faculty included ethics on the syllabus as a separate course topic were not significantly different (Table 1). These two sets of results provide support for Hypothesis 1b.

Hypothesis 2 states that students with more contact hours of ethics coverage in a course will have higher scores in moral reasoning and moral competence. Faculty were asked to indicate the number of contact hours spent on ethics during the semester. Matching of students and faculty for course sections resulted in 409 matched sets for analyses involving comparisons of moral reasoning and 399 for moral competence. The mean number of hours spent on ethics in the classroom was 3.26 with a minimum of 0 and a maximum of 10. The number of hours of ethics coverage was regressed on moral reasoning and moral competence scores. There was no significant relationship between either moral reasoning or moral competence scores based on numbers of hours of coverage; therefore, Hypothesis 2 was not supported.

In order to test Hypothesis 3, that students required to sign an academic integrity statement as part of the introductory course materials will demonstrate a higher level of moral reasoning and competence than those who were not, we first determined how many faculty requested a signed statement. Faculty indicated whether they never or always had students sign an integrity pledge for their classes. Since only seven of the 195 faculty indicated they always used such a pledge, we were not able to adequately test this hypothesis.

Table 1. Differences in moral reasoning and moral competence scores among students in courses with differential integration of ethics coverage.

Ethics coverage	<i>N</i>	Mean moral reasoning		<i>N</i>	Mean moral competence	
		score	<i>p</i>		score	<i>p</i>
None	127	17.33		122	16.12	
Syllabus as separate class topic	252	22.71	<0.10	28	19.16	ns
Integrated class coverage	30	29.29	<0.05	246	19.54	<0.05
Total	409			396		

Research question 1 asked whether students of faculty who state they cover ethics in their classes agree that this topic was covered in the course. To investigate this question, we compared the faculty reports with regard to ethics coverage in their classes to the student responses as to whether they recalled ethics being either presented in class or having taken part in an ethics discussion in class.

On the faculty survey, there were three responses to the question of ethics coverage: (1) did not include the topic of ethics on his/her syllabus nor discussed ethics in the course; (2) did not include the topic of ethics on his/her syllabus, but did discuss the topic in class; and (3) included the topic of ethics on his/her syllabus *and* discussed the topic in class. On the student survey, there were two questions about ethics coverage. The first question asked students whether the faculty discussed ethics in class, to which they could respond: (1) yes, (2) no, and (3) don't remember. Because it could not be determined in this last option whether the respondent did not recall ethics coverage or did not observe any ethics coverage, this response was not included in any of the following analyses.

Matched faculty and student responses resulted in 410 sets. Of these, 225 had valid responses. These matched responses were analyzed with a cross-tabulation procedure, using chi-squared analysis to test for statistical significance. The results of the cross-tabulation are presented in Table 2. The chi-squared test was not significant, meaning that student perceptions of ethics coverage were in accordance with the faculty's stated actions regarding ethics coverage. For those faculty who stated they both presented ethics and indicated coverage in the syllabus ($n = 154$), more than half of their students, 54%, recalled that the faculty had discussed ethics. On the other hand, about 48% of students whose faculty reported that they did not cover ethics in their courses stated that they were not exposed to ethics in these courses. One unexpected result was that 52% ($n = 37$) of students in classes in which the faculty reported that they did not cover ethics stated that they recalled the faculty doing so.

Another way to analyze Research question 1 was to compare the responses of students about their *participation* in a discussion about ethics in class to the faculty member's method of ethics coverage. There were 103 matched responses for this question. These were analyzed using a chi-squared analysis of the independence of the categories of responses. The chi-squared test was not significant, indicating that student perceptions of ethics coverage were in accordance with the faculty's stated actions regarding ethics. The cross-tabulation of responses is presented in Table 3.

Table 2. Cross-tabulation of frequencies for faculty ethics coverage compared to student perception of ethics coverage.

Student responses	Faculty responses			Total
	None	Class coverage only	Syllabus and class coverage	
Ethics discussed by faculty				
Yes	37	9	75	121
No	34	17	53	104
Total	71	26	128	225

Table 3. Cross-tabulation of frequencies for faculty ethics coverage compared to student participation in ethics classroom discussion.

Students participated in ethics classroom discussion	Faculty responses			Total
	None	Class coverage only	Syllabus and class coverage	
Yes	11	4	36	51
No	14	6	32	52
Total	25	10	68	103

In this case, 51% of students ($n = 40$) in classes where faculty either: (1) included ethics as both a syllabus topic and a class topic or (2) at least as a class topic ($n = 78$) participated in ethics discussions. The results of these two sets of analyses for Research question 1 show that students and faculty moderately agree regarding the extent to which ethics is being covered in courses.

