An Undergraduate Business Ethics Curriculum: Learning and Moral Development Outcomes

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Abstract. The study explores outcomes associated with a business ethics curriculum over an intervention with undergraduate business students—completion of a required course in the conceptual foundations of business ethics. A case study analysis provided results that were coded using a rubric based on the Four Component Model of Morality and address development of moral reasoning capacity. Initial findings indicate statistically significant change in each of four categories of analysis of the case response, related to the moral development scale. Findings are useful in assessing outcomes, suggesting curriculum design and providing information for further research of moral reasoning with business students.

Keywords: moral development, business ethics curricula, undergraduate business students, ethical decision-making.

1. Introduction

The study explores outcomes of curricular experiences at a highly competitive, Catholic university in the United States, enrolling over 11,000 students total with over 8,000 undergraduates. The university, with its explicit focus on values and integrity, allows for empirical exploration of learning and moral development outcomes associated with a business ethics curriculum. The mission of the school's college of business is "to build a premier Catholic business school that fosters academic excellence, professional effectiveness and personal accountability in a context that strives to be faithful to the ideals of community, human development and individual integrity." The college's mission and operational context is explicitly framed within a three-tiered approach that implores development of "individual integrity, organizational effectiveness", and societal contribution or "greater good".

Further, the college is representative of top-tier undergraduate business education in the United States, consistently recognized among the top schools in various national rankings of business schools. For example, it was most recently ranked among the nation's top business schools by Bloomberg BusinessWeek (2010). Commitment to ethics in the curriculum has also been recognized, as evidenced by a top ranking in business ethics as a specialty area (Bloomberg

BusinessWeek 2010). Finally, the graduate business program is recognized globally among top business schools for addressing issues of social impact and environmental management in curriculum and research (Aspen Institute "Beyond Grey Pinstripes" 2009) and Corporate Social Responsibility (Financial Times 2010).

The college of business benefits from the ethos of responsibility, integrity, community and social action that has characterized its university as a whole since its inception. The college of business accounts for the second largest percentage of undergraduate students at the university (following the college of arts and letters); twenty percent of all students at the university are business majors. In 2008-09, there were 1669 students enrolled in the college of business. There were 555 students in 08-09 at sophomore level, Cohort 1 of this study (class of 2011).

The case study is part of a two-tiered analysis of learning and moral reasoning outcomes associated with the business ethics curriculum at the college. This paper explores outcomes associated with the sophomore-level required course in business ethics theory—*BAET 20300: Introduction to Business Ethics*—through a case study analysis. The case study analysis was accompanied by a second instrument that will explore outcomes in a three-year, longitudinal study of students (over 1,500 students in three class year cohorts) from entry to the college (sophomore year) through exit (senior year), using an on-line instrument titled the Business Education Survey (BES), an instrument of our design based in part on several existing tools. Phase II results are forthcoming, due for completion in April 2011 (Cohort 1), April 2012 (Cohort 2), and April 2013 (Cohort 3) in the participants' senior years.

2. Theory

This type of analysis is timely and relevant. Much has been made of business education and its contribution to the financial and moral crises that often characterize the modern business climate. A recent column in *The Economist* (2009) notes the proliferation of critics accusing business schools of "churning out jargon-spewing economic vandals". However, empirical explorations of this association show mixed results. Neubaum et al. (2009) explore this criticism (offered in Ghoshal 2005, Mitroff 2004) and empirically test claims that managers lack moral development and that "amoral, 'profits-first' theoretical underpinnings" characterize business education (9). Among others, Allen et al (2005) conclude that curricular emphasis on ethics does not lead to significant impact on development of instrumental values. In contrast to this conception of business education, Neubaum et al. present results from a study of 1,080 business and nonbusiness students from a major research university that suggest that neither personal moral philosophies of business and nonbusiness students differ significantly, nor do personal moral philosophies of business students at entry

(freshman year) and exit (senior year) differ significantly. They conclude that no evidence exists that supports claims that business education is associated with negative personal moral philosophies of business students. Further, they argue that attitudes of business seniors and freshmen do differ significantly, but consistent with growth rather than narrowing of moral capacity. Thus, business students exhibit more prosocial conceptions of business at senior year, in contrast to the change posited by critics of business education.

Christensen et al (2007) explore the concept of "moral courage", defined as a component of moral motivation, a critical step in moral reasoning, with accounting students. After acknowledging the need for developing *resolve*, Christensen et al.'s findings support curricula that include modeling of "moral exemplars" and self-reflection as consistent with increased resolve to exhibit moral courage. These findings are explored in our study and provide further support for an integrated curriculum, discussed below.

