

An Investigation of Student Moral Awareness and Associated Factors in Two Cohorts of an Undergraduate Business Degree in a British University: Implications for Business Ethics Curriculum Design

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ABSTRACT. Debate exists as to the timing of student exposure to business ethics modules, and the degree to which business ethics education is integrated throughout business school curricula. The argument for an integrated model of business ethics education is well documented, however, such arguments do not stem from an empirical basis. Much of the debate about when and how business ethics should be taught rests on assumptions regarding the stage of moral awareness of business students. The research reported here adds to this debate by attempting to empirically gauge students' levels of moral awareness in order to explore the implications for the teaching of business ethics, specifically in terms of presenting the case for the importance of an integrated business ethics curriculum.

KEY WORDS. integrated ethics curriculum, moral awareness, moral development, work experience, work placement

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“If you ask what is the good of education, the answer is easy – that education makes good men, and that good men act nobly”

Plato

Introduction

The adoption of business ethics into business school curricula is difficult to dispute, however, considerable debate is emerging over the nature of *how* business ethics can and should be taught. In particular, there is some debate as to the timing of student exposure to business ethics modules, and the degree to which business ethics education is integrated throughout business school curricula. With some notable exceptions, business schools in the U.K. typically include some form of ethics education in the form of separate business ethics modules, usually at post-graduate level or in the final stages of undergraduate degrees. This segregated approach to business ethics education has been fuelled by writers such as Pamental (1989), who argued that only in their later years would students possess sufficient insight into functional areas to be able to discern ethical issues in those functional areas. Other resistance is provided by sceptical non-business ethics educators on the questionable grounds that ethics simply cannot be taught (for a discussion of this see Henderson, 1988).



Against this backdrop, business ethics educators have been aptly described as “innovative lone-rangers” who act as pioneers in establishing ethics modules in varying degrees as a part of the curriculum (Cowton and Macfarlane, 2002, p. 276). Such “lone-rangers” appear to be gathering momentum, evidenced by an emerging debate on the merits of a more integrated and holistic approach to the teaching of business ethics (see for example Bampton and Cowton, 2002; Maclagan, 2002; Sims and Brinkmann, 2003). This debate is not necessarily new, theorists have advocated an integrated curriculum for over a decade (see for example Bishop, 1992), however, it does appear that calls for an integrated approach to the teaching of business ethics are becoming stronger.

The suggestion of the need for an integrated model of business ethics education is well documented (see for example Warwick 1980 cited in Sims and Brinkmann, 2003, p. 78; Bishop, 1992; Sims, 2002; Maclagan, 2002). However, such arguments do not stem from an empirical basis. Much of the debate about when and how business ethics should be taught rests on assumptions regarding the stage of moral awareness of business students. The research reported here adds to this debate by attempting to empirically gauge students’ levels of moral awareness in order to explore the implications for the teaching of business ethics, specifically in terms of an integrated business ethics curriculum. The research here was not undertaken to investigate or suggest *how* an integrated ethics curriculum may be designed, this has been very usefully done elsewhere, for example work by theorists such as Maclagan (2002) and Sims and Brinkman (2003) already provide invaluable suggestions on the “how” aspect of designing integrated ethics curricula. Rather, the research reported here is an attempt to understand the extent of moral awareness among undergraduate business students, so that efforts at teaching business ethics can be “pitched” at the appropriate level(s) and at the appropriate time(s) and thus shed light on the issue of the need for an integrated approach to business ethics teaching. The research thus explored levels of moral awareness as students developed and matured over the span of their

business studies. Evidence suggests that age, level of education and extent of work experience is positively related to moral development. For example, Ruegger and King (1992) observed from class discussions that students who had worked for longer periods of time appeared to be more ethical than students with limited work experience. The current study thus aimed to test such findings. A minor goal of the study was to explore the impact of gender on levels of moral awareness. This is a contested area, however, it is generally reported in the literature that females possess greater “ethical sensitivity” than males (Galbraith and Stephenson, 1993; Ruegger and King, 1992). The last two goals of this study thus aim to investigate the possibility that different student groups will have different orientations towards being recipients of business ethics education. Implicit in the goals just stated is the belief that an understanding of such issues will have important implications for the design of business ethics teaching, and should help to shed light on the debate regarding the merits or otherwise of an integrated business ethics curriculum.