For Research question 2, whether student recall of ethics coverage would result in higher levels of moral reasoning and moral competence, we compared students' scores on moral reasoning and competence based upon whether they recalled ethics instruction occurring in class and whether they had participated in ethics discussions in class. With regard to whether students recalled the faculty presenting ethics topics, there were significant differences in moral reasoning scores, but not in moral competence scores. That is, those students who stated that faculty did not present ethics topics had *higher* moral reasoning scores (23.27 vs. 17.28) than those who stated that the faculty did discuss ethics ($F = 3.91$, $p < 0.05$). Then, we examined whether students' participation in ethics discussions, an active pedagogical method, would result in differences in moral reasoning and/or moral competence scores. The results of the ANOVAs were not significant, indicating that participation in ethics discussions was not related to student moral competence or moral reasoning.

Discussion

The purpose of this study was to investigate: (1) the degree to which faculty coverage of ethics in business core courses impacts on students' moral reasoning and competence; (2) the effect of different pedagogical approaches to ethics instruction on students' moral reasoning and competence; (3) whether the number of hours of ethics coverage in a course has an effect on students' moral reasoning and competence; and (4) the impact of signing an academic integrity statement as part of course introductory materials on students' moral reasoning and competence. Finally, we explored the degree to which student perceptions of ethics coverage in a course agreed with the faculty's report of ethics coverage during the same course, and also whether student recall of ethics coverage in a course resulted in higher levels of moral reasoning and moral competence.

The effect of different pedagogical approaches to teaching ethics on moral judgment competence

Our findings provided no support for Hypothesis 1a, in which we predicted that listing ethics in a course syllabus would be related to higher moral competence and moral reasoning. Therefore, merely including this topic on the syllabus is not sufficient to influence students in this area. This lack of influence may be due to the intent behind the listing of ethics on the syllabus. If the faculty member merely lists the topic in order to appear to be in compliance with a curricular or accreditation requirement rather than from a true interest in providing instruction, then it is unlikely that students will be exposed to any significant coverage in class. It is also possible that a faculty member truly intends to discuss ethics during the semester, but is not able to find time to do so due to other constraints. Further, it may mean that faculty may discuss ethics as a topic that is isolated from other course material and is not integrated well with other course topics. Whatever the reason, it does not appear possible to determine the extent of ethics coverage occurring in a class merely from reviewing its syllabus, as accreditation agencies often do. Neither does its inclusion on the syllabus necessarily ensure improvement in student ethical development.

In Hypothesis 1b, we examined the effect of the method of ethics coverage on moral judgment competence. The moral competence and moral reasoning scores of students were compared according to whether the topic of ethics was covered in the course, whether it was listed on the syllabus and discussed in class, or whether it was integrated throughout the class. In this case, the positive findings for the students in classes in which ethics was discussed, but not included as a syllabus topic, had the highest moral reasoning and competence scores. This outcome is indicative of the effectiveness of using a highly integrated method to provide ethics instruction. As indicated above, a faculty member who includes ethics as a syllabus topic and discusses it in class may do so in a more limited manner, isolating it from other material. The faculty member who discusses ethics in class without segregating it from other course topics may integrate it throughout the term. Therefore, ethical considerations are reinforced in students' minds as they learn core course concepts, resulting in deeper development of their moral judgment competence. It is also evident from these results that students in classes in which ethics is neither a syllabus topic nor discussed in class are those who are most lacking in moral judgment competence. Students do seem to benefit from ethics discussion either as a separate course topic or throughout the course as evidenced by their higher moral reasoning and moral competence scores. Therefore, inclusion of ethics within business courses may have a more positive impact on students' moral judgment competence with its greater integration into course content and the use of more active pedagogical techniques, such as class discussion.

Hours of ethics coverage in a course

Hypothesis 2, that the number of hours spent on ethics instruction would be related to higher moral judgment competence, was not confirmed. Increasing the amount of time spent on ethics coverage does not seem to translate into improved moral reasoning or competence among students. Although a positive relationship has been established between exposure of business students to ethics and their moral judgment

competence (Lopez, Recliner, and Olson-Buchanan 2005), the degree to which that exposure occurs and the substantive nature of the exposure are necessary to consider when measuring its impact on students. One of the elements of this exposure is the time spent providing instruction on the topic. The manner in which the topic is addressed (see significant results for Hypothesis 1b), however, is likely to be more important than the number of hours devoted to it. Other recent research also suggests that the quality rather than the quantity of the coverage may make a difference in student outcomes (Beauvais et al. 2007).

An alternative explanation for this result is that those faculty who integrate ethics more highly into their courses cannot definitively segregate the time spent on this topic so could not respond accurately to this question. On the other hand, the faculty who address ethics as a separate topic are better able to estimate the time spent on it. According to the results for Hypothesis 1b, students of faculty who address ethics as a separate topic do score higher in moral reasoning and competence than those whose faculty do not discuss ethics at all; however, they score lower than those whose faculty integrate it more fully into their courses.