An earlier, smaller study of business students at this same university (Brandenberger, Cahill Kelly and McManus Warnell 2005) explored moral reasoning capacity using the Defining Issues Test (DIT2) of Moral Reasoning (Rest and Narvaez 1999). Results of a longitudinal study of 112 undergraduate business majors (20% of all students in the college at sophomore and senior years) showed an increase in P-scores, the most widely utilized index on the DIT2, one that indicates the extent to which an individual displays a preference for arguments based on moral principles (versus social conventions or personal interests) when making a moral judgment. Mean P-scores for students surveyed increased from 40.7 to 46.4. This increase does not always happen for business students (e.g. Pierre et al. 1990). Additionally, as reflected in two scales that exhibit high levels of internal reliability, student conception about the role of ethics in business changed to a more prosocial conception over time. Various analyses of which specific interventions may have prompted the most change were non-significant, indicating that the milieu of the college of business, reinforced by university ethos, may be key. These findings, in part, prompted the more thorough analysis that is reflected in this report and will be addressed in the longitudinal study referenced earlier.

Additionally, several studies have explored moral reasoning development at the graduate school or professional level (i.e., Bebeau and Monson in Nucci and Narvaez 2008, Weber 2007). Our purpose is to explore learning outcomes for undergraduate students studying business. Our exploratory study offers analysis of data related to these conceptions, and results associated with an ethics curriculum in practice at a top-tier business college. Accordingly, we developed a four-item scoring rubric, the "Case Study Response". The scoring rubric for the Case Study Response is described below, and corresponds with these conceptualizations as we pursue a rubric that exhibits high reliability and validity.

3. Overview—Case Study Analysis

All business students are required to take a 1.0 credit course addressing the conceptual foundations of business ethics (*BAET 20300: Introduction to Business Ethics*). The course is taught by one of four instructors. Two instructors are tenured faculty in management and marketing, respectively, and both focus their scholarship and teaching on ethical dimensions of their fields. A third instructor is a management teaching professor who focuses on business ethics and sustainability, and the fourth is an adjunct faculty member and priest who also serves the University as a dormitory rector. Each instructor utilizes the same textbook—in 2008-09, Joseph DesJardins' *Introduction to Business Ethics* (3rd ed.), in 2009-10, Robert Audi's *Business Ethics and Ethical Business*—and the group meets regularly to coordinate the general presentation of course material. While each instructor incorporates some unique information, the topics and fundamental course framework are consistent. Over the five-week course, students are introduced to the various theoretical perspectives of ethics in the business context. Also included is a focus on the meaning and value of work, moral rights and responsibilities in the workplace and business' environmental responsibilities. Case studies are presented, analyzed and discussed through readings, video clips and review of corporate documents. A final exam consists of qualitative and quantitative items, including a case study analysis, results of which provide a data set for this study. Each course shares a set of course objectives noted below, including three sequential components, aimed at moral action as the cumulative step in moral formation.

Thus, the course will:

1. Raise ethical awareness—the course will introduce and explore the ethical dimensions of business. The objective is to enhance awareness of and sensitivity to the broad range of ethical issues in business.

2. Improve ethical knowledge—the course will introduce key terms and concepts. The objective is to understand the major theoretical foundations of ethics, moral judgment and decision making.

3. Improve ethical judgment—the course will provide and improve skills of ethical decision making. Objective is to move beyond identifying and understanding ethical issues in business to identifying and acting on the appropriate course of action.

Instructors explicitly indicate in the language of the course objectives and class lecture that the goal of successful ethics education has three parts—awareness, knowledge, and action/behavior. This framework is consistent with the Four Component Model of Morality (Rest and Narvaez 1999, Bebeau 2006) and allows for ready exploration of course outcomes within this framework.

Thus, in evaluating the required course, we are attempting to explore the ability of students to:

1. successfully identify ethical issues—key facts, considerations and concepts,

2. appropriately incorporate terms and theoretical concepts of business ethics into analyses of such issues, and

3. display aptitude in identifying the appropriate resolution of ethical dilemmas, and proclivity toward ethical decision making.

Given course objectives and considering the Four Component Model, we developed four measures across which we expected change pre- to post-course. Analyses will focus on student change from orientation to completion of an ethics course, specifically, change related to moral sensitivity, moral judgment, moral motivation and commitment, and moral character and competence. We expected change reflecting enhanced sensitivity to moral issues, more sophisticated analysis of key terms and concepts, increased aptitude for describing and identifying appropriate resolutions to the case dilemma, and increased proclivity toward ethical decision making.

4. Methodology

4.1. Participants

Students self-selected into sections of the required ethics course through the standard registration process. The study was administered across all sections of the course, with results representing data from each section and multiple instructors. At the conclusion of each required course, as part of the final exam, students wrote responses to the same case they analyzed during orientation. They were not advised that this would occur. These exam data comprise the Post-Test/ Intervention data. The Pre-Test survey was administered at orientation to the college of business; 490 students responded. 255 students participated at post-test. Those who did not participate met one or more of the following criteria: they were enrolled in a section of the required course whose instructor did not include the case study as part of the final exam (this issue has been addressed for Cohort 2, class of 2012, and beyond, and all instructors will administer the case study), or they did not advance through the college of business as planned (perhaps participating in orientation but ultimately failing to declare business as their academic major). However, results are representative of the student population; 44.8% of the total sophomore class participated in both pre- (orientation) and

post- (exam) intervention. The demographic and change data represents scores of these same 255 students at pre- and post-course.