The following section examines previous research on moral awareness and the teaching of business ethics. The research design and method of the study under consideration is then outlined, followed by the research findings. These findings are then discussed in the light of existing relevant literature, and recommendations for the teaching of business ethics are suggested.

Moral development and moral awareness

Much of the research into moral awareness uses the framework of Kohlberg’s stages of moral development as its starting point. This will be discussed here only briefly since much has been written about Kohlberg’s model and there is little requirement for detailed elaboration here. Synthesising the work of Piaget (a developmental psychologist) and Rawls (a philosopher concerned with moral philosophy), Kohlberg proposed that there are three levels of moral development with each level subdivided into two stages. Each stage is considered to be qualitatively

higher in both cognitive and moral terms. The first level of moral development (the “Pre-conventional level”) is characterised by ego-centrism and a self-centred ethics of convenience. The second level of moral development is the “Conventional level”, and relates to the ethics of conformity. Here, the individual has a basic understanding of conventional morality and reason with an understanding that norms and conventions are necessary to uphold society. The final stage of Kohlberg’s model is the “Post-conventional level”. Here a principled-centred ethics of conviction is (according to the theory) evident.¹ In the final stage of level three, there is an understanding that elements of morality transcend particular cultures and societies and are to be upheld irrespective of other conventions or normative obligations. In essence Kohlberg characterised the developmental change of adolescents and adults in terms of a shift from conventional to post-conventional thinking. From this model then, it is tempting to assume that the typical undergraduate business student could be located in the conventional level of moral development since they are in the last years of their adolescence and are entering adulthood. Evidence, however, suggests otherwise. In a study of students aged between 18 and 21, Weber and Green (1991) found that half of their sample of students demonstrated self-centred reasoning characteristics reflected in the pre-conventional level of reasoning. This has obvious implications for the teaching of business ethics. It may be that students are in varying states of “readiness” to be exposed to business ethics teachings, and if this is the case, then a curriculum of business ethics teaching needs to be carefully designed. Given that our task is to educate future managers who are likely to be making decisions that have moral and ethical implications on a daily basis, a useful model to guide such design is found in the ethical decision making literature.

Theories of ethical decision-making typically view that there are a series of steps that contribute to an ethical decision or action (see for example, Rest 1986; Jones, 1991; Weber, 1992 and Trevino, 1992). Moral awareness, or recognising the moral nature of a situation, is considered to be the first step in ethical decision-

making. Deciding what is morally right and then making a moral judgement then follows. The third step involves the establishment of moral intent, in other words, deciding to give priority to moral values over other values. The final step is engaging in moral action.

An important issue then when trying to determine the nature and timing of business ethics education, is to start at the “front-end” of the decision-making model just described, and establish the levels of moral awareness of our students. Following Butterfield, Trevino and Weaver (2000, p. 982) moral awareness is defined as “a person’s recognition that his/her potential decision or action could affect the interests, welfare, or expectations of the self or others in a fashion that may conflict with one or more ethical standards”.² Moral awareness is argued by Butterfield et al. (2000) to be influenced by two issue-related factors. First, they argue that the magnitude of consequences, defined as the “sum of the harms (or benefits) done to victims (or beneficiaries) of the moral act in question” will impact on moral awareness due to the salience and emotional interest associated with the magnitude of some consequences (Butterfield et al. 2000, p. 987). A second issue-related factor is the idea of “issue-framing”. Whereas magnitude of consequences refers to the characteristics of an issue, issue-framing refers to the way that a situation or issue is presented. Butterfield et al. (2000, p. 988) thus propose the following:

“. . . moral awareness will be influenced by whether or not the issue is framed in moral terms versus more neutral, non-moral terms . . . moral awareness within ambiguous moral contexts can be influenced by the framing of an issue as one that ‘involves ethics’ or ‘does not involve ethics’. This framing becomes the lens through which people view and think about the issue.”

The notions of magnitude of consequences and issue-framing have important significance for educators. Implicit in the teaching of business ethics is the aim of increasing moral awareness in order to facilitate moral decisions and actions. If “magnitude of consequences” and “issue-framing” as issue-related factors do indeed

influence moral awareness, these factors should be taken into account in the design of business ethics programmes, if not in the entire business studies curriculum. We may need to *explicitly frame* business activity as activity that involves moral decision-making and draw students' attention to the importance of considering the moral implications of all business decisions. In this way, we may actually "enable business students to read and interpret reality and take responsibility for this reality" as suggested by Ruiz and Minguez (2001).