Signing of academic integrity pledge

Although there were not sufficient responses to the question of having students sign an academic integrity pledge, this outcome is indicative of the widespread failure of faculty members to use a method that would set strong ethical expectations in the classroom. This is not to say that faculty do not orally, or even in writing, include statements about academic integrity as they begin their courses. However, without requiring any student action to signify their understanding of this expectation, the message of setting and reinforcing ethical standards for performance in the course is likely lost amidst the other introductory remarks about expectations regarding attendance, assignments, exams, etc., made at that time. Perhaps, greater effort regarding establishing and maintaining integrity expectations would provide an opportunity for faculty to impress upon students the importance of ethics in their current profession as members of the academy. This could lead to a discussion of the nature of ethics in the professions that students will join once they leave academia.

Student recollection of faculty ethics teaching

Our last questions examined the classroom environment for ethics education by comparing the perceptions of students and faculty about ethics coverage in particular classes. The findings for Research Question 1 provided evidence that student and faculty perceptions about ethics coverage in class did not differ significantly. The deliberate discussion of ethics by faculty seems to be obvious to students. One unexpected finding was that some students stated that faculty had discussed ethics when that faculty member indicated that he/she had not done so. This outcome may suggest that students are sensitive to ethical issues even when not specifically identified as such by the faculty. Especially for these students, the lack of definitive instruction in ethics may send the message that ethics considerations relative to business conduct and decisions are not necessary or appropriate. In other words, the absence of discussion may lead to the perception of the unimportance of ethical

considerations. The sensitivity of some students to ethical issues may explain the somewhat contrary results of Research question 2 that students who said that faculty did not cover ethics in class had higher moral reasoning scores than those whose faculty did cover ethics. For students who already have a higher level of moral reasoning, the lack of ethics instruction may be more apparent than its presence. Such morally mature students may likely be seeking some discussion of the ethical aspects of business dilemmas and will be aware of its absence. These results support the importance of providing ethics instruction to all students, regardless of their level of moral judgment competence when they enter the classroom.

Unfortunately, when instructors do not have a clear and purposeful understanding of their own philosophy and pedagogy underlying their approach to ethics education, they cannot be sure what students are learning about moral decision making and practice. Giacalone and Thompson (2006) incisively point out the problems associated with the failure of faculty to think more carefully about these issues. They suggest that business school curricula are based on a certain set of values, beliefs, and assumptions (i.e., an 'organization-centered worldview') that places maximization of the firm's economic interest as central to all decision making and that all other stakeholder interests rise or fall in importance to the degree that such economic interests are satisfied. Without recognizing the worldview underlying our teaching, we may confuse students about how to reconcile economic and moral reasoning. It does, therefore, seem prudent for faculty who believe ethics is an important component of business conduct to take a more thoughtful approach to addressing ethics in their courses and consciously to engage students in reflecting upon and openly discussing beliefs, assumptions, and values that underlie business institutions.

Limitations and directions for future research

The use of three different educational institutions allowed us to examine the relationship of various situational variables (e.g., level of ethics coverage in a business core course, listing of ethics as a topic on course syllabi, amount of hours of ethics coverage in a course, and recollections of students and faculty about ethics discussions) to moral reasoning and judgment competence. One limitation to this study was the necessity to discard a large portion of data due to the strict protocols used to evaluate the responses. Despite this limitation, the remaining number of respondents was sufficient to sustain our analyses.

Another limitation to some of our results is that of dependence on both student and faculty recall of experiences in a particular course. We hoped to reduce this threat to validity by basing our results only on courses taught in the current semester, but the considerable number of students who reported 'don't remember' to questions regarding ethics topics and discussions (23–27% of respondents in various analyses) indicates that relying on memory even with regard to a short period of time may be problematic.

Our study highlights the need for further research on the complex relationships among the moral development of students and faculty decisions with regard to the manner in which they structure ethics instruction. Such research will help us to better

understand the role of higher education in preparing future organizational leaders to engage in ethical business practices.

Another area for future ethics education research to consider is the continuing question of whether the integration of ethics throughout the business curriculum results in superior development of moral reasoning than does a requirement for a single ethics course. There is no standard approach to ethics education in business programs, which allows institutions flexibility to determine their curricula; however, this lack of standardization also results in more variance with regard to learning outcomes as well. Whether this variance is detrimental to students' moral reasoning capabilities has not yet been determined.

Finally, the question remains whether the outcomes of ethics education persist into the workplace. Students who exhibit a high level of moral reasoning should be expected to maintain this ethical standard once they have graduated, however, we do not know whether this is the case. Other factors, including the organization's ethical culture, would be expected to have an effect on the individual's behavior as well. The improvement of ethics education through the use of effective pedagogical methods should result in higher levels of moral reasoning at the individual level and, ultimately, to improvements in organizational ethical cultures.

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