The students were asked to identify several demographic characteristics, including gender and academic major (accountancy, finance, management, marketing, or other). They responded to questions regarding their perceptions of the influence of religion in their lives, their political views, and service/volunteer experiences. Table 1 shows the demographic profile reflecting gender and academic major. Because the study is part of a longitudinal, three-year analysis of outcomes over the course of study in the business college by academic year, age of the participants is consistent. Students at this university do not display enough age variability within each class year to note an effect, though certainly change over time (sophomore to senior year) will be addressed in the forthcoming longitudinal report. Further, results exploring perceptions of religion, political views and service experiences will be addressed in the longitudinal paper.

Table 1: Demographics of Sample

	Gender		
Major	Female	Male	Sum
Accounting	30	32	62
Finance	31	75	106
Management	6	22	28
Marketing	28	19	47
Other	6	6	12
Sum	101	154	255

An additional note on context: to consider students' educational experience in a appropriate fashion, other curricula at the university are explored. To include conceptual foundations relevant to studies of both philosophy and theology, we considered data on the number of these courses students had previously or were concurrently taking. Thus, students taking the required ethics course during sophomore year in the college had taken a median of 2.86 courses in philosophy or theology before, or concurrent with, the ethics course. The majority of students had taken, or were taking, Introduction to Philosophy and other intro-level courses in either department. The university requires that each student successfully complete two courses (6.0 credit hours) in both theology and philosophy for completion of the undergraduate degree. Thus the number of courses taken is consistent with expectations of sophomore-level students, with three years remaining to complete the requirement.

4.2. Materials and Procedure

Case Study Analysis data were coded using a standardized rubric (see Appendix), exploring change in sophistication of analysis and incorporation of relevant terms and concepts. Two research assistants were provided a rubric of keywords by category to assign scores based on content analysis. After specific training on application of the rubric, research assistants scored twenty case study responses each and returned them to this author for review. After consistency was determined, all case studies were analyzed. The rubric is based on the Four Component Model of Morality (Rest and Narvaez 1999), Bebeau 2006) and examines development of moral reasoning capacity. The Four Component Model of Morality was developed by James Rest (1983) and further developed and applied by Rest and Darcia Narvaez (1995) and by Muriel Bebeau (2006), among others. The model addresses the ways that moral behavior occurs and allows for conceptualization of successful moral functioning and the capacities it requires.

Effective moral functioning requires four integrated abilities: moral sensitivity, moral judgment, moral motivation and commitment, and moral character and competence. *Moral sensitivity* focuses on the ability to identify and discern problematic situations with ethical dimensions. *Moral judgment* requires that the person move beyond recognizing that ethical dimensions are present in a given situation to explore which line of action is morally justified. *Moral motivation and commitment* involves the prioritization of values—moral values are prioritized over other personal values. Finally, *moral character and competence* acknowledges that sensitivity, judgment, and prioritization of moral values must lead to moral character and competence, or moral behavior will fail. Moral character and competence is "having the strength of your convictions, having courage, persisting, overcoming distractions and obstacles, having implementing skills, and having ego strength" (Nucci and Narvaez 2008).

The model is not linear—the components are clearly interactive. Further, Rest notes, in contrast to other models of moral function, the Four Component Model of Morality assumes co-occurrence in all areas of moral functioning of cognition and affect. Thus, moral behavior is not the result of separate processes. Rather, each of the four components involves both affective and cognitive processes (adapted from Bebeau et al. 1999, Bebeau 2006).

In the rubric designed for this investigation, Items 1 and 2 are associated with Moral Sensitivity, or the ability to recognize and articulate ethical dimensions of a situation. Item 3 is also associated with the Moral Sensitivity component. Here, the results were scored to determine breadth of analysis regarding perspective-taking, which is a prerequisite to moral action (Narvaez and Bebeau 2007). Thus, scores reflected identification of relevant stakeholders, including whether students improved their ability to recognize multiple stakeholders at three levels of analysis—micro-, mezzo- and macro-level analysis. In addition to recognizing the Four Component Model, here the approach seeks consistency with the

college's goal of fostering understanding of ethical dimensions at the individual, organizational and societal level. Finally, Item 4 (suggested resolution) is associated with the Moral Motivation component, and, broadly, to the Moral Judgment and Moral Character and Competence components of the model. While character and competence ultimately concern measuring action, which is beyond the scope of this study for reasons noted below, our goal for Item 4 was to explore identification of, and related proclivity toward, moral action. Detail on the rubric follows.

Scores for both Item 1 (*Is there an ethical issue in this case? If yes, define what you think the ethical issue(s) is/are.*) and Item 2 (*Can you identify any major principles/theories that would relate to this case?*) are thus indicators of the Moral Sensitivity measure, that is, whether students can appropriately identify and articulate ethical issues. Our rubric explored outcomes along a continuum, with zero points indicating no identification of ethical issues, and a progressive score. The score is also cumulative, that is, students received points for indicating multiple levels of analysis/more than one conceptualization of relevant concepts. Further, students were given one additional point for appropriate explanation of concepts and their relevance, beyond simply identifying relevant terms to describing interactions and relevance to the dilemma(s).