Research method

Sample

A sample of 288 undergraduate business students from a university business school in the Midlands region of England was accessed for this study. The students at the business school came from a range of backgrounds in terms of ethnicity, religion and socio-economic status. One hundred and forty seven students were in their second year of study, and had no prior exposure to business ethics education. The remaining students were in their final year of study, and had all just completed a full year dedicated compulsory business ethics module.

The age of students ranged from 19 to 32, however, the vast majority of students were between 19 and 23 years old. The sample consisted of 160 female students and 128 males. Nearly all of the students (ninety-nine per cent) were full-time students, and sixty per cent of the sample was in the "generalist" category of the undergraduate business programme, in other words, they were not specialising in a management function such as marketing, finance or human resource management.

The majority of the total sample of students (ninety four per cent) had some work experience, albeit this was quite limited in some cases, most notably for the students in their second year of study who had mainly worked in casual jobs during holidays. Of the final year students, seventy-seven per cent of students had participated in a full-time, industry work placement

during the year prior to their business ethics module.

Scenario construction

It was decided to use scenarios rather than a moral development measure such as the Defining Issues Test, since one of the aims of this research was to explore the impact of relevant pedagogical features on moral awareness (for example the usefulness of moral language cues) in the context of business ethics curriculum design. As described in more detail below the scenarios used here differed only in the way that issue-related factors were presented. The rationale for the use of such scenarios is that they provide insight into what factors may prompt moral awareness and consequently provide a useful means of identifying effective business ethics teaching practice.

The scenarios adopted for use in this study are very closely based on those used by Butterfield et al. (2000), although they have been used somewhat differently in the current study. Those researchers tested and confirmed the validity of the scenarios (ie that they "measured" what they were supposed to) through various statistical techniques. Since the original scenarios were developed for a culturally different population in the U.S., minor changes were used to modify the scenarios for an English student target population. This involved placing the scenario in an English context using typical English place names and personal names. Such changes are not expected to have affected the validity of the constructs under study. The scenarios in this study were two versions of the same scenario that involved a competitive hiring decision (see Appendix 1). In the scenario, a manager was required to decide between recommending one of two candidates. One candidate had inside technological information on a major competitor and was offering to share it. The other candidate was equally qualified, but did not have the inside competitive information. The scenarios varied according to issue-related factors. One version of the scenario (referred to in this study as the "standard version") portrayed high negative

consequences (“I’ve run some numbers and I think that, with this information, we could *put Techtronics out of business*”). This version of the scenario was framed using terminology that would be likely to trigger moral thought – using terms such as “right” and “wrong” and “integrity” (“I’m hesitant to bring it up because it may call our integrity into question” and “My only concern is the propriety of doing this – I’m just not sure this is right”). The other version of the scenario (referred to in this study as the manipulation version) portrayed less negative consequences in terms of harm to competitors (“I’ve run some numbers and I think that, with this information, we could *at least make a dent in Techtronic’s profits* while increasing ours”). This version did not use terminology that was likely to trigger moral thought (I’m hesitant to bring it up because I know you are busy” and “My only concern is whether this will help our bottom line – I’m just not sure that this will help”). The scenarios and accompanying instructions (see below) were pre-tested on a sub-sample of the target population. The instructions accompanying the scenarios were modified as a result of the pre-test (see below for final instructions accompanying the scenarios).

Data collection

As described above, two cohorts of students with different exposure to business ethics constituted the sample for this research (second year students who had no prior ethics education, and final year students who had all just completed a module on

business ethics). Each cohort was asked to respond to one of two scenarios. Thus, half of year 2 and 4 respectively were given the “standard” version (containing moral language “cues”) of the scenario, while the other half of each cohort were asked to address the “manipulation” version (with no moral language “cues”).

During lecture and seminar time, students in Years 2 and 4 were administered the scenarios and were instructed that they were to read and reflect on the scenario, and then outline in writing how the main protagonist might view the situation. In order to limit problems of social desirability in student responses, students were informed that there were no correct or incorrect answers to the dilemma in each scenario, and no mention was made of ethics or ethical issues in the instructions. Students were merely asked to participate in research that “would assist future teaching efforts”.

Analyses

Student responses were analysed as dichotomous variables (coded low = 0, high = 1) into three categories: (1) consequences score (this included non-moral consequences only); (2) moral consequences score; and (3) issue framing score. A fourth “overall score” was calculated by combining the scores for moral consequences and issue-framing. In order to illustrate the process of analysis, Table I below shows some of the typical responses rated as “1” (high) in the three categories. Responses were coded as “0” if there was

TABLE I
Examples of typical responses in each score category

Score category	“High” response
Consequences	“If it gets out that Johnsons had inside knowledge then they might lose market share.”
Moral consequences	“If Johnsons pushes Techtronics out of business then employees in that firm will lose their jobs and livelihood.”
Issue-framing	“Hiring Jeremy isn’t fair/right/honest/ethics.” “This situation is an ethical one and calls the company’s integrity into question.”

no mention of consequences (moral or otherwise) and no identification of the scenario having an ethical dimension. Some examples of “0” coded responses were “this is an example of incompetent recruitment” and “the candidates should have been sent to an assessment centre”. The responses were coded by a single rater so the problem of inter-scoring reliability was countered. In addition, all responses were re-scored by the sole rater on three separate occasions to check the consistency of judgement and ratings over time. Once all responses were qualitatively analysed, numerically coded and checked for reliability, the data was statistically analysed using SPSS Versions 10 and 11.

Research findings

Overall, students demonstrated what could be considered to be fairly low levels of moral awareness. While forty five per cent of students did identify certain consequences of each version of the scenario, only 10 per cent of students in the sample identified any *moral* consequences of either version of the scenario. In addition, only thirty seven per cent of students in the sample identified either version of the scenario as involving an ethical dimension.

In order to assess the explanatory power of the student related variables (year of study and associated exposure to business ethics training, extent of work experience, gender, and age) on the

measures of moral awareness (“overall score”, “moral consequences score”, and “issue-framing score”), a series of standard multiple regression analyses were performed. Inspection of a correlation matrix of the variables in the study (see Table II below) reveals potential relationships between some of the independent variables and dependant variables, and guided the resultant analysis.

From the matrix, it can be seen that scenario version, year of study, and whether or not a placement year had been undertaken are all significantly correlated with the moral awareness measures of “overall score” and “issue-framing”, while the scenario version only is correlated with “moral consequences score”. It should also be noted however that there is a very high correlation between year of study and the placement year variables, which is suggestive of multicollinearity. While almost a quarter of final year students did not undertake a placement year, the variables of “year of study” and “placement year” were treated as non-independent in the analysis of the data, since second year students were also classed as “non-placement students” in this study. The implications of this will be further elaborated upon in the discussion of the findings. The relevant variables just mentioned formed the predictor variables in four standard multiple regression analyses and a one-way ANOVA. Results of the regression analyses are displayed in the following tables and the findings of the one-way ANOVA are also discussed below.

TABLE II
Correlation matrix of year of study, placement year, gender, and age with scenario version, moral consequence score, issue framing score and overall score

	1	2	3	4	5	6	7	8
1. Scenario version	1.0							
2. Year	0.00	1.0						
3. Gender	0.04	0.16	1.0					
4. Age	0.04	0.70*	0.03	1.0				
5. Placement year	0.04	0.79*	0.09	0.49*	1.0			
6. Overall score	0.39*	0.23*	0.08	0.12	0.21*	1.0		
7. Moral consequence score	0.30*	0.15	0.12	0.13	0.10	0.64*	1.0	
8. Issue framing score	0.23*	0.23*	0.02	0.08	0.22*	0.65*	0.28*	1.0

* = $p < 0.001$, two tailed test.

Table III shows that the overall regression equation explains 20% of the total variance (R^2), a result that is statistically significant at the 0.00 level. Further exploratory analysis of the data revealed that students who were administered the “standard” scenario had a significantly higher overall moral awareness score. Year of study also predicted overall score, with the somewhat unexpected finding that second year students (none of whom had been exposed to the business ethics module) obtained higher overall moral awareness scores.