One point is associated with legalistic/compliance-based notions of relevant concerns, for example, privacy law violations in the credit card marketing case. Two points were given for advanced notions, including ethical principles involved in privacy, not simply violation of legal notions. Other terms indicating a two-point score include exploitation broadly presented, i.e. "taking advantage of" students, and simple conceptions of deception, false advertising, unfavorable terms for students, dishonesty and/or conflict of interest. Three points were given for inclusion of major theoretical concepts, including duty-based or deontological ethics, responsibility, integrity, utilitarian ethics, virtue/virtue ethics, ethical obligations, the meaning and value of work, the fallacy of relativism, notions of corporate social responsibility, or models of work including human fulfillment, liberal or classical conceptions. Finally, one point was added to the score for appropriate description of these terms' relevance, beyond simply acknowledging their relation to the case.

Item 3 scores correspond to sensitivity to stakeholders in the ethical dilemma. Thus, a score of two points indicates identification of primary stakeholders, including students and parents, or other, primary stakeholders immediately affected by the issue. If students indicated more than two individuals/groups of individuals affected from this primary group, they were awarded four points. Students were given four points for indication of awareness of organizational or secondary-level stakeholders, including banks, retailers, alumni associations, and the like. Five points were given for identification of societal ramifications, including contribution of credit concerns to the U.S. financial crisis, for example. Here the scores can be cumulative, so a maximum score for this item is thirteen,

which indicates identification at all three levels of analysis—individual, organizational and societal.

Item 4 involves the components of Moral Judgment and Moral Motivation and Commitment. The component of Moral Character and Competence is more challenging to measure—action is difficult to measure without design of a social-psychological study. Our goal for item 4 was identification of, and indication of proclivity toward, moral action. Thus, identifying specific and actionable resolutions to moral dilemmas indicates judgment and motivation, which are precursors to commitment. This item is an exploration of intent, acknowledging that capacity for and proclivity toward action precedes action.

Item 4 was scored with zero points indicating no resolution, and one point a simple request for securing students' permission for use of their contact data, again reflecting fewer points for compliance-based resolutions. Two points were given for resolutions consistent with general information and disclosure themes. Three points were given for more proactive information and disclosure solutions; for example, those that involve some reduction in the marketing appeals. Four points were given for resolutions suggesting responses that require action on the part of one or more organizational stakeholders (banks, the colleges/universities). Finally, five points were given for recommendations of proactive solutions that involve policy or process changes; for example, offering financial literacy classes at the college/university, financial literacy "pre-tests" for approval, university negotiation of better terms for students, refusal of credit to students under age 21, formation of nation-wide programs with fixed rates for students, and cessation of marketing to undergraduates. Again this item's score was cumulative, so a maximum score of thirteen points indicates suggested resolutions that thoroughly address each level of concern—compliance, information and disclosure, organizational change, and policy/procedural change.

All students were provided the case study and response template during orientation to the college of business in August, 2008, as sophomores. This analysis is identified as the Pre-Test/Intervention. The intervention here is defined as successful completion of the *BAET 20300: Introduction to Business Ethics* required, sophomore-level course. The case study presented at both pre- (taken during orientation) and post- (taken at course end) intervention concerned credit card marketing to university and college students.[1] The four-page case included data related to industry marketing protocol, examples from real-world application, and testimony from industry experts. The case topic was selected as timely, immediately relevant to students, and one that also included industry and policy implications.

At both pre- and post-test, students were asked to read the case individually. They were provided with the article and a response template. Responses were

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1. Silver-Greenburg, Jessica and Elgin, B. (2008), "The College Credit Card Hustle", *BusinessWeek* (July 17). Available at http://www.businessweek.com/magazine/content/08_30/b4093038700850.htm.

hand-written on the template, turned in, and recorded. The template requested response to each of the four items. For each of the four items, analyses will explore change between pre- and post-course.

5. Results

We thus have four measures. Change scores for each of the four items were computed for each subject by differencing the post and pre-course scores. Our expectation was to see positive change scores on average for each item. However, given the exploratory nature of this study, we conducted a more conservative two-tailed test to determine any significant change on each item. Summary results for pre- and post-test are provided in Table 2 and discussed below. Note ranges of scores possible are different for each item. Ranges are indicated in Table 2 and definitions by item number are provided below. The scoring rubric outline is provided in the Appendix. Individual item scores are presented below.

Table 2: Descriptive statistics for item scored responses. See appendix for scoring method.