Table IV shows that the overall regression equation explains approximately 19% of the total variance (R^2), a result that is statistically significant at the 0.00 level. This combination of variables reveals a similar result for the scenario version variable. While slightly weaker than the “year of study” variable, whether or not students had been on an industry placement year also impacted on overall scores. Exploratory analysis of the data revealed that students who had been

on an industry placement year had lower overall moral awareness scores.

From the correlation matrix (Table II) only one variable, “scenario version”, was significantly correlated with “moral consequence” score. A one-way ANOVA was performed to further determine the significance of the relationship. The analysis revealed that students who were administered the “standard” scenario (the scenario with moral cues and ethical language “prompts”) significantly identified a greater number of moral consequences ($F = 27.26$; $df = 1, 287$; $p = 0.00$).

With regard to “issue-framing score”, Table V shows that the regression equation explains approximately 10% of the total variance (R^2). While this combination of predictors is not as strong as the previous analyses, it is statistically significant at the 0.00 level. As with the previous analysis, scenario version was found to impact on issue-framing score, with students more likely to perceive the standard scenario as having an ethical

TABLE III
Regression estimates of scenario version and student characteristics on overall score

Variable	Regression coefficient	Standard error of the coefficient	Standardised regression coefficient (beta)	t-value	Significant t
(Constant)	3.390	0.294		11.550	0.00
Scenario version	1.003	0.068	0.391	7.416	0.00
Year of study	0.291	0.135	0.227	4.308	0.00
Regression equation characteristics:					
$R^2 = 0.206$					
Adjusted $R^2 = 0.201$					
$F(2, 285) = 37.00, p = 0.00$					

TABLE IV
Regression estimates of scenario version and placement year on overall score

Variable	Regression coefficient	Standard error of the coefficient	Standardised regression coefficient (beta)	t-value	Significant t
(Constant)	1.662	0.321		5.176	0.00
Scenario version	0.984	0.137	0.384	7.206	0.00
Placement year	0.514	0.141	0.195	3.659	0.00
Regression equation characteristics:					
$R^2 = 0.192$					
Adjusted $R^2 = 0.187$					
$F(2, 285) = 33.94, p = 0.00$					

TABLE V
Regression estimates of scenario version and year of study on issue framing score

Variable	Regression coefficient	Standard error of the coefficient	Standardised regression coefficient (beta)	t-value	Significant t
(Constant)	1.386	0.163		8.493	0.00
Scenario version	0.302	0.075	0.225	4.022	0.00
Year of study	0.156	0.038	0.232	4.148	0.00
Regression equation characteristics:					
$R^2 = 0.106$					
Adjusted $R^2 = 0.099$					
$F(2, 285) = 16.812, p = 0.00$					

TABLE VI
Regression estimates of scenario version and placement year on issue framing score

Variable	Regression coefficient	Standard error of the coefficient	Standardised regression coefficient (beta)	t-value	Significant t
(Constant)	0.447	0.178		2.512	0.01
Scenario version	0.292	0.076	0.218	3.853	0.00
Placement year	0.283	0.078	0.205	3.629	0.00
Regression equation characteristics:					
$R^2 = 0.093$					
Adjusted $R^2 = 0.087$					
$F(2, 285) = 14.68, p = 0.00$					

dimension. Somewhat surprisingly, year of study also predicted issue-framing score, with students in their second year of study (and not yet exposed to the business ethics module) significantly more likely to interpret the scenario through an “ethical lens”.

Table VI reveals that the regression equation involving scenario version and placement year explained approximately 9% of the variance. Scenario version proved to predict issue-framing score, and again, students who had been on an industry placement were significantly less likely to perceive the scenarios as involving an ethical dimension.

Discussion

The research reported here attempted to gauge students’ levels of moral awareness in order to investigate the implications for the teaching of business ethics. More specifically, a prime aim of

the research was to understand the extent and development of moral awareness among undergraduate business students, so that efforts at teaching business ethics can be “pitched” at the appropriate level(s) and time(s). A related aim of the study was to explore the impact of moral language cues on student moral awareness, since it may be that students at different levels of moral awareness require different types and levels of moral language “cues” to facilitate the development of their ethical sensitivity. Other aims of the research involved “testing” findings from previous research, in particular exploring the effect of gender and age, as well as the effect of work experience on moral awareness (see for example Galbraith and Stephenson, 1993; Ruegger and King, 1992). As stated in the introduction of this paper, the assumption underlying the aims just stated is that an understanding of issues related to student moral awareness and associated factors will have fundamental implications for the design of business ethics teaching.

In particular, consideration of such issues should help to illuminate the debate regarding the merits or otherwise of an integrated business ethics curriculum, where moral language cues may need to permeate the entire undergraduate business programme in varying forms for students with different levels of moral awareness. Each of the aims of the study and the relevant findings will be discussed in turn.

The findings indicate that overall, the students in the sample had fairly low moral awareness levels. This supports Weber and Green (1991) who found that half of their students were operating at the pre-conventional level of moral reasoning. There was no evidence of a gender effect on moral awareness, a finding in keeping with many other studies which have found no difference between the moral reasoning of male and female students, although this remains something of a contested area in the literature (see for example Galbraith and Stephenson, 1993; Ruegger and King, 1992).

Many of the findings in the current study however, were not in keeping with results of previous studies. The study reported here found, somewhat unexpectedly, that Year 2 students possessed higher overall moral awareness scores than the final year group. The higher overall score was due to their propensity to frame the scenarios as having an ethical dimension, in other words, their issue-framing scores were higher (remembering that the overall score was a composite score of moral consequence score and issue-framing score).

This raises a number of important questions with regard to the final year group who displayed lower moral awareness levels, despite having just spent an entire year studying business ethics. The highly uncomfortable possibility that the final year students' ethical sensitivity was actually lowered by the business ethics module needs to be considered. Why the ethics module may have had this effect is entirely unclear. The module resembles most other "stand-alone" business ethics modules, taking students through a range of different ethical positions and theories in an accessible manner. The use of case studies and "real-life" examples were used throughout the module to engage students, and for assessment

purposes students could pick an ethical dilemma that interested them and interpret it through a variety of ethical frameworks. Staff involved with the teaching of the module were enthusiastic and knowledgeable in the field. What is recommended in this case and indeed for all such "stand alone" business ethics modules' is a process of student evaluation of the module, involving both quantitative and qualitative evaluation.

The finding in this study that the final year students had lower levels of moral awareness conflicts with previous research (see for example Ruegger and King, 1992) which found that older students were more likely to have a greater propensity towards moral reasoning. One reason for this may simply be that the final year group are qualitatively different in some way and may consist of a particularly extreme cohort of students, belonging to the past generation(s) of conservatism and characterised as "Thatcher's children". An alternative, more potent explanation however, may lie in the fact that through their placement experience, the final year students have had more experience in the workforce, and have received greater exposure to "real world" business practices. Once again however, this proposition goes against previous observations by Ruegger and King (1992) who hypothesised that students with more work experience appeared to "be more ethical than those with limited work experience" (p. 185). It is important to note that Ruegger and King (1992) were merely speculating on the effect of work experience based on their observations during class discussions, and that the effects of work experience has received scant empirical attention. Furman (1990) may be correct in highlighting that the manipulative and instrumental nature of the business world may actually attenuate the acceptability of the abstract reasoning involved in ethical decision-making. If this is the case, it may well be the case that students who have had significant work experience have actually learned to *disengage* in moral reasoning. As MacIntyre (1984, p. 68) observes,

"Each of us is taught to see himself or herself as an autonomous moral agent; but each of us also

becomes engaged by models of practice, aesthetic or bureaucratic, which involves us in manipulative relationships with others.”

Similarly, Jackall (1988) argues that bureaucratic work may actually cause people to “bracket” the ethics they hold in their private domain from those held at work (in the public domain). For many students, their work placement year is their first experience of bureaucratic work and adherence to a resulting prevailing organisational “morality”. Such students are essentially organisational “neophytes”, and the bracketing of personal and public domains is likely to be perceived as a necessary means for survival. In simple terms, the work placement year may well serve, inadvertently, as a training ground for “ethical bracketing”. This is an area that requires significantly more research, for it has implications for the type and timing of ethics modules in business ethics curricula. This issue will be dealt with in more detail below, after a consideration of the findings related to the scenario versions