	Pre		Post	
Item	Mean (sd)	Low - High	Mean (sd)	Low - High
1. Is there an ethical issue in this case? If yes, define what you think the ethical issue(s) is/are.	2.15 (1.20)	0 - 6	4.23 (2.19)	1 - 15
2. Can you identify any major principles/ theories that would relate to this case?	1.69 (1.86)	0 - 9	11.37 (4.06)	2 - 23
3. Who has an interest or stake in this situation?	4.95 (2.31)	0 - 13	5.77 (1.83)	0 - 11
4. What is your suggestion for resolving this case?	2.95 (2.16)	0 - 9	5.31 (2.40)	0 - 12

The results of the change in item scores for students taking the survey at the beginning and the end of the course are shown in Table 3. All four items and their sum showed both practical and statistically significant positive change from pre- to post-scores according to measures of standardized change and paired t-tests. Effects were large (Cohen 1988) except perhaps for item 3, which was smaller but still notable.

Table 3: Detail t-test results

Item	Mean change	95% CI	t	p	Standardized mean gain
1	2.09	1.78, 2.40	13.31	**	0.83
2	9.68	9.14, 10.22	35.12	**	2.2
3	0.82	.64, 1.00	8.82	**	0.55
4	2.37	2.01, 2.72	13.15	**	0.82
Item sums	12.36	11.63, 13.09	33.39	**	2.09

**$p < 0.001$ in all cases for a two-tailed test. As normality did not seem to be met for some items, a Wilcoxon signed rank test was performed as a check and reached the same interpretation—all were statistically significant with $p < 0.001$.

Items 1 and 2: Moral Sensitivity

Students were first asked, "Is there an ethical issue in this case?" with 243 (95.3%) participants answering affirmatively and twelve (4.3%) answering "no" at pre-test. 255 students (100%) answered affirmatively at post-test. More specifically, scores for both Item 1 and Item 2 are indicators of the Moral Sensitivity measure. At post-test, we expected greater levels of identification of issues as well as increased sophistication in describing the dilemma(s). Mean score on Item 1 at pre-test was 2.15 ($n = 255$). At post-test, upon completion of the required course in business ethics, mean score for Item 1 was 4.24 with a standard deviation of 2.19, a change of positive 2.08 points, a statistically significant increase.

Mean score on Item 2 at pre-test was 1.69 ($n = 255$). At post-test, mean score for Item 2 was 11.37 with a standard deviation of 4.06, with a mean change of 9.68 points, also a statistically significant increase. This change was the greatest increase in all measures on the case study response, possibly indicating resonance of key terms and concepts associated with studying conceptual foundations of ethics, the major focus of the course. Additional reactions follow in the Discussion.

Item 3: Moral Sensitivity—Stakeholders

Item 3 is also associated with the Moral Sensitivity component. Here, results were scored to determine breadth of analysis regarding relevant stakeholders, including whether students improved their ability to recognize multiple stakeholders at three levels of analysis, micro- to macro-level analysis—the individual, organizational, and societal stakeholders.

Mean score for Item 3 at pre-test was 4.95 ($n = 255$). At post-test, mean score for Item 3 was 5.77 with a standard deviation of 1.83, a 0.82 point average, statistically significant, increase.

Item 4: Moral Motivation and Commitment; Moral Character and Competence

Item 4 involves the components of Moral Judgment and Moral Motivation and Commitment. While comprehensive measuring of these components which involve behavior is beyond the scope of this study as noted above, our goal for item 4 was identification of, and indication of proclivity toward, moral action.

Mean score for Item 4 at pre-test was 2.95 ($n = 255$). At post-test, mean score for Item 4 was 5.31 with a standard deviation of 2.40, a 2.36 average, statistically significant, increase.

Though no specific hypotheses were posited regarding difference by gender and majors, Figure 1 suggests the manner of change was consistent across those variables.

Figure 1: Item Sums by Gender, Academic Major
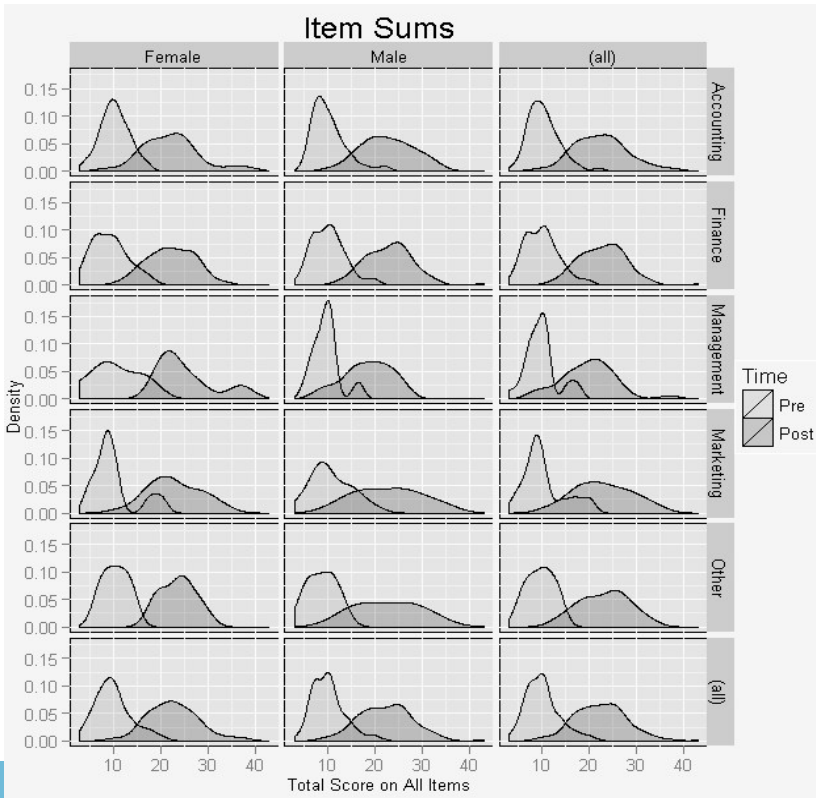
6. Discussion