While the overall levels of moral awareness demonstrated by students were low, the study revealed that the different scenarios containing different moral language and “cues” *did* impact on levels of moral awareness. In other words, students exposed to the “standard” version of the scenario (which contained moral language and prompts) were more likely to frame the scenario as an ethical dilemma, and were more likely to identify the moral consequences of potential actions taken. This was true for both student cohorts in the study, albeit less pronounced in the final year group. The relevance for the teaching of business ethics is readily apparent on two accounts. First, consideration of the moral consequences of business decisions should form a substantial component of teaching business ethics. This of course does not mean that we simply provide students with prescriptive accounts of the moral consequences of business decisions, rather it suggests that the moral consequences of any business decision should be an explicitly articulated forum for debate. Second, as educators we need to highlight that the context of business decisions inevitably involve ethical dimensions. The implanting of ethical dis-

course throughout the undergraduate business education curricula should help to legitimate the consideration of ethical concerns in the business context, and hopefully assist students to “re-frame” situations that are typically perceived to be ethically neutral.

This notion of a “permeating ethical discourse” is at the heart of the debate concerning the integration of business ethics into undergraduate business curricula. The finding that placement year students who had only done one ethics module in the very final stage of their undergraduate degree had lower levels of moral awareness supports the argument for an integrated business ethics curriculum. As Bishop (1992) succinctly articulates:

. . . when students are presented with only few situations . . . in which they are asked to evaluate alternatives from an ethical foundation, it is not surprising that whatever learning does take place is lost in the transfer to the work environment . . . it may be necessary to completely integrate ethics into the curriculum. In place of a single course that students simply get out of the way, a cross-curricular effort may be required.

The findings of this study lend much support to an integrated business ethics curriculum, and also indicate that business ethics education should start early in the undergraduate programme. This is to allow for various levels of exposure to different ethical constructs and to prepare students for the inevitable moral dilemmas they will face in organisations. Arguments suggesting the need for an integrated model of business ethics education are well documented, however, such arguments rest on assumptions and do not stem from an empirical basis. As stated in the introduction of this paper, it was not the aim of this study to discuss *how* an integrated business ethics curriculum may be designed. For such a purpose readers are again recommended to examine the work of Bishop (1992), Maclagan (2002) and Sims and Brinkman (2003) for innovative suggestions on how to design integrated and “holistic” business ethics education. This study merely aimed to add to the debate by *empirically proving the case for the need for an integrated approach*.

The findings reported here suggest that the teaching of business ethics is complex and challenging. At what levels are undergraduate students capable of the moral reasoning necessary for an understanding of issues associated with business ethics? This study suggests that students in their early undergraduate years are in a state of *some* “readiness” for *some* type of business ethics education. Business educators need to be aware of the ethical positions which are “embedded” in their teachings and disciplines, and then encourage discourse and debate among their students. As Schwartz, Kassem and Ludwig (1991, p. 466) assert “business schools unavoid-

ably and unobtrusively indoctrinate business students in how people get ahead”, and they have a major role in eradicating complacency and in establishing notions of social responsibility. As argued in this paper, this goes beyond business schools simply offering a “one-off” module on business ethics in the final year of undergraduate study. Arguably, a crucial factor in the ability of a business school to impart moral awareness and social responsibility may be played by an integrated and creative curriculum of business ethics teaching, involving the entire gamut of business school offerings, right from the *start* of undergraduate business education.

Appendix 1: The Scenarios

Please read the following scenario:

A Hiring Decision Scenario

Robin Doherty is a manager for Johnson Company, a large, diversified company. Pat has just returned from a meeting in which Taylor Compton, a Vice President and Robin’s boss, announced that Johnson’s competitors in electronic components are increasing their market share, while Johnson’s market share and profitability are suffering. Robin and other managers were disheartened by this news because Johnson Company has always taken great pride in being the market leader in all of its businesses. Feeling somewhat exhausted after the meeting, Robin sank into a chair with the day’s third cup of coffee, and started to sift through the large pile of paperwork in an overfull in-tray. Toward the top of the pile, a memo that had been flagged with a post-it note by Robin’s assistant immediately caught Robin’s eye. The memo was from the financial controller’s office, urging people to cut their overheads, especially salaries, telephone bills, and travel expenses. Just as Robin began to concentrate on other pressing matters, Taylor Compton barged into Robin’s office.

Taylor: Sorry for the interruption, this is important.

Robin: [frustrated] Isn’t everything?

Taylor: As you recall, late last month Brett Galloway resigned from the position of sales representative for District 5. Since that time, customers haven’t got the service they deserve. That’s why I’m anxious to fill the position immediately.

Robin: OK, so what would you like me to do?

Taylor: Human Resources has narrowed the prospects down to two applicants and has outlined their qualifications. I’d like you to look at them. [Taylor hands the sheet of paper depicted below]

Richard Oakes

Age 32

Sales experience: Men’s Department Supervisor, 3 years (while at university); travel agency sales, 4 years; electronic equipment sales, 5 years

Work experience: Alder’s Department Store, 3 years; Thomas Cook’s Travel, 4 years; Monroe’s Business Machine’s, 5 years.

Education: Bachelor of Business, marketing

References: Excellent – learns quickly, personable, good sales record

Jeremy Dickson

Age: 30

Sales experience: Automobile sales, 4 years; electronic equipment sales, 5 years.

Work experience: Midlands Volvo, 4 years; Techtronics Inc., 5 years.

Education: Bachelor of Business, management

References: Very good – hard worker, ambitious, good sales record.

Robin: [pausing to consider the two candidates] Well, at first glance, they seem fairly equal. But sometimes I wonder why we bother spending so much time on these decisions. We haven't had much luck lately getting good people.

Taylor: It's our job to get good people. You should also know that both candidates did well in their interviews, and so I think either one could handle the job. But, there is one potentially important difference if although I'm hesitant to bring it up because it might call our integrity into question. Jeremy Dickson has past sales experience in a similar position with Techtronics Inc., who, as you know, is a small company, but is one of our primary competitors in the electronic components market. In fact, the Research & Development (R&D) group are encouraging me to hire him. They say that he has valuable information about a new product being designed at Techtronics. It's similar to something our own R&D group has been working on. But our people have run into a problem they can't solve. Jeremy has told me he is willing to share the information he has if we hire him and promise not to divulge the source of the information.

Robin: Having that information would be nice. Is there anything else I should know?

Taylor: Maybe just one more thing. Some of our people have said they're certain that this information could give us an edge by allowing us to solve our technical problem, which would win over some of Techtronics' customers. I've run some numbers, and I think that, with this information, we could put Techtronics out of business.^{mc} The only downside I can see is, if this gets out, a few people might think a bit less of us. At any rate, I'd like your input as soon as possible so that we can fill this position by the end of the week. My only concern is the propriety of doing this – I'm just not sure this is right.^{if}

YOUR TASK

Think about the scenario from Robin's perspective.

Write down a list of the issues that Robin could view as important in the scenario.

Notes

^{if} Issue framing is manipulated here. In the standard version of the scenario, this sentence reads: "although I'm hesitant to bring it up because it might call our integrity into question". In the "non-moral" case, this sentence reads: "although I'm hesitant to bring it up because I know you're busy". The standard version also reads: "My only concern is the propriety of doing this – I'm just not sure this is right". In the 'manipulation' version, this passage reads: "My concern is whether this will help our bottom line – I'm just not sure this will help".

^{mc} Magnitude of consequences with regard to the competitor is manipulated here. In the standard version, this statement reads: "I've run some numbers, and I think that, with this information, we could put Techtronics out of business". In the manipulation (neutral) version, this statement reads: "I've run some numbers, and I think that, with this information, we could at least make a dent in Techtronics' profits while increasing ours".

Notes

¹ Kohlberg's model (especially the final stage in Level three) has been criticised by a number of philosophers. The grounds for such criticism are numerous and beyond the scope of the current paper. In overview, the critique centres on issues such as Kohlberg's erroneous assumption of a "Foundational Principle", the overly individual orientation of the model, and that the model emphasises rational aspects of morality while neglecting emotional aspects (for a full discussion of these issues see Rest et al., 2000).

² A study by Butterfield et al. (2000) has significantly informed the research here and in some minor aspects, the research here is a type of replication of their study. However, while the research reported here adopts Butterfield et al.'s definition and to some extent their method, the aims, context and target population of the research are entirely distinct. The current study is aimed at moral awareness of undergraduate business students in the university setting, while Butterfield et al. were investigating the underlying conceptual dimensions of moral awareness in terms of magnitude of consequences and issue-framing, and their target population was experienced business professionals who were well established in their organisations.

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