Our study explored change across four measures adapted from the Four Component Model of Morality. Scores for both Item 1 and Item 2 are indicators of the Moral Sensitivity measure, that is, whether students can appropriately identify and articulate ethical issues. At post-test, we expected greater levels of identification of issues as well as increased sophistication in describing the dilemma(s). Item 2 is particularly illustrative of the sensitivity measure. Thus, the Item 2 mean score of 1.69 points at pre-test indicates a more legalistic, compliance-based notion of concern. At post-test, we see significant growth. An 11.37 mean score indicates average responses incorporating inclusion by mention of at least three theoretical concepts, and more thorough, appropriate integration of at least three concepts. Concepts here might include utilitarian ethics, deontology or duty-based ethics, Kantian conceptions of rights and duties, and other key approaches that move beyond compliance and legality to consideration of moral implications.

These items also correspond with objective one of the course, to raise awareness of and sensitivity to the broad range of ethical issues in business. Thus, we conclude that articulated course objectives and increased levels of moral sensitivity were met as evidenced by change in mean score on Items 1 and 2.

A consideration for items 3 and 4 is the time constraint present in the case study post-test, given as part of the final exam. Though we address this concern for future iterations of the study (Cohorts 2 and 3) by restructuring the administration of the case analysis to eliminate the time limit, the constraint must be acknowledged here. Thus, it is not surprising that students chose to spend the most time on Item 2 (evidenced by length and breadth of responses) as this item related to theoretical conceptions, which was described to students as the primary focus of the introductory-level course. Scores for items 3 and 4 may not necessarily reflect the breadth of their knowledge—for example, students may have provided their perception of only the most impacted stakeholder in their responses rather than including all levels of stakeholders affected. The rubric was cumulative and rewarded students for a more comprehensive response. Item 3 also corresponds with objective 1 of the course, the component associated with awareness and sensitivity. Here also we see that articulated course objectives were met, as well as increased sensitivity to primary, secondary and tertiary stakeholders. This approach to perspective taking, or exploring stakeholders, is consistent with the approach of moral development scholars (Narvaez and Bebeau 2007). The concept is also related to empathy, an important component of moral courage.

The time constraint associated with the case response as part of the final exam is also relevant to Item 4. Thus, students may have indicated only their priority resolution, or one resolution. This does not necessarily reflect a lack of understanding of resolution at multiple levels. This factor should be considered

in future studies, perhaps by administering the case with an acknowledgement that comprehensiveness matters, in addition to the perceived "right" answer. This also implies that students force prioritization, which, of course, has practical implications. This presents an interesting area of future study; that is, why do individuals choose what they choose among alternatives when faced with time constraints and external pressures (which is most often the case)? Studies in psychology provide considerations. Applied business curricula such as the Giving Voice to Values program of study (Gentile 2007) offer potential and are discussed in the Conclusion.

Item 4 is also associated with objectives 2 and 3 of the course, improving ethical knowledge and improving ethical judgment. These objectives involve appropriate description, analysis and understanding of relevant terms and concepts presented in the dilemma(s). Further, the objectives aim to prompt and identify a proclivity toward ethical action. The mean score for this item at post-test indicate progress toward these objectives.

Considerations in survey design did not anticipate a response reflected by several students on Item 4. Although mean scores increased as noted, more students actually decreased their score on this measure than on any other. Decreases may reflect an interesting phenomenon. At pre-test, during orientation, sophomore students may not possess capacity nor perspective to identify nuance at the same levels as they may at post-test, upon completion of an intensive course that covers theoretical conceptions, including an emphasis on stakeholder theory. Thus, an early response to the case study may reflect clear identification with the student population presented in the case study—a perception that they are "victims" of "predatory" marketing practices, without nuance or perspective-taking. After studying corporate examples and the stakeholder approach, students may more clearly understand and reflect the corporate perspective on the issue. These score decreases may reflect a more nuanced understanding of solutions and practical application of resolutions (beyond simply "stop marketing to students!") when multiple stakeholders are involved. Future survey design may wish to incorporate this issue, though again, as noted, mean scores did reflect an increase.

The *moral judgment* component involves working toward discernment of appropriate action after considering alternative resolutions. It was assumed that, at entry, students would have limited knowledge of specific alternative resolutions due to minimal experience with examining specific business practices. Had this item been included at pre-test, we would have expected to see significant increases in alternatives presented. Without context and the ability to explore related benefits and consequences to each alternative (as was possible on the post-test, exam, analysis), the results may be superficial and fail to illustrate internalization and understanding of the perspectives. *Moral motivation and commitment* involves the prioritization of values. At post-test, after identifying and comparing alternatives, students were asked to identify the appropriate resolution. Finally, *moral character and competence* acknowledges that

sensitivity, judgment, and prioritization of moral values must lead to moral character and competence, or moral behavior will fail. Providing suggestions for specific resolution of the dilemma(s) and the sophistication of these resolutions with regard to moral action indicate progress in development of the skills required for these components.

Study results provide useful information for business pedagogy in the area of ethics and for additional study of moral reasoning with business students. Findings provide empirical support for growth in moral capacity and are consistent with both course and college goals. Broadly, our goal is to promote exploration of pedagogy in business ethics—advocating an integrated approach— thus our focus is not as concerned with individual change, but rather what is occurring across the program and curriculum. To this end, for example, we see significant resonance of the concepts of awareness (moral sensitivity) and fluency with analysis (moral judgment), evidenced by scores on items 1 and 2 of the rubric. However, despite significant change in items 3 and 4 related to moral motivation and commitment, as well as character and competence, substantial opportunities for growth exist in the areas of application and behavioral change, discussed further below.

Several themes emerge from an analysis of the results. First, consistent with current and emerging work in the field of moral reasoning, our results support the conclusion that developmental change requires an integrated pedagogy. All business schools accredited by AACSB have been required to include some attention to ethical issues in curriculum since 1979, but this coverage is often translated to a cursory introduction—in an increasingly crowded curriculum, faculty "struggle to fit all the content into our courses [and] ethics may be the area that gets cut…. We may be teaching it incorrectly our not at all" (Allen et al. 2005). Scholars have argued for a more proactive approach toward integration by AACSB (Giacalone and Thompson 2006), and recent changes reflect this impetus for enhanced focus.

Second, our results indicate the importance of a comprehensive approach. Thus, we introduce concepts at orientation, provide theoretical foundations in the required course, and continue to develop specific skills of implementation through additional courses and co-curricular programs in the college (internships, for example). Because it is not enough to possess moral intention – rather, students must master skills to act—business coursework must provide the "toolkit" for developing and exercising these skills.

This integrated structure—a dedicated course providing conceptual foundations and a curriculum that includes application to the core business disciplines – fulfills a necessary function of ethics education. Providing the theoretical concepts, exploring frameworks and tools of decision-making, and providing practical examples of application are necessary precursors to ethical behavior. A recent column in *The Economist* (2009) argues that this focus on ethics and corporate social responsibility must be paired with study of specific

applications of theory, including "economic history", to explore practical examples and question assumptions. Hooker (2004) reminds us that ethics education can and must assist with cognitive development that enables enhanced proclivity toward ethical character. Caldwell (2010) notes "business schools are struggling to train their graduates to be both ethical and competent." An integrated approach is required for achievement of both goals.

Third, applied studies of ethical conceptions are effective in prompting students to progress through the three stages of moral growth—sensitivity, knowledge and commitment. Case studies and exploration of real-time business scenarios resonate with students and allow for understanding of conceptual perspectives. Also consistent with existing research, findings provide support for the notion of experiential work, in partnership with peers and faculty. Curriculum that allows for specific discipline- or field-based study of ethical considerations in an applied manner is suggested. In Phase II of the study, it may be illuminating to explore gender differences. Davis et al. (2010), Allen et al. (2005), and Ritter (2006), among others, have explored these considerations in other contexts with significant results. Perhaps more importantly, differences by area of study (accountancy, finance, management or marketing) may be illuminating and have specific practical implications. This data will yield additional information for curriculum design.

Fourth, we examine specific content. At the college of business studied, 146 business elective courses are offered. In 2008-09, eight elective courses specifically allow for regular, explicit discussion and application of ethical concepts. Relevant content at the MBA level has been assessed, and results indicate that ethical content is present in all core courses and the majority of elective courses (Aspen Institute, Beyond Grey Pinstripes 2009). Exploration of this content in undergraduate courses would be useful. A workshop for faculty in the core disciplines, presenting ethics cases within each of the core business functional areas, along with teaching tools in an explicitly applied, practical manner, is suggested. Empirical support for this approach exists. For example, Wilhelm (2008) found that with an integrated strategy, ethical reasoning considerations can successfully be incorporated into core business curriculum, resulting in increased capacity for moral reasoning among business students. Evans and Trevino (2006) cite findings indicating positive influence of a school's prestige and religious affiliation with regard to attention to ethics in the curriculum. This milieu effect, combining required courses with integration into the core curriculum, is quite promising.

Limitations of the study include the lack of a control group. Because the course is required for and offered solely to undergraduate business majors in their sophomore year of study, no comparable student group exists. I attempt to mitigate this limitation by exploring outcomes with all business sophomores in each of four disciplinary areas (accountancy, finance, management and marketing) and utilizing the same case across multiple sections of the course. Further, because students self-select into sections of the course, random

assignment of students, for example to instructors or by time of day, was not possible. Though the same textbook and syllabi were used across sections, instructor effect is also an opportunity for future analysis, though not a focus of this study of a team-teaching, collaborative environment. Finally, the time constraint present at post-test but not at pre-test may also have implications, discussed above. Our exploratory investigation provides the foundation for additional checks of reliability and validity in the longitudinal study and in future iterations of the case study analysis.

7. Conclusion

Despite the limitations noted above, the study allows for analysis of learning outcomes associated with a business ethics curriculum and provides support for an integrated curriculum, including pedagogy with a focus on theory and application. As noted, continued expansion of courses that involve capacity for and implementation of moral judgment at the university studied, including Giving Voice to Values, Ethics and Compliance, UN Global Compact, and related courses, is important to recognize and provide venues for the third and perhaps most important component identified in the college's ethics curriculum goals— proclivity toward action, or moral character and competence (Item 4 on the Four Component Model of Morality). Again, *moral character and competence* acknowledge that sensitivity, judgment, and prioritization of moral values must lead to moral character and competence, or moral behavior will fail. Practical, relevant opportunities to "try out" these skills are fundamental. As reflected in our results, students exhibited the most change in the component related to *knowledge of* ethical concepts and theoretical perspectives. This clearly reflects the focus on theoretical foundations provided in the Introduction to Business Ethics course. The opportunity for growth in their ability to explore practical resolutions and proclivity toward moral action indicates that the area of applied decision-making has more room for development.

We know that students who practice "voicing values" to their peers and colleagues, implementing values-based decisions, recognizing, defining and prioritizing values, and developing skills and ego strength are better equipped, capable, and likely to exhibit moral behavior (Nucci and Narvaez 2008, Gentile 2007). Because "knowing" the right thing to do does not always lead to "doing" the right thing (witness, for example, the corporate ethics statements of many companies involved in recent scandals), students must be equipped toward moral behavior and be able to demonstrate it in practice. A strong curriculum in conceptual foundations of business ethics, course opportunities for application of these concepts within the core business disciplines of management, marketing, accountancy and finance, opportunities to witness modeling and practice action, and reinforcement by the college and university culture are necessary to provide a business education consistent with goals of moral development.

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Appendix

CASE STUDY RESPONSE EVALUATION RUBRIC
University of Notre Dame Mendoza College of Business

Discussion necessary for administering rubric; overview provided here for informational purposes.

ITEMS #1 and 2

Can you identify any major principles/theories that would relate to this case?	
POINTS	KEY WORDS
	None
1 (each)	Privacy/law Conscience
2 (each)	Respect of students Privacy violation (ethical consideration/principle of violating privacy, not simply violation of "law") Universities should protect students Exploitation of students/taking advantage of/creating debt Deception False advertising/unfavorable terms for students Honesty Conflict of interest
3 (each)	Responsibilities/duty-based ethics Exploitation of students/taking advantage of (relevance to ethical duties/responsibilities) Integrity Utilitarian ethics Deontology/"means to an end"/Kantian ethics Rights Any of Ross's/Audi's 10 virtues: Justice, Non-injury, Fidelity, Veracity, Reparation, Beneficence, Self-improvement, Gratitude, Liberty, Respectfulness Virtue/virtue ethics Meaning and value of work Relativism Definitions of CSR—classical model, neoclassical/moral minimum, stakeholder theory Human fulfillment, liberal, classical model of work
+1 Add one point for:	Explanation of terms by citing, defining, and noting relevance of concepts

ITEM 3

Who has an interest or stake in this situation?	
POINTS	KEY WORDS
	None
2 (+2 if more than two from micro level)	Students Parents Primary stakeholders/other at individual level/micro
4	Schools Banks Retailers Alumni associations Other organizational/mezzo
5	Society Macro/i.e. "contributed to the financial crisis"

ITEM 4

What is your suggestion for resolving this case?*	
POINTS	KEY WORDS
0	None
1	Secure students' permission simple
2	Disclose relationship with banks Informed of risks/disclosed information about relationships (information and disclosure)
3	Contract, but stop marketing the cards Do not offer incentives (proactive information and disclosure)
4	Education of students For students under 21, parents must co-sign Offer credit cards only to Alumni (proactive minimal)
5	Universities should offer financial classes Students should take a credit card company online quiz or other financial literacy "pre-test" Negotiate better terms for students Students must be 21 years old for a University credit card Form a standard nation-wide student program (fixed rate) Stop marketing to undergrads and market only to those over 21 (proactive, policy/process changes)

* Discussion necessary for evaluation. Here consider Moral Character/Competence/Execution components—toward implementation